

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Management



Diploma Thesis

Analysis of incoming tourists from Russia to the Czech Republic: Case study

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DIPLOMA THESIS ASSIGNMENT

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Thesis title

Analysis of incoming tourists from Russia to the Czech Republic: A Case Study

Objectives of thesis

The purposes of the diploma thesis are to analyze the number of incoming tourists from Russian Federation to the Czech Republic with case study of tourist information office, located on Legerova 48, Prague 2. Evaluate the involve, expenses for accommodation and excursions and their significance for economics of Czech Republic. To estimate various variables such as flow of Russian tourist, their income, price of tours in the Russian language, seasonal impact, accommodation price, age and gender of tourists. To analyze how the current economic situation in Russian Federation effects on the number and price of purchased tours. A forecast of excursion production in the country for the next year. Evaluate impact of this variables on number of purchased tours on Russian language in the tour market of The Czech Republic.

Methodology

The research used a number of general scientific and special research methods of processes and phenomena in their interrelation and development. To fulfill objectives of this thesis, in theoretical part have been taken methods such as abstraction, synthesis, observation and deduction from the proper books and articles for gathering data.

Among the scientific methods knowledge necessary to select by theoretical, historical, deduction and induction methods, the comparison with statistical data from previous years according to Czech Statistical Office from 2006 to the end of 2016, that display volume of tourists that comes to The Czech Republic in a whole and the Russian tourists as a separated part of observation, quantity of tours that was bought and volume of money that spend for it.

For practical part of diploma thesis was solved to use data from Tourist information Office, that located on Legerova 48, Prague 2. This office has a statistical data about accommodation price, number of incoming Russian tourists and number of days, that they spend in the Czech Republic.

The first econometric model using by estimate and calculate linear trend function of the tour production in a time series from 2004 to 2017, because data could be used from the start working of concrete Tourist Office. That helps to make forecast touched flow of incoming tourists for the next year. All calculation and tables of the econometrics model using by hand and Microsoft Excel and Gretl program. For accuracy of determining the relationship between model variables, the time-period is taken from 2004 to 2017. Tour

consumption was established as the dependent variable, with income, price of tours in Russian language, accommodation price, age and gender of tourists as independent variables.



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Declaration

I declare that I have worked on my diploma thesis titled "Analysis of incoming tourists from Russia to the Czech Republic: Case study" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 29.03.2018

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I would like to thank my supervisor Ing. Petr Prochazka, MSc, Ph. D. for his advice and support during my work on this thesis.

Analysis of incoming tourists from Russia to the Czech Republic: Case study

Summary

The aims of the diploma thesis are to evaluate the number of incoming tourists from Russia to the Czech Republic with case study of tourist information office, evaluate the involve, expenses for accommodation and excursions and their significance for economics of Czech Republic..

The first part of diploma thesis consist of theoretical aspects about flow of Russian tourists, their income, price of tours in Russian language, accommodation price, age and gender of tourists. Basic information about tourism in general, as well as the peculiarities of tourism in the Czech Republic.

The practical part consist of observe various variables such as Evaluate how the current economic situation in Russian Federation effects on the number and price of purchased tours. Evaluate impact of this variables on number of purchased tours on Russian language in the tour market of The Czech Republic basic on Tourist Information data. All calculation and tables of the econometrics model using by Gretl program. For accuracy of determining the relationship between model variables, the time-period is taken from 2002 to 2017

Keywords: Czech Republic, tourism, accommodation price, tour price, consumption, destinations, profit, Russia

Analýza příchozích turistů z Ruska do České republiky: Případová studie

Souhrn

Cílem této diplomové práce je zhodnotit počet příchozích turistů z Ruska do ČR s případovou studií turistické informační kanceláře, zhodnotit zapojení, výdaje na ubytování a exkurze a jejich význam pro ekonomiku České republiky. První část diplomové práce se skládá z teoretických aspektů toku ruských turistů, jejich příjmů, ceny prohlídek v ruštině, ceny ubytování, věku a pohlaví turistů. Základní informace o cestovním ruchu obecně, stejně jako o zvláštlostech cestovního ruchu v České republice. Praktická část spočívá v pozorování různých proměnných, jako je například posouzení, jakým způsobem ovlivňuje současná ekonomická situace v Ruské federaci počet a cena zakoupených zájezdů. Vyhodnoťte dopad těchto proměnných na počet zakoupených zájezdů na ruský jazyk na torném trhu České republiky na základě údajů o turistických informacích. Všechny výpočty a tabulky ekonometrického modelu používané programem Gretl. Pro přesnost určení vztahu mezi modelovými proměnnými je časové období od roku 2002 do roku 2017

Klíčová slova: Česká republika, cestovní ruch, cena ubytování, cena zájezdu, spotřeba, destinace, zisk, Rusko

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1. Introduction

The relevance of research in the field of tourism is growing every year, along with the popularity and overall availability of travel. The Czech Republic occupies quite a significant place in international tourism, while the main motives for visiting its tourists are different: rest, sightseeing, business, cultural events, shopping, visiting relatives and friends, and others. Today, tourists in the Czech Republic takes about 130 historical complexes which is unique. Some accommodation facilities are included in the UNESCO World Heritage List - for example, Český Krumlov, Telč, Kroměříž, Litomyšl. The Czech Republic is among the ten most visited countries in the world. It is a beautiful country with a rich historical past. Rest in it is more affordable, than in Western Europe, and the impressions are bright. In general, tourists come to the Czech Republic from Germany, Italy, Great Britain, Russian Federation, Holland, Poland and Slovakia.

The Czech Tourist Industry provides a good opportunity to get acquainted with its cultural and historical sights, many of which were preserved in their original form. Only castles, hailstones and fortresses on the territory of the Czech Republic are more than two thousand. In an environment of well-kept parks, they decorate and complement the picturesque natural landscape. The historical towns of Prague, Český Krumlov, Kutná Hora and Telč, added in the UNESCO World Heritage List, are of great interest to tourists.

However, recently the share of tourists from Russian Federation to the Czech Republic has decreased, which is due to socio-economic events in Europe and the world in the last 2 years. Meanwhile, the attractiveness of the Czech Republic for tourists from Russia continues to be high. Taking into account all the above, the theme of the research was formulated - Analyze of incoming tourists from Russian Federation to the Czech Republic: Case study.

2. Objectives and Methodology

2.1 Objectives

The purposes of the diploma thesis are to analyze the number of incoming tourists from Russian Federation to the Czech Republic with case study of tourist information office, located on Legerova 48, Prague 2. Evaluate the involve, expenses for accommodation and excursions and their significance for economics of Czech Republic. To estimate various variables such as flow of Russian tourist, their income, price of tours in the Russian language, seasonal impact, accommodation price, age and gender of tourists. To analyze how the current economic situation in Russian Federation effects on the number and price of purchased tours. A forecast of excursion production in the country for the next year. Evaluate impact of this variables on number of purchased tours on Russian language in the tour market of The Czech Republic.

2.2 Hypothesis:

H1: tour price is the strongest factor affecting the profit from tours sold in Russia language;

H2: if the number of guests staying in apartments decreases, it will lead to a significant decrease of profit from tours sold in Russia language;

H3: If the number tours sold increases by 10%, it will lead to increase profit from a tours sold in Russian language on 15%

2.3 Methodology

The research used a number of general scientific and special research methods of processes and phenomena in their interrelation and development. To fulfill objectives of this thesis, in theoretical part have been taken methods such as abstraction, synthesis, observation and deduction from the proper books and articles for gathering data.

Among the scientific methods knowledge necessary to select by theoretical, historical, deduction and induction methods, the comparison with statistical data from previous years according to Czech Statistical Office from 2007 to the end of 2017, that display volume of tourists that comes to The Czech Republic in a whole and the Russian tourists as a separated part of observation, quantity of tours that was bought and volume of money that spend for it.

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The first econometric model using by estimate and calculate linear trend function of the tour production in a time series from 2002 to 2017, because data could be used from the start working of concrete Tourist Office. That helps to make forecast touched flow of incoming tourists for the next year. All calculation and tables of the econometrics model using by hand and Microsoft Excel and Gretl program. For accuracy of determining the relationship between model variables, the time-period is taken from 2007 to 2017. Tour consumption was established as the dependent variable, with income, price of tours in Russian language, accommodation price, age and gender of tourists as independent variables.

2.4 Research Limitations

For the study, it was decided to use the statistical data and information from the tourist office. This point of sale of tours is also a round-the-clock point of registration of tourists who stay in apartments located in the same building. Thus, the actual dependence of the number of sold tours and factors that influence the choice of tourists to a greater or lesser extent. It was decided to use the date from the beginning of the work of the apartments and the point of sale of tours directly at the front desk. The data will be used from 2002 to 2017, because in this case the simulation for 2018 will be more realistic to the present data.

3. Theoretical Part

3.1. Tourism

3.1.1 Definition

By the beginning of the 21st century, many definitions of tourism have accumulated. The first definition was formulated as early as 1905. “A phenomenon of unique to modern time which is dependent on peoples increasing needs for a change and relaxing, the wish of recognizing the beauties of nature and art and the belief that nature gives happiness to human beings and which helps nations and and communities approaching to each other thanks to the developments in commerce and industry and communication and transportation tools becoming excellent.” – The first definition of tourism made by Guyer – Feuler. [Baum, 2001]

“Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.” [OECD, 2008]

From this definition, several legal conclusions can be drawn:

1. Tour (walk, trip) seems a narrower concept than tourism, one can say - one of the sides of tourism, tourism in general.
2. Tourism is a kind of travel, by name, travel under a certain condition (free time).
3. Tourism acts as one of the types of recreation, but it is recreation that is active, requiring the performance of certain actions.

We also add that recreation is referred to as a kind of entertainment and/or recreational entertainment, but they are usually carried out in stationary complexes (recreational areas, discotheques, casinos, concert halls, and palaces, etc.) and act as one part of the tour elements which can be entertainment, as well as training and/or shop services, etc.

It is necessary to note the connection between tourism and show business [Fyall, Alan, 2008]

- one can say that these are seemingly interpenetrating concepts: during the tour concerts, festivals and other show events can be planned; on the other hand, the show program may include, in addition, to show events, sightseeing, sports and other tours.

The flow of tourists from Russia to the Czech Republic is restored after the fall [CSO, 2017] in demand due to the crisis. According to statistics for the first quarter of 2017, the increase in the number of tourists from Russia amounted to about 45% compared with January-March last year. Russian tourists come to the Czech Republic on average for five

nights with a tourist purpose and for two, three weeks for treatment. The restoration of the Russian tourist flow to the Czech Republic was facilitated by the strengthening of the ruble.

According to the Federal State Statistics Service, for the first quarter of 2017, the Czech Republic ranks 17th among Russians among popular destinations. [CSO, 2017]

Types of tourism

According to The World Tourism Organization tourism [UNWTO Workshop, July 2006] distinguishes the following five types:

- Domestic tourism: is the tourism of resident visitors within the economic territory of the country of reference.

- Inbound tourism: is the tourism of non-resident visitors within the economic territory of the country of reference.

- Outbound tourism: is the tourism of resident visitors outside the economic territory of the country of reference.

- Internal tourism: is the tourism of visitors, both resident and non-resident, within the economic territory of the country of reference.

- National tourism: is the tourism of resident visitors, within and outside the economic territory of the country of reference.

One and the same tourist can be considered as entering and leaving, depending on the country in which it moves. Here, the country of origin of the tourist, which he leaves, and the destination country, where he arrives, are distinguished. Usually, countries are interested in developing inbound tourism, attracting foreign exchange resources, stimulating economic activity.

The professor Goncharova [Tab. 1, 2014] offers the following categories of sorting tourism.

Cultural Tourism - It type of tourism when people are interested to know how people from another part of planet live communities stay, survive and prosper. The kind of culture they practice their art and music is different from ours. So in order to acquire knowledge, understands culture well, to become familiar with the culture, they undertake journey. If the objective of one's visit to a particular place is to get to know its history and culture then this type of tourism is known as cultural tourism. Tourists may visit different landmarks of a particular country or they may simply opt to focus on just one area. They may also attend

festivals and ceremonies in order to gain a better understanding of the people, their beliefs and their practices. If the objective of one's visit to a particular place is to get to know its history and culture then this type of tourism is known as cultural tourism. Tourists may visit different landmarks of a particular country or they may simply opt to focus on just one area. They may also attend festivals and ceremonies in order to gain a better understanding of the people, their beliefs and their practices.

Religions Tourism - There are two main directions [Timothy, 2006] of religious tourism, and each has its own peculiarities: sightseeing tours, whose purpose is to visit monuments, temples, museums; organized pilgrimage trips, suggesting a visit to the world centers of religions, as well as travel to places that played an important role in the formation and dissemination of a particular religion. In the first case, people seek to enrich their spiritual world, broaden their horizons and gain new knowledge about the history of religion. Since the cult buildings in many countries are at the same time and their main sights, it becomes obvious the popularity of religious tourism. The second type of travel, most likely, will suit people who travel on the basis of spiritual motives, and dream to worship shrines.

Health tourism- Medical tourism is carried out with the purpose of health promotion and provides for stay in sanatorium-and-spa institutions.

The features of medical and health tourism [Reisman, 2010] are:

- The duration of stay, which should be at least three weeks, regardless of the type of resort and disease, because only during this time you can achieve a health effect;

- High cost of stay and treatment - the usual treatment at the resorts is expensive, so this type of tourism is designed for wealthy clients who order an individual program of stay and treatment;

- Age - as shown by statistics, the resorts are more often people of the older age group, although recently resorts are chosen by middle-aged people suffering from ailments. The choice is made between resorts specializing in the treatment of a particular disease, and resorts of a mixed type, which generally strengthens health and promotes recovery and stress relief.

Social tourism is any type of active recreation, the costs for which the tourist is fully or partially compensated from social funds. The federal law on the basics of tourism activities to the social includes tourism, fully or partially carried out at the expense of

budgetary funds, state extra-budgetary funds (including funds allocated under state social assistance), as well as employer funds.

Today, the most relevant area in this area is agricultural, or agro tourism, which gives residents of large cities an opportunity to visit the countryside, get acquainted with the provincial way of life, the life of peasant farms. As a rule, in agro tourism, activities such as animation and master classes are used that make it possible to beautifully present the traditions and customs of the region.

Visiting friends and relatives (VFR) tourism accounts for a substantial amount of worldwide travel, yet has received comparatively little attention regarding its impacts on sustainability. Nevertheless, this type of tourism account for 27% in the world according to Current Issues in Tourism [Backer, 2007]. Despite such a wide spread, this segment of world tourism remains poorly studied. Many tour operators regard this sector as unattractive, which is explained by a number of circumstances. Ignoring this type of tourism occurs for 3 reasons, namely: a small economic contribution to the development of directions, the impossibility of planning and the impossibility of applying marketing strategies. The original purpose of travel does not determine the mode of settlement: travelers can stop, like with friends and in hotels or apartments.

According to the International Recommendations on Tourism Statistics, developed by the World Tourism Organization, "*education and training*" trips are associated with core activities such as attending short courses, passing certain training programs (formal or informal), or acquiring certain skills through formal courses. In this case, the term "tourism" refers to the activities of travelers traveling to a primary destination outside their normal environment for a period of less than a year for any primary purpose, with the exception of the purpose of employment for an enterprise registered in the country or place of visit. The most popular were the following types of educational tourism:

- study tours for the purpose of learning a foreign language or those or other general educational or special subjects;
- study visits to institutions, organizations and enterprises;
- scientific and training internships in institutions, organizations and enterprises;
- participation in seminars, conferences, congresses, congresses, creative workshops and master classes, the purpose of which is exchange of experience and obtaining new professionally important information;

- sightseeing tours to various cities, natural areas and countries.

Language tours are organized mainly in countries where the national languages are the languages widely spoken in the world as being most used in England, the USA, France, Spain, Germany, Italy, Portugal. Language courses can be: intensive and general; business courses, preparation for international exams; courses on vacation (combination of leisure with learning the language); one-on-one and group training; academic courses aimed at entering the university.

Tours with the study of foreign languages are popular among clients of different ages - from children and their parents, who buy tours in order to facilitate language learning, to adult entrepreneurs interested in colloquial business language for various negotiations. Language programs are designed for children from the age of 5. But proposals for such small children so far do not have much demand, but schoolchildren 10-17 years old parents are sent to study much more willingly. Graduation of language tours by age is the following: schoolchildren, students, adults (the latter accounting for 10% of the total flow).

Shopping tourism is trip to other cities and countries for the purpose of shopping in local stores and pastime in shopping and entertainment complexes. This kind of travel is a type of business tourism and originated in time immemorial. Most likely, shopping tourism originates in the time of the primitive system, when representatives of the tribes made far journeys for the purpose of barter trade. One of the first permanent routes of shopping tourism can be considered the Great Silk Road and the trade route from the Varangians to the Greeks. Of course, in those days shopping tourism was the lot of units, the real mass character (like the name itself) it acquired at the end of the twentieth century. Today, shopping tourism is extremely diverse and is available to wealthy people, as well as middle-income tourists and even for young people. According to UNWTO statistics shopping destinations are leading Las Vegas, Paris, New York, Milan and Miami. For each of these cities, certain groups of goods are characteristic, for the purchase of which travel is made. However, shopping trips to most cities are carried out with the goal of buying inexpensive brand clothes. Occupying the first place, Las Vegas is famous for its chic boutiques of famous brands, where 69% of gamblers come to this center according to statistics. Paris and Milan are the world's fashion capitals and fashion and footwear lovers from all over the world also go there for shopping. And, for example, in Tokyo, which closes the top ten most

popular shopping capitals, often go to buy cutting-edge technology or outdated (in terms of Japanese), but very cheap electronics.

Sex tourism is a journey to satisfy sexual needs, in particular with the help of prostitutes. The World Tourism Organization, defines sex tourism as "travel organized within or outside the tourism sector, but using its structures and networks, the main purpose of which is to conduct commercial sexual relations between a tourist and residents at the destination"[UNWTO, 1995]

The phenomenon of sex tourism raises various social problems, for example, when individual countries or cities acquire a reputation as a popular destination for sex tourism. Among the causes of sex tourism can be identified: lower prices in the country of destination, easier access to prostitutes (for example, in some countries prostitution is legalized), access to child prostitution. Most sex tourists are men. Among their preferred countries are Cambodia, Brazil, the Dominican Republic, the Netherlands (in particular Amsterdam), Kenya, the Philippines, Colombia, Thailand, Cuba, Indonesia (in particular Bali), Ukraine.

Less common sex tourism among female travelers. To this end, they are more likely to visit: Brazil, Southern Europe (Portugal, Greece, Croatia, Spain), Turkey, the Caribbean islands (Jamaica, Barbados, Dominican Republic), some African countries (Tunisia, Gambia, Kenya). Less frequent are countries such as El Salvador, Mexico, Peru, Fiji.

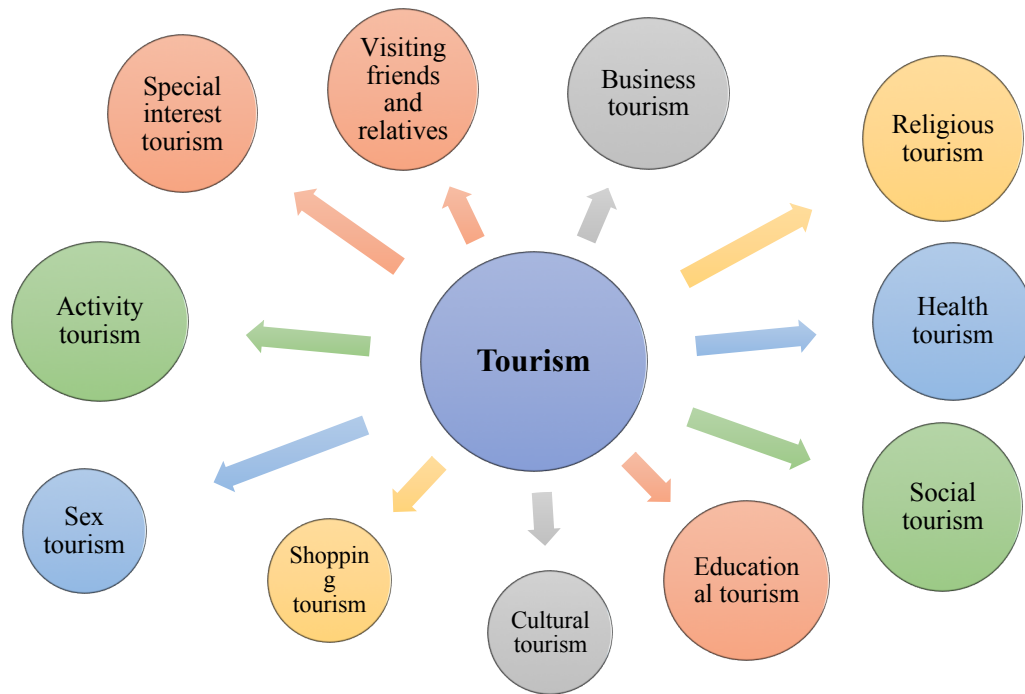
Activity tourism is all that sport activity, which involves physical activity, muscle work and, as a result, the constant pleasure of feeling healthy and strong, without sharing sports from tourism.

Conventionally, the types of active recreation can be divided into water and land. To the first we will take almost the most popular today diving (and also snorkeling) and surfing (which includes various pranks with a foam board on the waves - kite and windsurfing), rafting and kayaking, water skiing and other motorized water sports. By the second - no less popular mountain skiing and flat ski walks, biking tours and the mountain bike, so beloved by a young generation, all kinds of ways to conquer mountain peaks - rock climbing, climbing, climbing glaciers, etc., horseback riding, unchanged fishing and hunting, accessible to all "tent" tourism and really quite banal jogging and roller skating.

Business tourism is an important and rather complicated branch of the tourist business. [Goncharova, 2014] High responsibility, attention to detail and the ability to quickly and efficiently navigate in the event of possible roughness during the trip are the key

skills that a manager who organizes a business trip should possess. From other types of tourism, business is primarily characterized by the monetary component of the issue: from how well the trip will develop, the multi-millions dollar profit (or, conversely, the loss) of the company depends, so that the risks here are high. Exhibitions are one of the main segments of business tourism. In the world, up to 30,000 exhibitions of various subjects are held annually, where businessmen can communicate with colleagues, learn about the innovations of their industry and conclude contracts.

Figure 1. Types of tourism



Source: Goncharova, 2014

With the help of the above literary sources, we were able to draw up the following scheme of forms and types of tourism. UNWTO [1995] allocates only 6 main types of tourism, Becker [2007] and Goncharova [2014] added another type to typical for a more extensive and in-depth analysis.

3.1.2 Travelers and classification of travelers

The consumer of a tourist product (tourist) as a subject of the management system in tourism is any individual who uses, buys or intends to purchase tourist services (tour

product) to meet his own needs. Considering this, in the management of tourist activities, take into account the typology of tourists on various grounds. Typology of tourists - an important element of the work of managers of the travel agency. Before you offer a specific route to a client, you should determine which type it belongs to, and only then, taking into account the characteristics of the tourist, continue to work with him.

Prebensen, Larsen, Abelsen (2014) in their social research work identifies travelers by their characteristics, trip-related factors in the decision-making process, and perception of adventure travel and highlights the following six types of travelers.

The first type is a tourist that love to spend relaxing holiday. They usually buy a tour in order to get pleasure from good health, getting rid of boredom and routine. They go on vacation in order to get rid of everyday stress and relax in a pleasant environment; Avoid strangers and large crowds of people. Such vacationers are attracted by the sun, sand, sea. Actually, changing the place as such does not bring them joy and pleasure.

Fans of pleasure during the holiday is the second type of tourists according to Prebensen (2014). They are busy searching for a variety of pleasures and prefer a secular atmosphere. Travel for pleasure changes its criteria over time. For example, the older generation is confident that the work itself is a pleasure, and the current believes that entertainment and work are different things and the journey allows you to remove emotional and physical fatigue from work, is associated with flirting, constant change of occupation, long distances etc.

Third type is a Fans of active leisure prefer movement, staying in the fresh air, communication with nature, active load of one's own organism. Often this group includes those who are engaged in passive physical labor, or those who can not translate their ideas and desires into the movement in everyday life. They prefer a measured movement and stay in the fresh air. Such a vacation can be combined with treatment.

Fourth type are Fans of sports rest are tourists-sportsmen, all of whose attention is concentrated on sports competitions. Sport is their hobby. They are not afraid of physical activity. In addition, millions of tourists attend various sporting events. Interest in the sport in the role of both the participant and the spectator is manifested by all segments of the population.

Fifth type are Vacationers with the purpose of training, knowledge of the surrounding world are interested in raising their own educational level, in learning about the new. Therefore, as a rule, they visit places rich in historical and cultural values.

Among them there are three subgroups:

- Those who visit places identified in the guidebooks;
- Those who do not visit the sights, but devotes to finding places where you can feel a special atmosphere;
- Those who have clearly expressed cultural and socio-scientific interests or preference.

Adventure lovers are tourists, whose main need is passion. Only some people travel on their own, really putting themselves at serious risk. Adventurers can include tourists who are waiting for unusual impressions with a certain risk share, i.e. for which risk is an opportunity to test yourself. For individual tourists, it turns into a passion, as strong as drugs.

In his book, Reisman (2010) presents a typology of tourists that different from the previous one, which, in my opinion, most accurately reflects the types of tourists and their behavior.

Typology of tourists on the basis of lifestyle suggests a more in-depth approach to the selection of types because it considers the person and his behavior is not isolated, but in connection with the life position, attitude to different things and desires. Dependence on the lifestyle distinguish four types of tourists:

- Lovers of pleasure make very high demands on the quality of leisure. For them, traveling is a way of self-expression. The goal of recreation is to have fun, they allow themselves some weakness or wanting to get a sports load;

- Tendentious tourists, for whom rest is associated with the opportunity to find and manifest themselves as a person. This holidaymakers with high demands, but unlike the previous group do not require the conditions of the "luxury" class. They are waiting for solitude with nature, silence, the possibility of psychological detente; aware of the problems of the environment, are interested in the politics and culture of the region, are going to visit;

- Family tourists - only families with children who prefer to relax with family, relatives, friends. They relax in a comfortable and peaceful environment, buy services at favorable prices, often serve themselves, do not like to be disturbed;

- Tourists oriented exclusively to rest, relatively passive, spend their holidays traditionally: they enjoy silence, sleep for a long time, like to eat deliciously and eat a lot, making short walks and short trips. Fans of this holiday are happy if they can keep their favourite habits during the holiday because they do not like experiments.

There are also so-called figurative typologies that can be applied to both potential and real clients of travel agencies. Some of the now popular "figurative" typologies to promising customer changes in the near future. Tourists can be classified according to the following characteristics: depending on their activity or depending on lifestyle. Traditionally among tourists on their activity during the holidays there are six groups: 1) Fans of a relaxing holiday. Its representatives go on vacation in order to get rid of everyday stress and relax in a calm and pleasant environment. They are afraid of strangers and large crowds of people. Quiet vacationers are attracted to the sun, sand and the sea. 2) Lovers of pleasure. This is a type of very adventurous tourists who, during their holidays, are looking for a variety of pleasures and prefer a secular atmosphere. For them, words like flirting, long walks and nightly entertainment are most often used. 3) Fans of outdoor activities. These tourists love nature and create an active load to their bodies. Prefer a measured movement and stay in the fresh air. Their vacation can be combined with treatment. 4) Fans of sports recreation. In contrast to actively resting at tourists-athletes, all attention is concentrated on competitions. For them, sports are very important - their hobby. They are not afraid of physical exertion. 5) Vacationers for the purpose of learning, studying. This type of tourists is interested in raising their educational level, knowledge of the new. 6) Lovers of adventure. Only a few fans of thrill go on a journey alone and at the same time expose themselves to a really serious risk. To the type of adventurers can be attributed to such tourists who are looking for unusual experiences with a certain risk. For them, risk is an opportunity to test yourself.

The United Nations World Tourst Organization [1995] offers to divide all tourists in their relation to leisure are divided into several types of personality:

The first type is enterprising tourists who plan ahead both working days and vacation days, so all the reasons and ideas for organizing leisure will be theirs. The main task of tour animators in working with this type of tourists is the ability to listen and execute an almost ready program, to play up to the enterprising tourists. It requires improvisation and in no case is it inadmissible to intercept the initiative.

The second type is business people, who are practically deprived of leisure in everyday life and even try to spend their free time with maximum benefit for the cause. Most often these are businessmen, managers, representatives of scientific and technical intelligentsia. This type of tourists prefers or has such leisure, which gives them the opportunity to improve (business games, scientific debates, etc.), or a quiet rest that gives them the opportunity to relax, rest from the rapid pace of life (fishing, hunting, going to nature,).

The third type is "highly specialized" tourists who have one great interest in life (collecting, designing, modeling, knitting, etc.). They devote all their free time to their favorite business, so they are best suited for club holidays. It is in the club of interests that such a tourist will receive the greatest moral satisfaction.

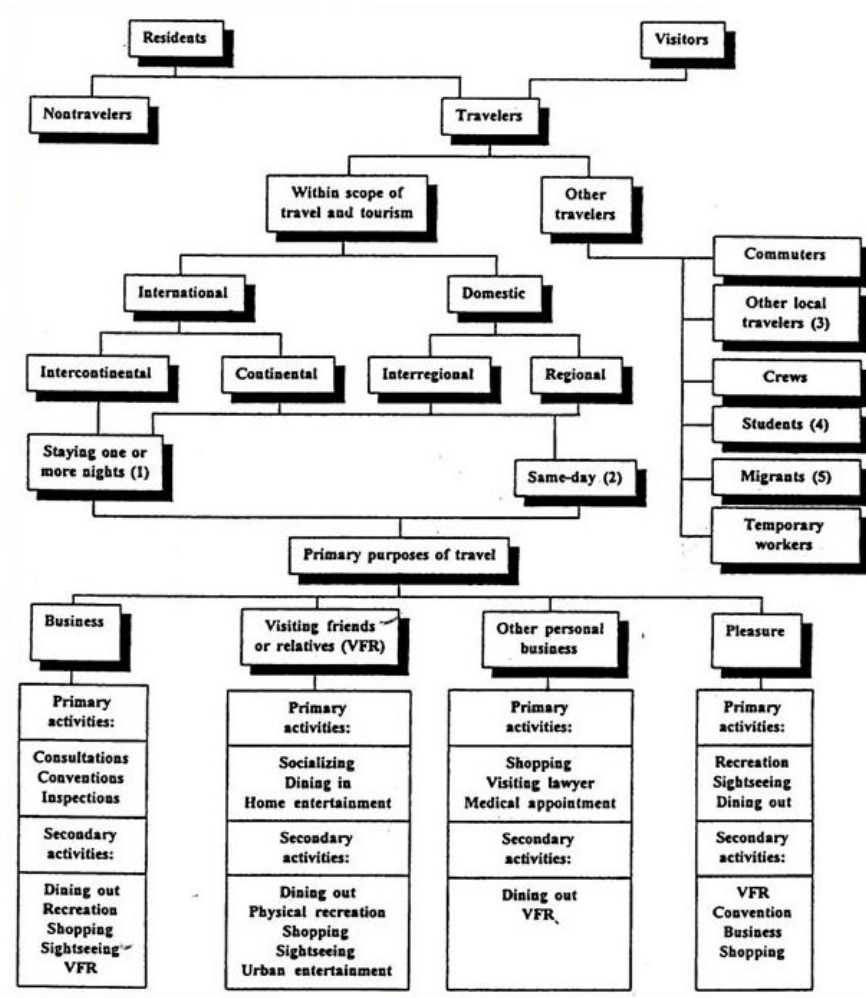
The fourth type is active tourists, who prefer to move as much as possible during their leisure (play sports games, participate in competitions and various events). Working with them is a pleasure, because they support any initiative. The program for such tourists should be made with the expectation of maximum physical activity.

The fifth type - passive tourists, prone to home forms of leisure (reading fiction, watching TV, a lot of rest on the beach). These people can sit by the TV for hours or read books. For this type of tourists will suit programs that include games on the beach, evening shows and video library.

The sixth type is incorrigible skeptics and grumblers. Unfortunately, there is a type of tourists. This is the most complex category of people. They are very difficult to engage in anything, however, given the variety of programs offered, they can find entertainment for themselves.

In the 'Tourism: Principles, Practices, Philosophies' book [2014] professor Charles offers the most complete scheme of types tourists (figure 2) includes students and immigrants, travelers whose trips are shorter than those that qualify for travel and tourism; e. g., under 80 km from home. Students traveling between home and school only — other travel of students is within scope of travel and tourism. All persons moving to a new place of residence including all one-way travelers, such as emigrants, immigrants, refugees, domestic migrants, and nomads.

Figure 2. Classification of travellers



Source: Charles, 2011

3.1.3. Specifics of Russian tourists

Those who work in tourism can easily find out in the crowd of Russian tourists. With the help of several researchers from Russia and other countries, we tried to find out the basic features that are most made up. Thus, the attention of sociologists is attracted to the socio-cultural characteristics and value orientations of social communities. [Grushevitskaya, T. Popkov, V. Saodokhin, A. 2003]

In the framework of this study, cultural shock is understood as a shock from a new shock, namely, the emotional shake-up of a tourist from an unexpected encounter with a new culture . Such an understanding of this term will make it possible to free the research attention from a deliberately negative assessment of this concept and its meanings and

analyze the patterns of behavior of a tourist from Russia abroad through the prism of the positive impact of cultural shock on his mental program. [Grushevitskaya. 2003]

To constructive models of behavior of a tourist from Russia abroad are: 1) cultural adaptation of a tourist; 2) integration of the tourist in a new culture; 3) development of the behavioral strategy of the "third culture".

Cultural adaptation of a tourist is his adaptation to the changing conditions of a new cultural environment, provided that the cultural environment itself remains unchanged. A tourist from Russia as a person without a significant experience of intercultural communication becomes disoriented when entering a new culture and analyzes possible ways of adapting to someone else's mentality, a new foreign language, unusual products and even unknown music. [Smolina. 2007]

As for the tourist from Russia, cultural adaptation as a model of his behavior abroad is the most common behavioral response, which is due to the characteristic features of the tourist's mental program. The main reason for the cultural shock and the need for cultural adaptation lies in the difference of cultures. In his native culture, a tourist from Russia is accustomed to build his behavior automatically, focusing not always consciously on the symbols, meanings and images of his native culture. The conditions of the new culture compel the Russian traveler to rethink the value system that is habitual for him, since his basis is completely different ideas, attitudes and values [Volkov, Dobrenkov, Nechipurenko, Popov. 2003]

Cultural adaptation of the tourist from Russia has a direct relationship to the processes of intercultural communication. In the conditions of everyday reality, a person perceives his ability to communicate as a reality and does not realize the true role of this ability until he encounters a situation of complete misunderstanding with a representative of another ethnic group [Volkov, Dobrenkov, Nechipurenko, Popov. 2003].

Subsequently, the tourist, as a rule, manages to overcome all the difficulties associated with immersion in another's cultural environment, he rethinks his behavior, seeks to enjoy the trip as a whole and takes for granted the cultural differences between guest and domestic cultural traditions and values. [Smolina, 2007]

As for the integration of a tourist into a new culture, in this case it is a process of mutual adaptation and integration of the culture of a tourist with a new culture. The rapprochement of cultures is a two-way process, observed not only by the tourist, but also

by the host culture. The existence of such a constructive model of the behavior of a tourist is conditioned by the comprehension of tourism as one of the leading factors of the world integration processes [Goncharova, Rozanova, Morozov. 2014]

Cultural integration of a tourist from Russia in the course of a trip abroad is usually complicated by the fact that initially it is difficult for a Russian traveler to imagine the existence of another way of life. The customs inherent in society are so deeply rooted in our consciousness that they seem second nature. At the first stage of intercultural communication, it is quite appropriate to judge the behavior of other groups based on the norms of one's own culture [Volkov, Yu. Dobrenkov, V. Nechipurenko, V. Popov, A. 2003].

It is this phenomenon in sociological studies that was called "ethnocentrism". Ethnocentrism can become a significant obstacle for comprehending a culturally alien one, since it is impossible to understand the behavior of other ethnoses if it is interpreted solely in the context of one's own values, beliefs and motives. For constructive intercultural communication, and therefore cultural integration in tourism practices, it is important to focus on cultural relativism, considering the behavior of another ethnic group primarily from the standpoint of its own culture [Smolina, 2007].

Cultural integration of a tourist from Russia during a foreign trip should be understood as a functional interdependence between different elements of culture, such as customs, institutions, cultural practices, imperatives of everyday life, etc. In the interaction of representatives of different cultural traditions, the harmonization of norms, the development of their respective behavior patterns are extremely important and do not always go away without pain [Volkov, Yu. Dobrenkov, V. Nechipurenko, V. Popov, A. 2003].

In different cultures, the connection between one or another form of cultural practice can vary considerably, which must be taken into account. Today, the most common integration model of behavior of tourists adhere to the countries of mass tourism, for example, Greece, Cyprus, Thailand, where the tourist market is aimed at the Russian tourist as one of the main consumers of tourist services. [UNWTO, 2005]

The development of the behavioral strategy of the "third culture" is yet another constructive model of the behavior of a tourist from Russia in the course of a foreign trip. Building its behavior in accordance with this model, the tourist seeks to develop new cultural values that were not previously characteristic of either the tourist or the host. Although the term "third culture" is commonly used in modern science to refer to the second generation

of immigrants, this study suggests an understanding of this term precisely in the context of tourism practices where it is appropriate to consider the "third culture" as a result of intercultural contacts and a new pragmatic system expressed in communicative forms, the use of which is possible only in the territory of a particular tourist region [Goncharova, 2011].

Traditionally, this pattern of behaviour tourists from Russia adhere, going on vacation to the most popular among Russian travellers to foreign regions, for example, to Turkey, namely the resorts of the Antalya coast. Under the influence of tourist practices, cultural values, perceptions and traditions at these resorts with each tourist season continue to be modified, even more orientated to the diverse needs of their guests, which is due to the significant role of tourism in the economic and socio-cultural spheres of these regions [Goncharova, Rozanova, Morozov. 2014]

For tourists from Russia, these regions tend to create an atmosphere "as at home", which allows Russian citizens to focus on the most usual for them to relax. When choosing the necessary model of behavior, a tourist from Russia, focusing on his mental program, first of all realizes that rest in the resort zones mentioned above does not require him to exert excessive efforts to establish intercultural contacts. [Goncharova, 2011].

Thanks to the mass tourist flow of Russians to the Antalya coast of Turkey, the local population already has all the levers for effective communication with Russian citizens.

Thus, to the constructive models of the behaviour of the tourist from Russia abroad, whose goal is to focus on the most effective result of intercultural interaction, which, as applied to tourist practice, includes the constructive translation of cultural values, the satisfaction of the tourist's needs for cognition through the acquisition of new experience, the formation of a positive impression about the host country, highly appreciated quality of the provided tourist services include: 1) cultural adaptation of the tourist; 2) integration of the tourist in a new culture; 3) development of the behavioural strategy of the "third culture".

Cultural adaptation of the tourist involves adapting the traveller to the changing conditions of the new cultural environment, provided that the cultural environment itself remains unchanged. A tourist from Russia gets disoriented when entering a new culture, experiences a cultural shock, which in this study is a shock from a new one, and analyses possible ways of adapting to a culturally alien one. The behavioural model of cultural integration is a process of mutual adaptation and integration of the culture of a tourist with

a new culture. As a result of the application of the behavioural model of cultural integration, a new picture of the world is formed in the tourist from Russia, the basis of which is the adoption and comprehension of cultural diversity, the dichotomy "one's own" is reduced, stability and tolerance are culturally alien to and culturally new.

The development of the behavioural strategy of the "third culture" is another constructive model of the tourist's behaviour from Russia abroad. "Third culture" in tourist realities is an integrated culture of two ethnic groups that have learned each other's spiritual values. The "third culture" is an extreme case of full integration into another's culture, when the boundaries between one's own and another's are erased when it is possible to speak about the formation of a multicultural person, and the identity of a person includes the life principles of not only his own cultural group [Goncharova, 2011].

The result is the acquisition of the ability to live in a daily changing world where the boundaries between countries and cultures are gradually eroding, and direct contact between people is becoming increasingly important.

Russian tourists are open, often overly trusting, differ in breadth of soul and optimism, are very fond of everything cheap, and even more is for nothing. They like to have a rest in a big way, because they spend a lot of time on rest, they eat and drink a lot. The health measures are treated with coolness because health in Russia is not yet considered the main human value. The older generation tends to intellectual forms of leisure, the middle generation prefers to beach, passive rest, and the youth on the contrary, loves active rest. Try to accommodate as many excursions as possible, do not speak foreign languages, ask for help in Russian.

In her thesis Zavyalova mentions 7 distinctive features that a Russian tourist can give out. These features do not necessarily apply to all tourists from the Russian Federation, but are inherent in many of them. So, a Russian tourist can be found by scandalous behaviour.

There is hardly a person who, during his overseas holiday, did not come across scandalous Russians. Then they have a towel in the room is not so, then the air conditioning is too strong blowing, the fish is salted. And all these moments must be clarified by shouting and accusations. Perhaps all because the Russians are used to fighting for the "service" all the time: in the queues of the savings bank, with the conductors in trams, with the saleswomen stuffing in the stores. This list can be infinite. Residents of Russia are

accustomed to the fact that if they do not start screaming first, then probably the service sector worker will outstrip them.

Professor Goncharova also notes rudeness behaviour towards the person of hotels and restaurants on the part of Russian tourists. This feature is directly related to the previous one. For some reason Russians are rude to each other in any situations and places: from passenger transport to the offices of officials. All, of course, can be explained by the difficult fate of the average Russian, but the fact remains. A real case from the practice of our editorial board: a few years ago, being in all-inclusive Sharm-el-Sheikh with 100% Russian-speaking contingent, they asked for a drink in the beach-bar, after which the Egyptian bartender called his partner with the words: "Look, this is the first person on the beach, who said "please."

The third distinctive feature of the professor called the appearance. Another stereotype about the "outstanding" Russian person features around the manner of dressing. It's no secret that European girls on vacation and at home often prefer comfortable and unpretentious clothes and a minimum of cosmetics. In this sense, Russians are very different. Taking with her to rest several suitcases with the best outfits, the Russian woman considers it her duty to "walk" each of them. And it does not bother her that it's breakfast time, and diamonds are on it. All in the same Sharm-el-Sheikh is absolutely typical to watch the pool beauty in a bathing suit with make-up and stilettos. Here you can talk about the desire to find a wealthy foreign groom or even an inferiority complex that you want to compensate for with rich clothes. Again, we must admit that yes, at home these girls are also dressed like that in the store for bread. Probably, this is already a feature of the mentality - to try to look like a queen in any situation.

Perhaps, this habit comes from the Soviet Union, because otherwise to explain this thirst everywhere to take turns and pushing elbows, if only to take the best place, cannot be explained. It seems that sausages in stores are not in short supply, and you do not have to stand for a piece of cloth from six in the morning, but still, perhaps, nostalgia for the former atmosphere wakes up from time to time. These tourists come at seven in the morning to the beach to throw a towel on the lounge, they say, busy, and go back to the room to fill up before dinner. [Smolina, 2007].

By storm take a tourist bus to have time to take places closer to the guide. The same tourists scatter kebabs and seafood from the buffet for five seconds after their appearance on the common dish. In all this there is a social background, conditioned by the Soviet past.

Many foreigners say that Russians do not like to smile. And there are no obvious reasons for such seriousness at first glance. Moreover, if someone dares to smile at a Russian person, he runs a lot of risk that his emotion will be perceived as hostile, as a mockery and ridicule.

Relations between the Russian people and alcohol have always been and will be special. [Goncharova, 2011].

Usually close communication with strong drinks begins even with the plane's ramp. Do you know that in fact it is impossible to open packages with a binge of duty free on board? Russian tourists, of course, do not interfere. However, most often the tanks are emptied before takeoff. If stewardesses carry alcohol for free on the flight, then guess who will claim two double whiskeys "to me and my friend"? That's right, of course the Russian. The same picture is observed in any hotel in Turkey or Egypt with the system all inclusive. And only Russian are ready to overpay for a low-quality binge in the countries where the drinking culture is not developed.

3.1. Economic Importance

Tourism as a sphere of economic activity has great importance and a number of characteristic features. Tourism serves the interests of man, society as a whole and is a source of income, both at the micro and macroeconomic levels. Tourism is becoming one of the main factors in creating additional jobs, accelerating the development of road and hotel construction, stimulating the production of all types of vehicles, contributing to the preservation of folk crafts and national culture of regions and countries. [Artemova, 2005]

Tourism has direct, indirect and induced impacts on local economies, these can often be largely divergent between countries, based on the structure of the sector but most importantly on how well linked tourism activities are with the local economy. Greater linkages generally translate into higher levels of local economic activity (and growth), which tend to occur when tourism enterprises source their goods and services (including labour) locally whilst low levels of economic linkages occur where tourism enterprises are dependent on imports (including staff) to supply their demands. The overall impacts of the sector are the sum of the direct, indirect and induced effects (WTTC, 2012a):

Table 1. Components of Direct, Indirect & Induced tourism contribution to GDP

Direct Contribution of Tourism	<i>Industries</i>	<ul style="list-style-type: none"> • Accommodation Services • Food & Beverage Services • Retail Trade • Transportation Services • Cultural, Sports & Recreational Services
	<i>Commodities</i>	<ul style="list-style-type: none"> • Accommodation • Transportation • Entertainment • Attractions
	<i>Sources of Spending</i>	<ul style="list-style-type: none"> • Resident's Domestic Spending • Business Domestic Travel Spending • Visitor Exports • Individual Government Tourism & Travel Spending
Indirect Contribution of Tourism		<ul style="list-style-type: none"> • Private tourism investment spending • Government collective tourism spending • Impact of Purchases from Suppliers
Induced Contribution of Tourism (spending of direct and indirect tourism employees)		<ul style="list-style-type: none"> • Food & Beverages • Recreation • Clothing • Housing • Household Goods

Source: WTTC, 2012a

According to Goncharova [2014]:

At the heart of the development of international tourism lie the following factors-opportunities:

1. Economic growth and social progress have led to an increase in the volume of not only business trips, but also trips with cognitive purposes.

2. The improvement of all modes of transport made the trips cheaper, making them possible for many sections of the population.

3. The increase in the number of hired workers and employees in economically developed countries and the increase in their material and cultural level have increased their desire for spiritual and cognitive values. According to Travel & Tourism Council in 2017 approximately 1 in 10 of all jobs in the world is a position in tourism sector. (WTTC, 2017)

4. The intensification of labor and the receipt of longer holidays by workers require a more meaningful holiday.

5. The development of interstate relations and cultural exchanges between countries led to the expansion of interpersonal ties both between and within regions.

6. The development of the service sector stimulated technological progress in the field of telecommunications, increased interest in visiting various countries and regions.

7. The weakening of the currency export restrictions in many countries and the simplification of border formalities also stimulate the development of tourism.

In 2016, 76.8% of all travel spend was as a result of leisure travel, compared to 23.2% from business travel. [WTTC, 2017]

Business tourism has a high degree of predictability, differs from other types of tourism factor all-season and is focused on generating high incomes. Unlike other existing types of tourism, this species has an intensive multiplicative effect not only on the tourist industry, but also on the entire economic state of the region, due to its active accelerated development and increasing efficiency.

Business tourism has an intensive influence on the level of investment attractiveness of the regions. This kind of tourist relations in terms of its economic content is very beneficial for destination, but as a rule, it faces problems and difficulties in terms of economic and financial nature, scientific and technical base, regulatory and production processes.

According to the forecasts of the World Tourism Organization, the number of tourist arrivals by 2020 will be 1.6 billion people, world tourism revenues in 2020 will increase to US\$9 trillion. [UNWTO, 2018].

Tourism is a very diversified branch of the economy, which is one of the main components of income in some countries, affecting the development of their economies and world cooperation. In many countries, tourism plays a significant role in the formation of the gross domestic product, creating additional jobs and providing employment for the population, and enhancing the foreign trade balance. [Fyall, 2008].

Tourism has a huge impact on key sectors of the economy, such as transport and communications, construction, agriculture, production of consumer goods and others, i.e. acts as a kind of catalyst for socio-economic development. In turn, the development of tourism is affected by various factors: demographic, natural-geographical, socio-economic, historical, religious and political-legal. The economic development of tourism is characterized by impressive data on the world economic market. They show that tourism is the most dynamically developing industry in many countries of the world and that its role in the world economy is continuously growing. [Zavyalova, 2014]

Tourism and its international component are an essential element of the world economy. International tourism is a complex, multi-purpose and, in some cases, multidirectional economic phenomenon that sufficiently fully embodies the main inherent mechanisms and consequences of the global economy. International tourism is present in export-import operations of world and regional trade in goods and services, international economic relations, is both a derivative and prerequisite for integration processes in the global economy. [WTTC, 2017]

Tourism is the fundamental basis of the economy of many developed and developing countries in the world. The basis of the modern tourist market, both qualitatively and quantitatively, is the paid leave of employees. Recently, the role of business trips, as well as trips of persons of retirement age, has been growing in tourism. The size and degree of influence of international tourism in the world can be assessed by the following indicators. [UNWTO, 2018]

Direct impact is the result of tourists spending on the purchase of goods and services, ensuring the replenishment of the budget through taxes, fees and other payments to enterprises of the tourism industry, thereby increasing the income of the country (region). [WTTC, 2017]

Revenues from tourism are generated as a result of tourist costs, such as complex trips, vacation packages and tours, accommodation, meals, transportation, etc., which are defined as the total amount of consumer spending made by the visitor during his trip and stay at the destination. The money that tourists spend at their place of residence creates income in general for the country.

Each euro, earned on the first turn of means and received in the form of income, again leaves the enterprise account. Thus, if third parties act as a supplier for a tourist enterprise, new incomes will result from primary incomes. And in this case, the income is obtained in increments. This process manifests itself in the effect of recurring tourist costs, which affects the economy of the country (region) as an indirect impact. This phenomenon will be determined by the effect of the multiplication received from one tourist, exceeding the amount spent by him at the place of stay for the purchase of services and goods. [Fyall, 2008].

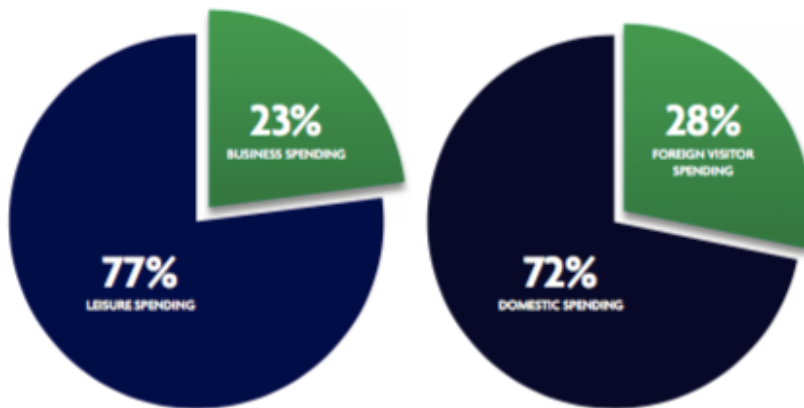
Money tourists start to work fully on the economy of the country when the tourist enterprise buys local goods. What makes it possible to use part of the income derived from

the proceeds from the sale of tourism services and goods, to pay salaries to employees, the creation of an accumulation fund and is directed to taxes. Thus, increasing income and managing the production of tourism products enhances the multiplication of tourist expenditure. But the more goods are imported from other regions, the effect of animation is less.

Domestic travel generated 72% of the sector's contribution to GDP, thus making a significantly larger contribution than international travel, with foreign visitor spending at 28% [WTTC, 2017]

Travel & Tourism is an export sector, attracting foreign spending to a country in the form of international visitors. In 2016, global visitor exports accounted for 6.6% of total world exports (a total of US\$1.4 trillion) and almost 30% of total world services exports. [WTTC, 2017]

Figure 3. Travel & tourism's contribution to global, GDP 2016



Source: WTTC, 2017

The combination of direct and indirect impacts is manifested through the influence of tourism on the balance of payments, which is expressed as the difference between the costs of foreign tourists in the country and the costs of residents of the same country abroad, taking into account the employment of the population and regional development. [UNWTO, 2018]

Tourism has an impact on the economy in almost all aspects of the fundamental definition of this area of society. [Charles, 2011]

In economic terms, tourism is considered:

1) as a certain set of social relations in the sphere of production, exchange and distribution of products;

2) part of the national economic complex of this country, including certain sectoral types of production and economic activities;

3) economic science that studies tourism as a branch of the economy of the country or region (tourism economy);

4) social science, studying behavior in the spheres of production of the tourist product, its consumption, distribution and exchange. Economists analyze the processes taking place in these spheres, predict their consequences for individuals, organizations and society as a whole;

5) modern economic theory that studies the behaviour of people as economic entities at all levels of the tourist economic system in the processes of production, distribution, exchange and consumption of tourist services in order to meet human needs with limited resources of the family, firm and society as a whole.

From the point of view of a fundamental economy, tourism is an economic complex, the development of which is largely explained by world economic processes and relations, rather than by immanent (internal) reasons. But tourism is also an important catalyst for the economic growth of many rapidly developing countries, as it acts as a channel for the redistribution of the gross national product between countries, which is not accompanied by the export (import) of goods and services. In other words, if tourists not only take out part of the money earned in other industries but create new jobs in other countries. [Smolina, 2007]

According to Volkov, modern tourism as an economic phenomenon could be divide:

1. has an industrial form;

2. acts as a tourist product and services that can not be accumulated and transported;

3. Creates new jobs and is often a pioneer in the development of new areas and a catalyst for the accelerated development of the national economy;

4. acts as a mechanism for the redistribution of national income in favor of countries specializing in tourism;

5. is a multiplier of growth of the national income, employment and development of local infrastructure and growth of a standard of living of local population;

6. characterized by a high level of efficiency and rapid return on investment;
7. acts as an effective means of protecting nature and cultural heritage, since it is these elements that form the basis of its resource base;
8. Compatible with virtually all branches of the economy and human activities, because it is their differentiation and discreteness that create the difference in the potentials of the recreational environment that causes people's needs for change of places and knowledge.

Thus, tourism is able to exert an active influence on the economy of the region (or country) in which it develops, on its economic, social and humanitarian bases. There is a direct link between trends in the development of the tourism industry and general economic, technical and social achievements. The growing standard of living in the developed industrial countries of the world leads to an increase in the duration of employee holidays and a sufficiently high level of pensions, which also has a significant impact on the development of tourism.

According to R. Charles, business tourism has gradually become one of the most significant and dynamic driving forces of the economy. To support culture, economics, education and medicine, it is necessary to involve the destination in international significant events. This imposes a substantial imprint on international relations, strengthens the image of the region or city abroad and leads to the integration of this aspect and the region into international space. Based on the above factors, it can be argued that business tourism, not determines only business trips, this is a set of important issues. At the local and global level, the type of tourism under study is a complex factor of development and has an important and integrated economic significance, as it contributes to the integration of the world economy, economies of individual countries and host regions. [WTTC, 2017]

Also important is the social significance, in which there is a creation of new places for workers and an effective increase in the level of education. Cultural influence contributes to the knowledge of the surrounding world, regional studies, the establishment of cultural and business relations, international cooperation. An innovative role is to develop business tourism, accompanied by innovations.

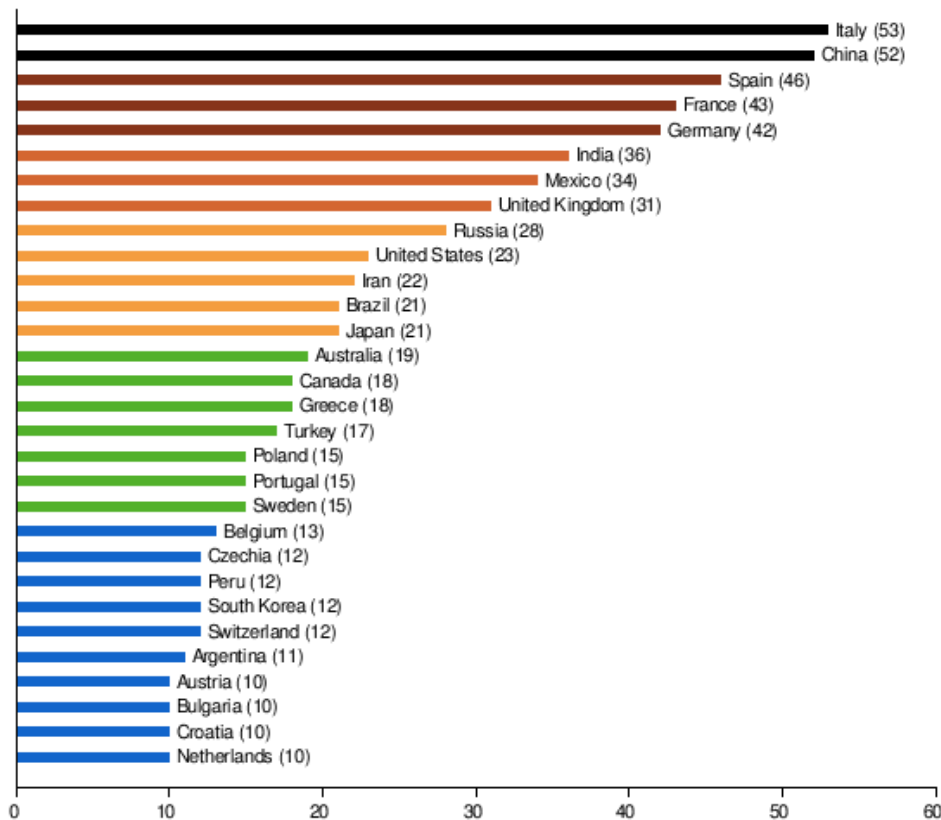
3.2.1 UNESCO

Historical, cultural, natural or man-made objects that must be preserved, restored (if it is necessary) and populated by virtue of a particular cultural, historical or environmental significance in the opinion of UNESCO (United Nations Educational, Scientific and Cultural Organization) experts.

In 1994, the World Heritage Committee launched the Global Strategy for a Representative, the Balanced and Credible World Heritage List. Its aim is to ensure that the List reflects the world's cultural and natural diversity of outstanding universal value. [UNESCO, 2018]

The program started on 16 November 1972 from the Convention Concerning the Protection of the World's Cultural and Natural Heritage. In the end of July 2017 list includes 1,073 sites: 832 cultural, 206 natural, and 35 mixed properties, in 167 states.

Figure 4. Countries with ten or more World Heritage Sites



Source: UNESCO 2017

3.1. Tourism in the Czech Republic

Czech Republic is a beautiful country with a rich historical past. It has many attractions that attract many tourists. Practically all cities, castles, thermal and ski resorts of the Czech Republic are worthy of mention. The Czech Republic managed to preserve most of the historical monuments in the Second World War.

Today in the Czech Republic, tourists receive about 130 historical complexes, each of which is unique in its own way. [WTTC, 2017] The Czech Republic is among the ten most visited countries in the world. It is a beautiful country with a rich historical past. Rest in it is much cheaper than in Western Europe, and the impressions are bright. In general, tourists come to the Czech Republic from Germany, Italy, Britain, Russia, Holland, Poland and Slovakia. [MMR, 2014]. The country's tourism industry provides an excellent opportunity to get acquainted with its cultural and historical sights, many of which have been preserved in their original form. Only castles, hailstones and fortresses in the territory of this small state are more than two thousand. In an environment of well-kept parks, they decorate and complement the picturesque natural landscape. Once these silent stone buildings stood guard over the borders, then the kings rested in them. The historic

cities of Prague, Cesky Krumlov, Kutná Hora and Telč, listed in the UNESCO World Heritage List, are of great interest to the guests of the republic.

Prague is one of the three European cities, whose GDP from direct tourism, developed in their respective countries and make up 60,3%. [WTTC. Europe, 2017]

Table 2. Top European city destinations

	Tourism Market Size (Tourism GDP, € bn)		Share of City GDP (City tourism GDP % of total city GDP)		Share of Country GDP (City tourism GDP % of country tourism GDP)	
1	Paris	22.5	Antalya	21.2	Prague	60.3
2	London	15.0	Lisbon	5.3	Dublin	59.1
3	Munich	9.4	Barcelona	5.3	Brussels	52.6
4	Istanbul	8.2	Prague	5.0	Warsaw	44.1
5	Rome	7.8	Warsaw	4.9	Stockholm	38.1
6	Barcelona	7.1	Rome	4.9	Lisbon	31.8
7	Madrid	6.0	Istanbul	4.6	Amsterdam	31.7
8	Berlin	6.0	Munich	4.4	Istanbul	31.6
9	Brussels	4.9	Amsterdam	4.1	Paris	27.9
10	Stockholm	4.4	Berlin	4.0	Moscow	26.4
11	Amsterdam	4.1	Brussels	3.7	London	18.6
12	Lisbon	3.8	Paris	3.2	Barcelona	12.4
13	Moscow	3.7	Madrid	2.8	Madrid	10.6
14	Warsaw	3.4	Stockholm	2.7	Rome	10.1
15	Dublin	2.9	Dublin	1.9	Munich	7.6
16	Prague	2.7	London	1.9	Antalya	6.6
17	Antalya	1.7	Moscow	1.5	Berlin	4.9

Source: WTTC, Europe 2017

According to Czech Statistical Office [czso.cz 2017] in 2017 tourism in the Czech Republic continues to grow rapidly. Q4 2017, the number of guests' overnight stays in collective accommodation establishments increased by 6.1% year-on-year, of which foreigners by 7.4% and residents by 4.2%. In total, more guests arrived by 7.9% in this period, foreigners by 8.1% and domestic guests by 7.7%. [czso.cz (4.03.2018)]

The Czech Republic is a country for tourism for all tastes. This is a Mecca for lovers of real beer. In addition, it has a lot of opportunities to strengthen health in beautiful resorts. Its castles impress with its medieval color, and its capital Prague is a very special city, overshadowed by a romantic halo. Czech Republic is suitable for newlyweds for a honeymoon trip (especially Prague), for lovers of family holidays, for a youth company, for children and for the elderly.

Czech Republic is rich in a wide variety of tours and tours: educational (for language learning), medical, excursion, individual.

3.3.1 Tourist destinations in Czech Republic

The Czech Republic is extremely rich in historical sites, monuments, and well-preserved and bringing to us rustling centuries. Pilsen, Ceske Budejovice, Hradec Kralove, which are the centers of national reserves, were founded in the 13th century and preserved a large number of historical monuments.

In the Czech Republic, there are 12 monuments of culture and settlement of UNESCO:

Historic Centre of Cesky Krumlov; Historic Centre of Prague; Historic Centre of Telc; Pilgrimage Church of St. John of Nepomuk at Zelena Hora; Kutna Hora: Historical Town Centre with the Church of St. Barbara and the Catheddral of Our Lady at Sedlec; Lednice-Valtice Cultural Landscape; Gardens and Castle at Kromeriz; Holasovice Historic Village; Litomysl Castle; Holy Trinity Column in Olomouc; Tugendhat Villa in Brno; Jewish Quarter and St. Procopius' Basillica in Trebic. [UNESCO. *World Heritage List. Czech Republic.* 2018]

Prague

The foundation of the city of Prague dates back to the end of the 9th century, when Prince Przemysłowice-Borzheva of the Slavic tribe of the Czechs built a wooden castle - Prague Castle - on a cape rising above the Vltava. A little later, in the first half of the 10th century, another castle was built on the other bank of the Vltava River - Vysehrad. Between these two castles and gradually began to grow the city. Here, merchants, merchants and artisans began to settle.

On the site of the present Old Town Square was the core of all settlements - a large Market Square. Not far from it the princely court of Tyn was founded, which served as a customs point. Until the middle of the 13th century, new architectural monuments arose on the territory of the Prague Castle: the basilica of St. Vitus (to this day it unfortunately did not survive, but its remains were found under the chapel of St. Wenceslas in St. Vitus Cathedral), the Basilica of St. Giurgi (George) with a Benedictine monastery, the Sobeslava Palace and stone fortress walls with three towers. In Vysehrad there is a princely palace, and on Petrshin - the Strahov Monastery.

Prague is divided into 15 districts, which are assigned numbers from 1 to 15. The numbering is from the center to the outskirts. Each district consists of several districts, which most often bear their historical names. Historical sights are concentrated in the central part of Prague. They include the districts of Prague Castle, Hradcany, Lesser Town, Old Town, New Town, Vyšehrad and Vinohrady.

In the guise of the Czech capital, each historical epoch left its mark. Monuments of Romanesque architecture, Gothic churches, palaces of the Renaissance, Baroque and Classicism - all this makes up a unique architectural ensemble. Prague is considered one of the most beautiful and cozy cities in Europe.

Cesky Krumlov

Located in the south of the Czech Republic near the Austrian border, can rightfully be considered one of its largest diamonds. It is a miraculously preserved medieval city, lost in time, where a mysterious legend is associated with each street, with each house. For the duration of the excursion, tourists are immersed in the atmosphere of the mysterious beauty of the city and become a part of a fairy tale told by history. You will pass through narrow cobbled streets and admire the bright facades of old houses painted with sgraffito, will certainly admire the grandeur of the Krumlov castle and its luxurious baroque interiors:

Karlovy Vary

The first curative source was accidentally discovered here during the hunt in 1348 by Emperor Charles IV, and the first scientific description of Karlovy Vary waters appeared at the beginning of the XVI century. And in a few decades there were more than two hundred medical institutions. Karlsbad, located near Mariánské Lázně (Marienbad) and Františkov Lázně - this "golden triangle" of the West Bohemian resorts - is becoming a favorite place of treatment and recreation for the European aristocracy, cultural figures, politicians and industrialists. Who here just was not there! Here, corrected health and just rested Bach, Mozart, Beethoven and Brahms. Goethe, Schiller, Gogol, Turgenev lived here for a long time. Here, sipping mineral water, thought of the future of mankind Bismarck, Marx and Ulyanov-Lenin.

The most famous source of Carlsbad is "Spudel", the very mineralized water of which (6.5 grams of mineral salts per liter) reaches a temperature of 73 degrees Celsius. It is from the water of "Spudel" that the world-famous "Karlovy Vary salt" is made. No less glorified water source "Matony", more fresh, but no less life-giving. In general, there are twelve sources in Karlovy Vary, and they are all wonderful for health.

Kutna Hora

Kutná Hora was the richest Czech city in the Middle Ages, since in the 13th century silver deposits were found near it. Then they minted money, and now you can buy a copy of a medieval grunder. Since that time, the mine has been preserved in the city, which has now become one of the expositions of the Museum of Silver Mining. The central fragment of the architectural and historical mosaic of the city is the Cathedral of St. The Barbarians (1388-1565) are patrons of miners.

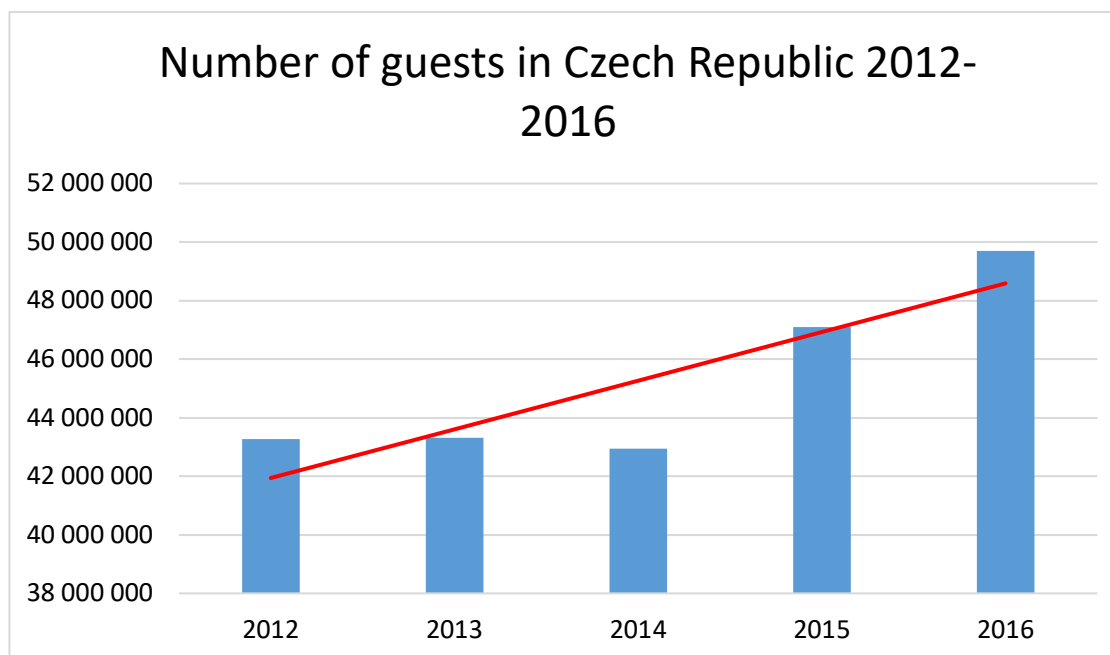
The Czech crown is one of the oldest monetary units in Europe. Its history dates back to the 12th century, when the Czech Kingdom was founded. The city of the 13th century, which preserved its medieval Gothic appearance until our time, is listed in the UNESCO list. It is located 65 km east of Prague. In 1300 here was built a mint, where Czech coins were minted - pennies and golden ducats. The profits received from the silver mines, for a time made the Czech kings one of

the richest among European monks. During the Middle Ages, Kutna Hora was the second most important city in the Czech Republic. In the XVI century. The revenues from the mines began to fall sharply and in 1726 the mint was closed.

3.3.2 Importance for the Czech Republic

It should be noted the annual growth in the number of tourists is officially registered in the Czech Republic. In the period from 2012 to 2016 the number of tourists on official data [czso.cz (2017)] increased by 12,1%. By the end of Q4 2016, the number of tourists reached 49.696.579 mil. people (only 407 529 Russian tourists), that is 2,603,051 mil. more than in the same period in 2015.

Figure 5. Number of guests in collective accommodation establishments by country in the Czech Republic

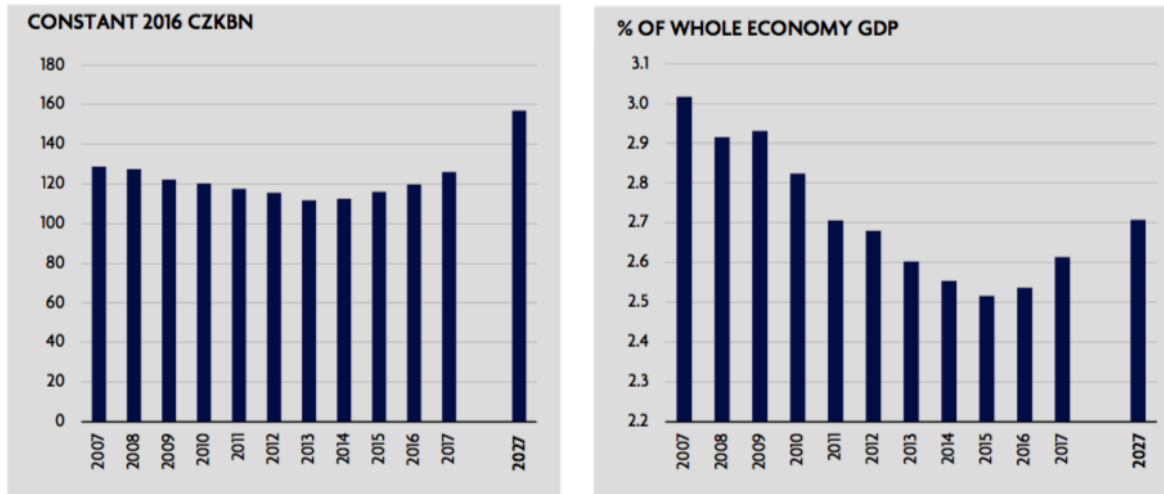


Source: CZSO 2017

At the moment, it is difficult to name the exact number of tourists visiting the Czech Republic, because it is impossible to take into account the number of tourists staying in the apartments without registration or for one day's travel.

The direct contribution of Travel and Tourism to GDP in 2016 was CZK119.8bn (2.5% of GDP). This primarily reflects the economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services (excluding commuter services). But it also includes, for example, the activities of the restaurant and leisure industries directly supported by tourists. [WTTC. Czech Republic. 2017]

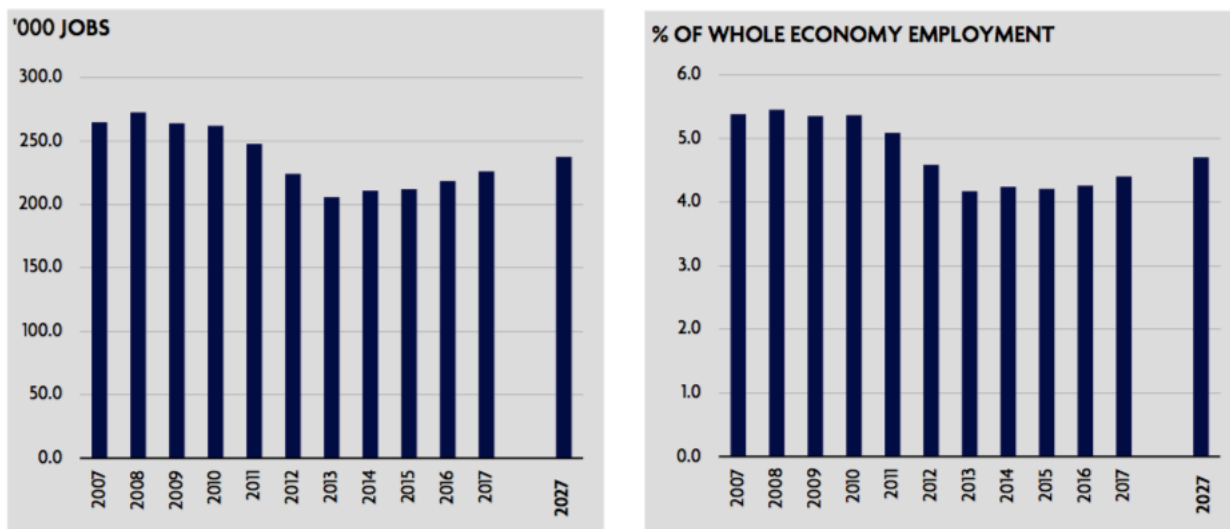
Figure 6. Czech Republic: Direct Contribution of Travel and Tourism to GDP, 2017



Source: WTTC. 2017

The total contribution of Travel and Tourism includes its ‘wider impacts’ (ie the indirect and induced impacts) on the economy. The ‘indirect’ contribution includes the GDP and jobs supported by: investment spending – an important aspect includes investment activity such as the purchase of new aircraft and construction of new hotels, Government 'collective' spending as a tourism marketing and promotion, aviation, administration, security services, resort area security services, resort area sanitation services, and domestic purchases of goods and services by the sectors dealing directly with tourists – including, for example, purchases of food and cleaning services by hotels, of fuel and catering services by airlines, and IT services by travel agents.

Figure 7. Travel & Tourism employment, 2007-2017



Source: WTTC. Czech Republic, 2017

Travel & Tourism employment generated 218,500 jobs directly in 2016 (4.3% of total employment). The total contribution of Travel & Tourism to employment (including wider effects from investment, the supply chain and induced income impacts, see page 2) was 475500 jobs in 2016 (9.3% of total employment). Visitor exports are a key component of the direct contribution of Travel & Tourism. In 2016, Czech Republic generated CZK 169.7bn in visitor exports.

3.1.Conclusion

Czech Republic - a small country, but it is unique in many respects. And this uniqueness is determined not only by rapid historical past, but also the natural features. Many guests who have visited the capital of the Czech Republic - Prague rightly consider it to be one of the most beautiful cities in the world. Its exceptional appearance the city received in the XIV century, during the reign of Charles IV. The ancient core of Prague is well preserved and constitutes a unique reserved architectural ensemble. Prague today has become one of the most visited cities in the world, which is probably due to the unique Czech hospitality and original culture.

The Czech Republic is an ideal country for active holidays, during which you can not only relax well, but also improve your physical shape. An attractive side of winter holidays in the Czech Republic is considered a rich excursion program, and, above all, the opportunity to visit Prague, where in winter it is not very expensive accommodation. Most of the winter centers in the Czech Republic are in national parks or protected areas. In the Czech Republic, ideal conditions have been created for walking and mountaineering due to the varied terrain. Tourists can enjoy a dense network of well-equipped tourist trails that lead to the most remote corners of the country. The most popular routes for mountain tourism are in the regions of the Krkonoše, Šumava, Jezérské hory, Jeseníky, Beskid and other mountain ranges surrounding the Czech Republic.

Czech Republic gives its guests an excellent opportunity to relax at their best ski resorts. Skiing in the Czech Republic is in no way inferior to the leading countries in this area, such as Switzerland, Austria, Italy.

Summer vacation in the Czech Republic is represented by well-developed water tourism: windsurfing, sailing, as well as golfing, cycling. Czech Republic belongs to countries with centuries-old horse breeding tradition, so there are many places that are engaged in horse tourism. Air sports have developed. The variety of the Czech land can be admired from the deck of a tourist plane or from a basket of a balloon.

Vacation in the Czech Republic has become very popular among Russian tourists who choose convenience and comfort. In the Czech Republic there are a sufficient number of hotels

located in the most picturesque places. Choosing vacation and tours in the Czech Republic as if you fall into a fairy tale. After all, the Czech Republic is a fairy tale that can not be forgotten.

4. Practical Part: Analysis and evaluation of incoming tourists

4.1 History and information about Tourist Information Office.

Founded in June 2017 in a separate building area where apartments are also located. Since 2002 and is currently Royal Apartments located on Legerova 48, I. P. Pavlova area. Until 2017, the reception of the apartments and the tourist office were inseparable, but in 2017, due to the unusually high demand for permits not only for the guests of the apartments, but also for nearby hotels, it was decided to urgently improve the conditions for working with clients who are not guests of the apartment.

The apartments have rooms with different capacity, starting from the standard rooms for two people and ending with large apartments with viability up to eight persons. The maximum number of guests that can accommodate the apartment is 200 people during a day. The apartments have everything for a comfortable stay. The biggest benefit of the apartments is the multi-language reception, that working non-stop. Since the beginning of the discovery of the instruments, the reception staff have been selected according to the principle of being able to work at night, and with time it has been revealed that an important condition for choosing an employee for reception is the knowledge of the Russian language and a sincere desire to help all of apartment's guests. Thus, it was revealed and introduced mandatory monthly individual trainings for personnel with the aim of improving the quality of service, the speed of settlement and most importantly selling tours in Prague and not only. The quality of the services provided can be judged by a fairly objective assessment of the resource booking.com. Over the past 15 years, the general efforts of reception, management and cleaning staff we reached a high score of 9.3, which is unusual for tourist accommodation type apartments.

For 15 years of work in the apartment there were 93,420 people from different countries. Employees of apartments with pleasure met guests from Czech Republic, Germany, United Kingdom, Russia, USA and etc.

The largest share is occupied by Russian tourists, for the entire period of work the apartments visited 33291 tourists. This amounts to 35.65% of the total number of all guests in the quantitative equivalent. In the price equivalent of the figure is even more significant. Profit from the Russian tourist was more than 50 % or rather 56,4% compared to guests from other countries.

The impact of international politics strongly affects the number of tourists coming from Russia. Below is a graph that shows the number of tourists from Russia for the period from 2012-2017 at which can be observe strong recessions after 2014. This decline is associated with

sanctions in connection with the annexation of Crimea to Russia and the conflict in eastern Ukraine. For two years from 2014-2015 in the apartments there was a noticeable decline in the number of tourists from Russia.

Figure 8. The number of guests from Russia staying in the apartment at Legerova 48,



Source: Guest book, Royal Court Apartments, 2002-2017

Due to the sanctions, the first wave which began in March 2014 the number of visitors decreased by half from 2699 to 1065. Many guests canceled reservations because they were denied a Schengen visa. Sanctions against Russia continues for 2 years and the effect on tourists is gradually decreasing. In 2017, the apartment was inhabited by the largest number of guests from Russia over the past 15 years, this is due to the company's new policies and contracts that have been concluded with the magnates of the tourist business in Russia, now they have privileges for their guests and a system of discounts. The company is trying to increase the flow of tourists from Russia as they make the purchase of tours and occupy about 57% of the total number of tours sold.

In the main apartment is visited by guests from Moscow and St. Petersburg and the surrounding cities. This explains the difficulties associated with the road. Inter-city flights to Moscow and St. Petersburg cost an average of 15-20% more expensive than direct flights Moscow-

Prague. Residents of central Russia pay twice for the ticket to these two cities, than for a ticket from Moscow to Prague and back. Tourists have to spend extra money and time, which means that it affects the choice of places for vacation. The embassy or visa center located in large Russian cities also contributes to the flow of the Russian tourist to Prague, since a visa can be obtained in your city.

Figure 9. The share of tourists from Russia by the city of arrival



Source: Guest book, Royal Court Apartments, 2002-2017

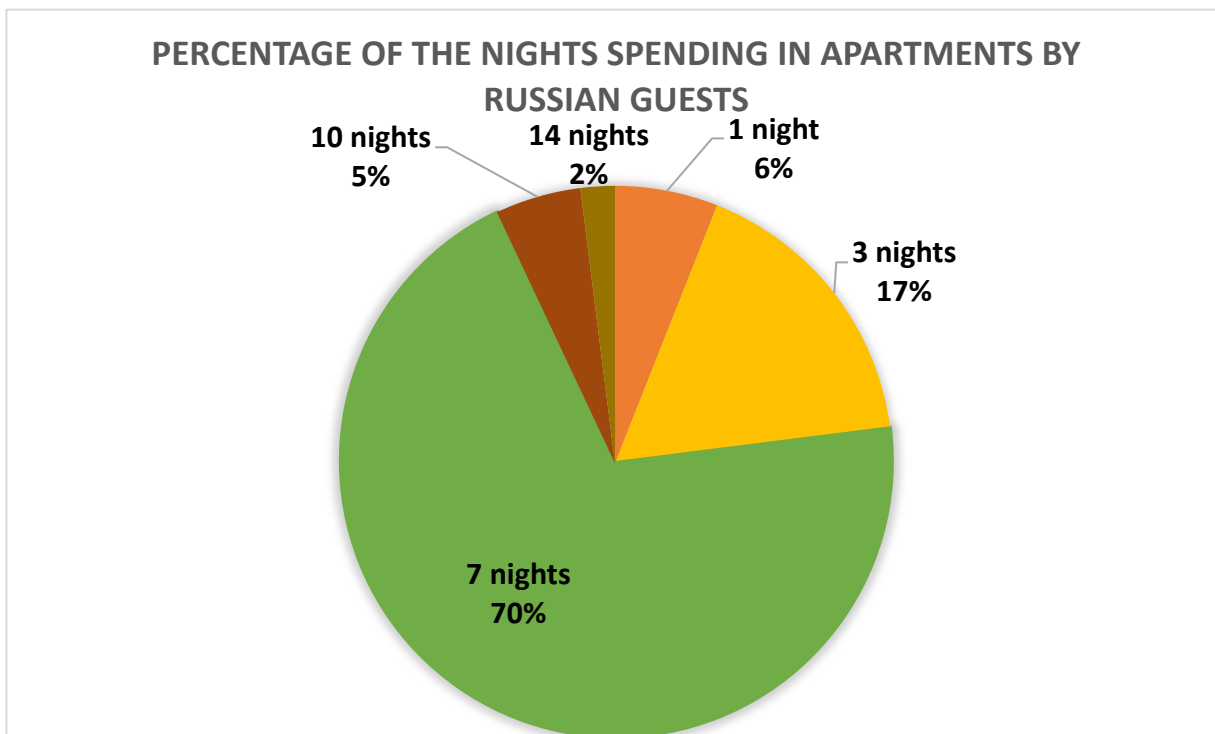
It is worth noting that the percentage of tourists from Moscow has been unchanged for all 15 years. He holds at around 40%, the reduction in the flow of tourists in the crisis years is due to a sharp reduction in guests from other cities.

This is due to the specific characteristics of the Russian tourist, guests of this country stay and the hotel on average for 6-7 nights and are willing to pay more for additional amenities such as an espresso machine in the room or a balcony with a view to the yard.

One of the distinguishing features of a Russian tourist is the length of the vacation spent in another country. Tourists from Europe, as a rule, enough 1-2 days, in order to visit the sights.

Americans, guests of Asia remain on average 3-5 days. Russian guests come from 3 and more, but most prefer to stay for 7 days.

Figure 10. The percentage of Russian guests staying in the apartment, depending on the number of nights.



Source: Guest book, Royal Court Apartment, 2002-2017

Vacation in Europe for an average Russian is an expensive pleasure. According to FSSSRF (Federal State Statistics Service of Russian Federation) [2017 online] about 40% even take on him a loan in a bank. This is due to the choice of the number of days spent abroad, as well as the total number of tours. Most Russian tourists try to fit in a day for 1 round, and travel around all the closest countries such as Germany, Austria. Thus arriving in Europe, a tourist manages to post 3 countries instead of one and visit 5-6 cities. Recreation in the Czech Republic attracts the number of attractions, prices for alcohol, clothes, shoes and other good.

Table 3. Number of nights spent in apartments among Russian tourists, 2002-2017.

Year	Total number of guests	1 night	3 nights	7 nights	10 nights	14 nights
2002	2001	120	340	1400	100	41
2003	1886	113	320	1320	94	39
2004	1907	114	324	1335	95	39
2005	1956	117	332	1369	97	41
2006	1705	102	290	1193	85	34
2007	1918	115	326	1342	95	40
2008	2003	120	340	1402	100	41
2009	2531	151	430	1771	126	53
2010	2201	132	374	1540	110	45
2011	2015	120	343	1410	100	42
2012	2040	122	346	1428	102	42
2013	2439	146	414	1707	122	50
2014	2699	161	458	1889	134	57
2015	1065	63	181	745	53	23
2016	1581	95	268	1106	79	33
2017	3344	200	569	2341	167	67
Average %		0,06%	0,17%	0,70%	0,05%	0,02%

Source: Guest book, Royal Court Apartments, 2002-2017

For one, three nights, as a rule, guests come from a young age who travel the countries of Europe on their own. Guests of this category agree to stay in small rooms and buy, usually just a walk on the tourist bus, to save money and time, guests do not buy a lot of souvenirs and clothes, but simply explore the city and around. Tourists who live from 7 days or more buy rooms of high class, as well as for vacation time to visit 5-6 directions and travel to different countries.

Depending on the demand from the Russian tourists, managers try to offer guests the most favorable prices for accommodation. Due to the daily analysis of the economic situation, the euro rate and the availability of national holidays, the apartments have 100% occupancy even in non-season for the rest of the hotels in this area. On the site prices are set lower than what we offer for Russian travel companies, Russians are accustomed to comfort, to organized personal transport, to high service, high price we are guaranteed quality and special attention for additional price.

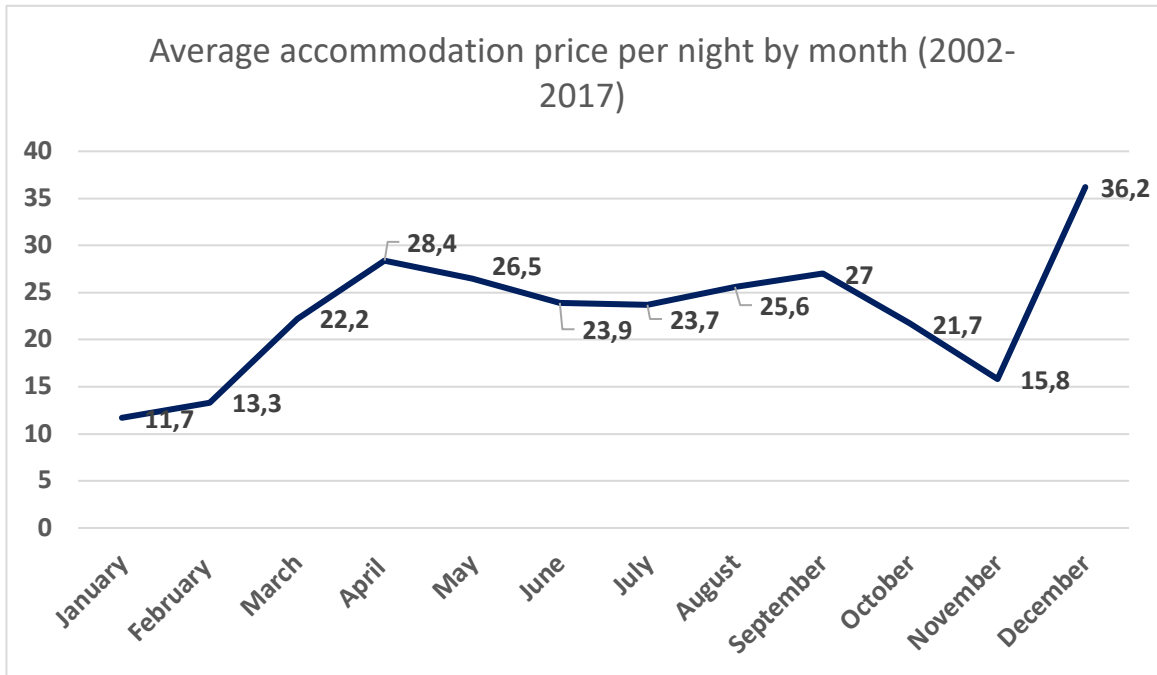
Table 4. Average price for accommodation from 2002-2017 by month

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Okt	Nov	Dec	Average by year
2002	9,7	10,8	24,5	27,5	28,1	21,3	23,6	23,8	26,3	20,4	15,3	36,3	22,3
2003	9,3	11,4	19,8	25,3	27,6	22,3	22,8	24,6	25,6	21,5	15,6	32,8	21,5
2004	10,2	11,2	18,7	24,8	26,7	24,6	23,8	25,3	25,2	21,9	15,3	32,9	21,7
2005	9,8	12,3	16,9	25,3	27,1	24,2	24,1	26,3	26,3	20,4	15,3	33,2	21,8
2006	10,1	12,8	20,1	28,1	28,7	23,5	25,2	22,9	28,5	21,6	14,3	32,8	22,4
2007	9,9	14,6	22,4	30	25	25,7	24,8	24,5	26,7	21,9	16,5	34,6	23,1
2008	9,7	13,2	19,8	27,5	25,2	25,6	22,7	28,1	25,3	23,1	15,4	35,6	22,6
2009	10	15,3	18,9	23,5	27	27,2	23,6	26,1	27,4	23,5	15,3	36,2	22,8
2010	11,4	13,8	23,5	28,6	26,9	22,7	22,9	27,5	26,4	20,4	14,6	35,9	22,9
2011	13,2	11,3	25,7	30	27,6	21,3	23,7	25,4	26,9	20,9	17,4	35,6	23,3
2012	14,2	10,3	25,9	31,2	27,4	21,8	22,9	27,3	29	20,5	15,8	36,4	23,6
2013	15,5	13,7	27,3	33,7	28,2	24	23,7	25,5	29,6	22,1	17,8	38	24,9
2014	10,1	18,5	23,5	32	25	21,8	22	28,1	29,7	23	15,5	34,4	23,6
2015	9	12,2	23,5	25,7	23,5	25,7	25,1	27,5	29,4	21,1	14,7	37,2	22,9
2016	10,5	10,5	25	27,2	25	23,5	23,5	19,7	23,5	20,3	17	38,8	22,0
2017	20	17,1	19,6	30	27,4	23,5	23,5	23,5	23,7	22,8	16,9	44,5	24,4
Average by month	11,7	13,3	22,2	28,4	26,5	23,9	23,7	25,6	27,0	21,7	15,8	36,2	

Source: Hotel Time Database for Royal Court Apartments, 2017

It is worth noting that the most popular time for traveling among Russian-speaking tourists is December, as in Russia it is a two-week celebrated holiday for the holiday of the New Year. This month is the most profitable from the point of view of the Russian tourists. Next is April and May. In May in Russia, holiday labor and the day of victory over fascism, which are also accompanied by long holidays, are celebrated. The weather in Prague during this period of the year also favors visiting this country. Everywhere flowers, thermometer does not fall below the mark 22-24, not hot and comfortable. For the summer there is a slight decline in the flow of tourists from Russia, as in the summer it is important for them to have a sea that is not in Prague, but after the summer period, to be exact September and October, the Czech Republic again becomes very popular because of the beautiful warm autumn.

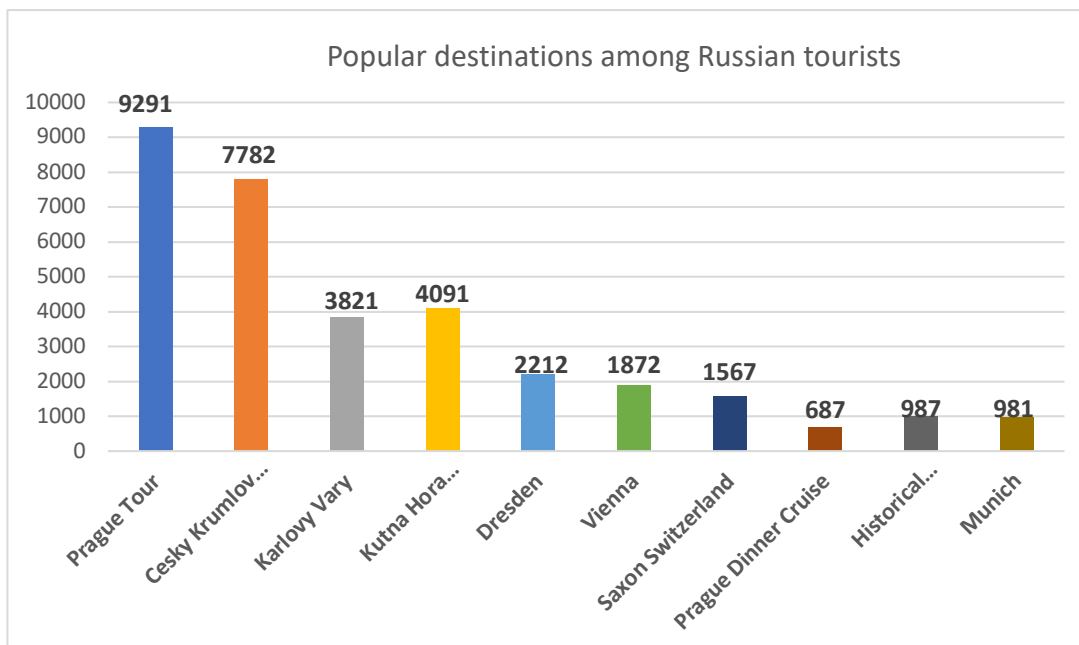
Figure 11. Average accommodation price per night by month, 2002-2007 (EUR)



Source: Hotel Time Database for Royal Court Apartments, 2017

According to Tourist Information data for the period from 2002-2017 over 9291 people have purchased daily tour by Prague.

Figure 12. Popular destinations among Russian Tourists, 2002-2017



Source: Tourist Information Data, 2002-2017

Tours are available in a wide range from 5 euros and up to 45 euro. The price depends on the availability of the guide and the size of the group, as well as on the duration. In second place in popularity is Cesky Krumlov, it's worth noting that only on tours in Russian the tour to Cesky Krumlov goes along with a tour to the Hluboka Castle over Vltava.

4.2 Econometric Model. Definition

The practical part is divided into 2 sections, the first part consist of a one-equation econometric model, with tour consumption as a dependent variable and profit from tours, number of guests staying in apartments, number of tours that buy tourists, average price per tour, income, sanctions against Russia, age of guests as a independent variables. In order to display the real picture of sales and consumption of tours as much as possible, it was decided to use two-equations econometric model, in which was added profit from accommodation as a dependent variable.

Econometric model -is a set of equations that have been estimated by econometric methods and that are then used to forecast the economy or to calculate effects of changes in the economy. [Barnett W., Berndt E., White, 2005]

4.2.1 One-equation model

4.2.1.1 Economic model and econometric model (hypothesis, assumptions, economic model, econometric model, declaration of variables, units)

Endogenous variable:

y_{it} : Profit from solden tours in Russian language (tousd Eur) PT

Exogenous variable:

X_{1t} : Unit vector

X_{2t} : Number of guests staying in apartments (Q) NG

X_{3t} : Number of tours bought by apartments guests (Q) NT

X_{4t} : Average tour price (Eur) TP

X_{5t} : Income (Eur) In

X_{6t} : Sanctions against Russia (0 – before sanctions and 1 – after sanctions) Sa

X_{7t} : Average age of guests staying in the apartment (years) GA

Profit function:

$Y = f(NG, NT, TP, In, Sa, GA)$

Economic model:

$Y_1 = ax_1 + bx_2 + cx_3 + dx_4 + ex_5 + fx_6 + gx_7$

Econometric model:

$$\beta_{11}y_{1t} = \gamma_{11}x_{1t} + \gamma_{12}x_{2t} + \gamma_{13}x_{3t} + \gamma_{14}x_{4t} + \gamma_{15}x_{5t} + \gamma_{16}x_{6t} + \gamma_{17}x_{7t} + u_{1t}$$

Hypothesis:

H1: tour price is the strongest factor affecting the profit from tours sold in Russia language;

H2: if the number of guests staying in apartments decreases, it will lead to a significant decrease of profit from a tours sold in Russia language;

H3: If the number of tours sold increases by 10%, it will lead to increase profit from a tours sold in Russia language on 15%

4.2.1.2 Data set (Data table + source; correlation matrix; multicollinearity elimination)

Data set: Profit from solden tours in Russian language; Number of guests staying in apartments; Number of tours bought by apartments guests; Average tour price; Income; Sanctions against Russia; Average age of guests staying in the apartments. The reduction in the average age of the guest living in the apartments speaks about the easing of the conditions for travel, expensive airline tickets are replaced in the airlines, four and five-star hotels can be replaced by apartments and hostels It is assumed that these independent variables have the greatest influence on the dependent variable y. Profit from solden tours primarily depends on the number of guests who stayed in the apartment, an increase in the number of guests should lead to an increase in profit. Depending on the economic situation, the increase in sales may occur to a greater or lesser extent. the number of sold tours also has a direct relationship to the proceeds from sold tours, the more tours sold the more profit will be. The salary of the Russian tourists has a direct bearing on the purchasing power and sales volume, it was decided to take the country's NET income, because individually for each tourist there is no possibility due to lack of data.

Assumption:

It is assumed that in the model the profit from the sale of tours depends on:

- Number of guests (+)

It is supposed that profit from solden tours increase, if number of guests increase;

- Number of tours (+)

It is supposed that profit from solden tours increase, if number of tours increase;

- Average tour price (-)

It is suppose that profit from solden tours decrease, if average tour price increse, because demand on tours decrease;

- Income (+)

It is suppose that profit from solden tours increse, if income increse;

- Sanctions (+/-)

It is suppose that profit from solden tours increse or decrease, depends of sanction against Russia exist;

- Average age (+)

It is supposed that profit from solden tours increse, if average age of tourists from Russia increse.

Table 5. The data prepared for the calculation, 2002-2017

Year	Tours Profit (thousand Eur)	Number of guests (people)	Number of tours (Q)	Average tour price (Eur)	Income (Eur/year)	Sanctions (0/1)	Average age(years)
	y_1	x_2	x_3	x_4	x_5	x_6	x_7
2002	48,732	2001	1965	24,80	2421,00	0	44,91
2003	279,609	1886	9543	29,30	2734,80	0	45,12
2004	71,843	1907	2041	35,20	2138,40	0	44,23
2005	52,677	1956	1379	38,20	3002,40	0	44,45
2006	34,896	1705	847	41,20	3676,80	0	43,93
2007	45,724	1918	1129	40,50	4539,60	0	44,29
2008	54,527	2003	1274	42,80	5006,40	0	44,75
2009	109,833	2531	2141	51,30	5154,00	0	43,28
2010	57,395	2201	1057	54,30	6234,00	0	44,11
2011	63,166	2015	1241	50,90	6729,60	0	43,46
2012	61,469	2040	1162	52,90	8025,60	0	43,99
2013	53,678	2439	1009	53,20	7988,40	0	42,99
2014	83,932	2699	1249	67,20	7560,00	1	41,62
2015	30,199	1065	814	37,10	6000,00	1	40,61
2016	43,404	1581	982	44,20	6900,00	1	39,8
2017	195,102	3344	2591	75,30	7056,00	1	39,15

Source: Hotel Time Database for Royal Court Apartments, 2002 - 2017

4.2.1.3. Correlation Matrix

A correlation matrix is a table showing correlation coefficients between sets of variables. Each random variable (x_i) in the table is correlated with each of the other values in the table (x_j). This allows you to see which pairs have the highest correlation. [Barnett W., Berndt E., White H. (2005)]. Coefficient of $|0.8|$ or more indicates a strong relationship between two independent variables.

It can be done in three ways:

1st difference;

Dummy variables;

Lagged variables.

Also it can be ignored, if we sure that it is not big influence on the model. To reduce the strong dependence, the method of 1st difference. To modify model we use the date of middle age (X7) and subtracted it to one period (2002) and counted their difference.

Table 8. Modification of the model by using 1st difference method

Average age of guests	X_{7-1}	First Difference
44,91	-	###
45,12	44,91	0,21
44,23	45,12	-0,89
44,45	44,23	0,22
43,93	44,45	-0,52
44,29	43,93	0,36
44,75	44,29	0,46
43,28	44,75	-1,47
44,11	43,28	0,83
43,46	44,11	-0,65
43,99	43,46	0,53
42,99	43,99	-1
41,62	42,99	-1,37
40,61	41,62	-1,01
39,8	40,61	-0,81
39,15	39,8	-0,65

Source: data - Hoteltime and Tourist Information data, own table, 2017

4.3. Ordinary Least Squares Method

OLS method it is linear regression procedure. It is used for estimating all unknown parameters involved in a linear regression model, the goal of which is to minimize the sum of the squares of the difference of the observed variables and the explanatory variables. [Barnett W., Berndt E., White H., 2005]

This method use only for 1 equation econometric model.

Model 1: OLS, using observations 2003-2017 (T = 15)
Dependent variable: y1

Table 9. OLS, One equation model

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
const	74603.5	16257.3	-4.589	0.0018	
x2	20.7443	25.0463	0.8282	0.4315	
x3	29.6077	2.39745	12.35	<0.0001	***
x4	1585.49	1444.45	1.098	0.3043	
x5	-3.86879	3.70690	-1.044	0.3271	
x6	14897.9	12477.1	1.194	0.2667	
x7	1050.49	5449.73	0.1928	0.8520	
Mean dependent var	82497.45		S.D. dependent var	67731.34	
Sum squared resid	1.27e+09		S.E. of regression	12585.47	
R-squared	0.980270		Adjusted R-squared	0.965473	
F(6, 8)	66.24650		P-value(F)	2.20e-06	
Log-likelihood	-158.1740		Akaike criterion	330.3480	
Schwarz criterion	335.3043		Hannan-Quinn	330.2952	
rho	-0.249082		Durbin-Watson	2.133576	

Source: own calculation

Data from the resulting table can be transformed into equation:

$$y_1 = -74603.5 + 20.7443x_2 + 29.6077x_3 + 1585.49x_4 - 3.86879x_5 + 14897.9x_6 + 1050.49x_7 + u_t$$

74603.5 – constant, provided that if all independent variables will be equal to zero profit from solden tours will be equal 74603.5

x_2 – if number of guests increase by 1 people, than the profit from solden tours will increase on 20.7443 thousand euros.

x_3 – if number of tours increase by 1 unit, than the profit from tours sold will increase by 29.6077 thousand euros.

x_4 – if average tour price increase by 1 euro, than the profit from tours sold will increase by 1585.49 thousand euros.

x_5 – if income increase by 1 euro, than the profit from tours sold will decrease by 3.6879 thousand euros.

x_6 – if there is no sanctions against Russia, than the profit from tours sold by 14897.9 thousand euros.

x_7 – if average age of guests will increase by 1 year, than , than the profit from tours sold will increase by 1050.49 thousand euros.

The strongest factor affecting the profit is the number of tours sold. This became clear on the *** in the calculation table, the largest number of stars near the variable X show the strongest connection and dependence with dependent variable y_1 .

With the help of these indicators, we can conclude that the hypothesis is incorrect and do not accept it, because the strongest influence on the profit has number of tours sold.

4.3.1. Coefficient of determination

R^2 - The coefficient of determination, is used to analyze how differences in one variable can be explained by a difference in a second variable. More specifically, R-squared gives you the percentage variation in y explained by x-variables. The range is 0 to 1 (i.e. 0% to 100% of the variation in y can be explained by the x-variables. [Barnett W., Berndt E., White H., 2005]

R-squared	0.980270
-----------	----------

Our data describes the model on 98,02%, which is quite a high indicator, it means that the error remains just over 2%.

Statistical Analysis

For statistical analysis, we need a calculated probability or p-value indicator, which has already been calculated automatically using OLS method.

$$p\text{-value} = 2.2006 \quad \alpha = 0.05$$

$p\text{-value} > \alpha$, statistical significant

Coefficient of elasticity

Shows how many percent of the average for the aggregate change in the result of their mean value during a change of factor x to 1% of its mean value.

The elasticity coefficient is found by the formula:

$$E = \frac{\partial x_i}{\partial y} * \frac{x_{it}}{\hat{y}}$$

$$E = 0.00518 * \frac{75658.518}{1958.412} = 0.2$$

The coefficient of elasticity is less than 1. Consequently, when x changes by 1%, y will change by less than 1%. In other words, the influence of x on y is not essential. If the number of

tours increases by 1%, the profit will increase by 20%. We can partially confirm the hypothesis, since this actually leads to a decrease in profit, but because of the low elasticity it is insignificant.

4.4. Two-equation model.

A natural generalization of the regression model with two variables is a multidimensional regression model or a multiple regression. In this chapter, regression analysis by the method of 2 least squares is generalized for the case when in the model instead of one independent variable-

factor, several independent variables-factors are used. To already existing dependent variable y_1 (profit from tours sold) it was decided to add another dependent variable y_2 , which is profit from accommodation on apartments since these two independent are the company's main revenues. As independent variables x_8 added to the new model, it was decided to take an independent evaluation from the most popular online hotel and apartments reservation site booking.com.

The company Booking.com, founded in 1996 in Amsterdam, has gone from a small Dutch start-up to one of the leaders in the world market of online travel booking. In Booking.com, a division of Booking Holdings Inc. employs more than 15,000 people in 198 offices in 70 countries. [online] Using this particular indicator for the model was chosen not by chance, this company has a very rigid system of booking, canceling and most importantly real reviews for a particular hotel, which cannot be faked or simply written if the guests did not stay in the apartment. Therefore, this assessment with real feedback is one of the most truthful. Since 2002, when the apartments started their work the average score on the site was 7.9. A whole team of managers and receptionists for 15 years questioned and interviewed guests in order to improve the quality of accommodation and services. The rating given to the hotel shows the real price-quality ratio, therefore it is assumed that with the increase in the estimate, the price of these apartments as well as the increase in the number of guests who trust this resource.

Added endogenous variable:

y_{2t} : Apartment delivery profit (Eur) AR

Added exogenous variable:

x_{8t} : Average apartment rating AR

Economic model:

$$y_1 = ax_1 + bx_2 + cx_3 + dx_4 + ex_5 + fx_6 + gx_7$$

$$y_2 = y_1 + hx_8 + bx_2 + ex_5$$

Econometric model:

$$\beta_{11}y_{1t} = \beta_{11}y_{2t} + \gamma_{11}x_{1t} + \gamma_{12}x_{2t} + \gamma_{13}x_{3t} + \gamma_{14}x_{4t} + \gamma_{15}x_{5t} + \gamma_{16}x_{6t} + \gamma_{17}x_{7t} + u_{1t}$$

$$\beta_{21}y_{2t} = \beta_{21}y_{1t} + \gamma_{21}x_{8t} + \gamma_{22}x_{2t} + \gamma_{25}x_{5t} + u_{2t}$$

Assumption:

It is assumed that in the model the apartment delivery profit depends on:

Tours profit (+)

It is supposed that apartment delivery profit increase, if profit of tours sold increase;

Average apartment rating (+)

It is supposed that apartment delivery profit increase, if average apartment rating increase;

Number of guests (+)

It is supposed that apartment delivery profit increase, if number of guests increase;

Income (+)

It is suppose that apartment delivery profit increase, if income increase;

According to Tab.5 we made calculation.

4.4.1 Correlation Matrix

It is assumed that in the case of two equations model we obtain from two or more pairs of independent ones with a strong dependence.

Correlation coefficients, using the observations 2003 - 2017
5% critical value (two-tailed) = 0.5140 for n = 15

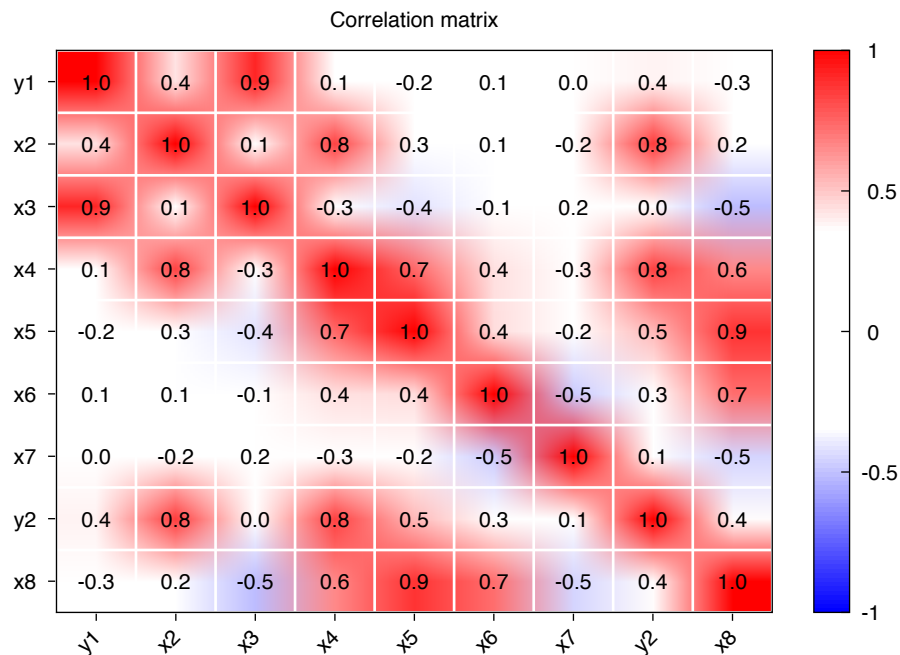
Table 10. Correlation matrix for two equation model

y1	x2	x3	x4	x5	
1.0000	0.4216	0.9054	0.0803	-0.2043	y1
	1.0000	0.0572	0.8262	0.3472	x2
		1.0000	-0.3126	-0.4211	x3
			1.0000	0.7339	x4
				1.0000	x5
	x6	x7	y2	x8	
	0.0522	0.0304	0.3807	-0.2876	y1
	0.1024	-0.1672	0.8458	0.1797	x2
	-0.1401	0.1533	0.0166	-0.5175	x3
	0.4276	-0.2563	0.8314	0.6499	x4
	0.4360	-0.1947	0.5292	0.8692	x5
	1.0000	-0.4813	0.2654	0.7191	x6
		1.0000	0.0605	-0.4576	x7
			1.0000	0.3572	y2
				1.0000	x8

Source: own calculation

The assumptions were confirmed. In the correlation matrix of two equations model exists three coefficients under $|0,8|$, this relation between x_8 (average apartment rating) and x_5 (income) and between x_2 (number of guests) and x_4 (average tour price). It was decided to ignore the high correlation and strong dependence of the independent variables transferred, as we will be able to analyze this further in the test.

Table 11. Correlation matrix for two equation model



Source: own calculation

TSLM (Two Stages Least Method)

It is a special method of instrumental variables regression. It is using only for more than two equation models and there are two stages of calculation. In the first stage, TSLS finds the parts of the endogenous and exogenous variables that can be used as a instrument. This stage consist of evaluating the OLS regression of each variable in the model on the set of instruments. In this stage we calculate OLS for 2 equations separately. The second stage is the regression of the original equation, with all of the variables replaced by the fitted values from the first-stage regressions. The coefficients of this regression are the TSLS estimates.

Model 1: TSLS, using observations 2003-2017 (T = 15)
 Dependent variable: y1
 Instrumented: y2
 Instruments: x2 x3 x4 x5 x6 x7 x8

Table 12. TSLS 1st equation, two equation model

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
y2	0.111069	0.0594849	1.867	0.0988	*
x2	93.9517	89.4434	-1.050	0.3242	
x3	27.8126	5.43372	5.119	0.0009	***
x4	1531.85	3457.36	0.4431	0.6695	
x5	-12.6956	9.68175	-1.311	0.2261	
x6	-28608.4	42560.8	-0.6722	0.5204	
x7	35347.5	24382.2	-1.450	0.1852	
Mean dependent var	82497.45	S.D. dependent var	67731.34		
Sum squared resid	7.27e+09	S.E. of regression	30137.29		
Uncentered R-squared	0.899296	Centered R-squared	0.977638		
F(7, 8)	25.93301	P-value(F)	0.000068		
Log-likelihood	-375.1067	Akaike criterion	764.2133		
Schwarz criterion	769.1697	Hannan-Quinn	764.1605		
rho	-0.281325	Durbin-Watson	2.525456		

Source: own calculation

Hausman test -

Null hypothesis: OLS estimates are consistent

Asymptotic test statistic: Chi-square(1) = 21.1892

with p-value = 4.16096e-06

Weak instrument test -

First-stage F-statistic (1, 8) = 2.70472

It should be noted that the coefficient has decreased from 0,98 to 0,89 in comparison with one equation model, but it not critical number. Standart error takes 11% and the model discrube 89% of the data. The strongest factor affecting the profit tours sold is the number of tours sold. This became clear on the *** as a previous calculation for 1 equation model, but it should be noted that in a strong dependence there was also a dependent from the second equation y2 which is delivery apartments profit with * in calculation table.

Model 2: TSLS, using observations 2003-2017 (T = 15)
 Dependent variable: y2
 Instrumented: y1
 Instruments: x2 x3 x4 x5 x6 x7 x8

Table 13. TSLS 2nd equation, two equation model

	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-ratio</i>	<i>p-value</i>	
y1	1.40142	1.68988	0.8293	0.4246	
x8	79944.3	51678.1	-1.547	0.1501	
x2	870.259	221.326	3.932	0.0023	***
x5	131.023	60.5290	2.165	0.0533	*
Mean dependent var	1953157	S.D. dependent var		686496.3	
Sum squared resid	1.33e+12	S.E. of regression		348072.2	
Uncentered R-squared	0.798034	Centered R-squared		0.791677	
F(4, 11)	128.8558	P-value(F)		3.68e-09	
rho	0.008826	Durbin-Watson		1.789263	

Source: own calculations

Hausman test -

Null hypothesis: OLS estimates are consistent

Asymptotic test statistic: Chi-square(1) = 1.63038

with p-value = 0.20165

Sargan over-identification test -

Null hypothesis: all instruments are valid

Test statistic: LM = 6.9252

with p-value = P(Chi-square(3) > 6.9252) = 0.0743204

Weak instrument test -

First-stage F-statistic (4, 8) = 59.0808

Data from the resulting table can be transformed into two equations:

$$y_1 = 0.111069y_2 + 93.9517x_2 + 27.8126x_3 + 1531.85x_4 - 12.6956x_5 - 28608.4x_6 + 35347.5x_7$$

+ u_t

$$y_2 = 79944.3x_8 + 870.259x_2 + 131.023x_5 + u_t$$

Interpretation of independent variables of 1st equation:

y_2 – if apartment delivery profit increase by 1 euro, than the profit from tours sold will increase on 0.111069 thousand euros;

x_2 – if number of guests increase by 1 people, than the profit from tours sold will increase on 93.9517 thousand euros;

x_3 – if number of tours increase by 1 unit, than the profit from tours sold will increase by 27.8126 thousand euros;

x_4 – if average tour price increase by 1 euro, than the profit from tours sold will increase by 1531.85 thousand euros;

x_5 – if income increase by 1 euro, than the profit from tours sold will decrease by 12.6956 thousand euros.

x_6 – if there is sanctions against Russia, than the profit from tours sold decrease by 28608.4 thousand euros.

x_7 – if average age of guests will increase by 1 year, than the profit from tours sold will increase by 35347.5 thousand euros.

Interpretation of independent variables of 1st equation:

x_8 – if average apartments rating increase by 1 unit, than apartment delivery profit will increase by 79944.3 thousand euros;

x_2 – if number of guests increase by 1 people, than apartment delivery profit will increase on 870.259 thousand euros;

x_5 – if income increase by 1 euro, than apartment delivery profit will decrease by 131.023 thousand euros.

Coefficient of determination or R^2 for 2nd equation in the two equation model is equal 0,79 and describe 79% of data by the model. We can consider the indicator as a acceptable and use 2 equations to describe our model, because 79% is not a critical indicator, but the coefficient of determination of the first equation is higher by 10%, which means it describes 10% more accurately. Following calculations on this method, we obtained the following coefficients of the equations.

Simultaneous model

To test the third hypothesis was accepted to use the simulation. To evaluate hypothesis we use 1st equation. The hypothesis is as follows:

H3: If the number of tours sold increases by 10%, it will lead to increase profit from a tours sold in Russia language on 15%. Profit from tours sold in 2017 was equal 195102,30 thousand euros and the equation is as follows:

$$195102,30 = -74603.5 + 20.7443x_2 + 29.6077x_3 + 1585.49x_4 - 3.86879x_5 + 14897.9x_6 + 1050.49x_7 + u_t$$

It is assumed that an increase in number of tours sold by 10% will lead to increase profit from tours sold by 15% in 2018. To solve the equation, we substitute data for 2017 and increase by number of tours by 10%, if the remaining variables are left unchanged.

$$y_{2018} = -74603.5 + 20.7443*3344 + 29.6077*2591*0,1 + 1585.49*75,30 - 3.86879*7056 + 14897.9 + 1050.49*39,15$$

$$y_{2018} = 225154,093 \text{ thousand euros}$$

Simulation showed that the increase in number of tours sold by 10% and left another variables unchanged will lead to increase profit from tours sold by 15,403% and it confirms the third hypothesis.

We can accept H3 because The simulation showed an increase in the percentage of profit by more than 15 percent, which we wanted to prove.

5. Conclusion

The Czech Republic is a developed European economic and politically important country with a well-developed tourist infrastructure. The direct contribution of Travel and Tourism to GDP in 2016 was CZK119.8bn (2.5% of GDP). The Czech Republic is rich in natural recreational resources. These are formerly resources of Karlovy Vary, Mariánské Lázně and other Czech spas, the value of natural recreational resources is also determined by the traditionally high level of conservation in the Czech Republic. On the territory of the Czech Republic there is a large number of historical and cultural monuments. The most visited and popular sights are concentrated in the city of Prague. This fact largely explains the specifics of the priority development of the tourist infrastructure (hotels, travel agencies) primarily in the capital of the Czech Republic.

Not surprisingly, the Czech Republic is visited by so many tourists from Russia. In this country for one trip you can heal health, enjoy the monuments of culture, taste delicious cuisine. The specificity of the Russian tourist lies in the desire to try everything in a short period of time, this is due to the inability to travel as often as one would like. Therefore, the Russian tourists save money or even take a loan to repay it properly for the next year. In 2017, the tourist flow from Russia increased by 12.1 percent compared to 2016.

Knowledge of English and other languages at a low level makes the Russian tourist vulnerable and makes them use help with tours, accommodation and other services in Russian. Tourists from Russia, especially older people, are willing to pay for organizing recreation 3-4 times more expensive than it can be arranged using simple Internet resources, as a booking.com.

The apartment and the tourist office has been operating for more than 10 years in the Russian travel agency market. Adjusting to the specifics of the tourist from Russia, changes were made in the composition of the receptionists and the reception time was increased for 24 hours a day, as the Russian guests are very demanding on the service. In period from 2002-2017 apartments visited 33291 tourists, that is 35.65% from the total number of all guests in the

quantitative equivalent. Profit from the Russian tourist was more than 50 % or rather 56,4% compared to guests from other countries. Today, the work of the apartments is arranged in such a way that even in a low tourist season or during a period of sanctions, when the total number of tourists from Russia is noticeably reduced, we only increase the number of sales and flow, this is achieved through a deep analysis of the needs of tourists at a given time

In the practical part were tested 3 hypotheses. At the beginning of the work, it was assumed that the main factor of influence on the profit from tour sold is tour price. With the help of econometric analysis it was found that the most significant factor of influence is number of tours sold. We reject first hypothesis. To test the second hypothesis, which reads as follows: “if the number of guests staying in apartments decreases, it will lead to a significant decrease of profit from tours sold in Russia language” we used the coefficient of elasticity. After testing the hypothesis, it was concluded that confirmation of the hypothesis can be only by half, since the changes were insignificant due to the inelasticity of the factor relative to the profit. The third hypothesis was tested using simulation for the next year 2018 based on data for 2017. Based on the obtained results, it was concluded that in order to increase the profit by 15 percent in 2018, it is enough to increase sales by 10 percent, applying this knowledge in practice, we can try to increase the number of sold tours with the help of professional trainings for personnel, expansion of the client base for the account of the connection with new tourist firms in Russia, including the way out in search of partners outside of central Russia, in order to increase the coverage of their services.

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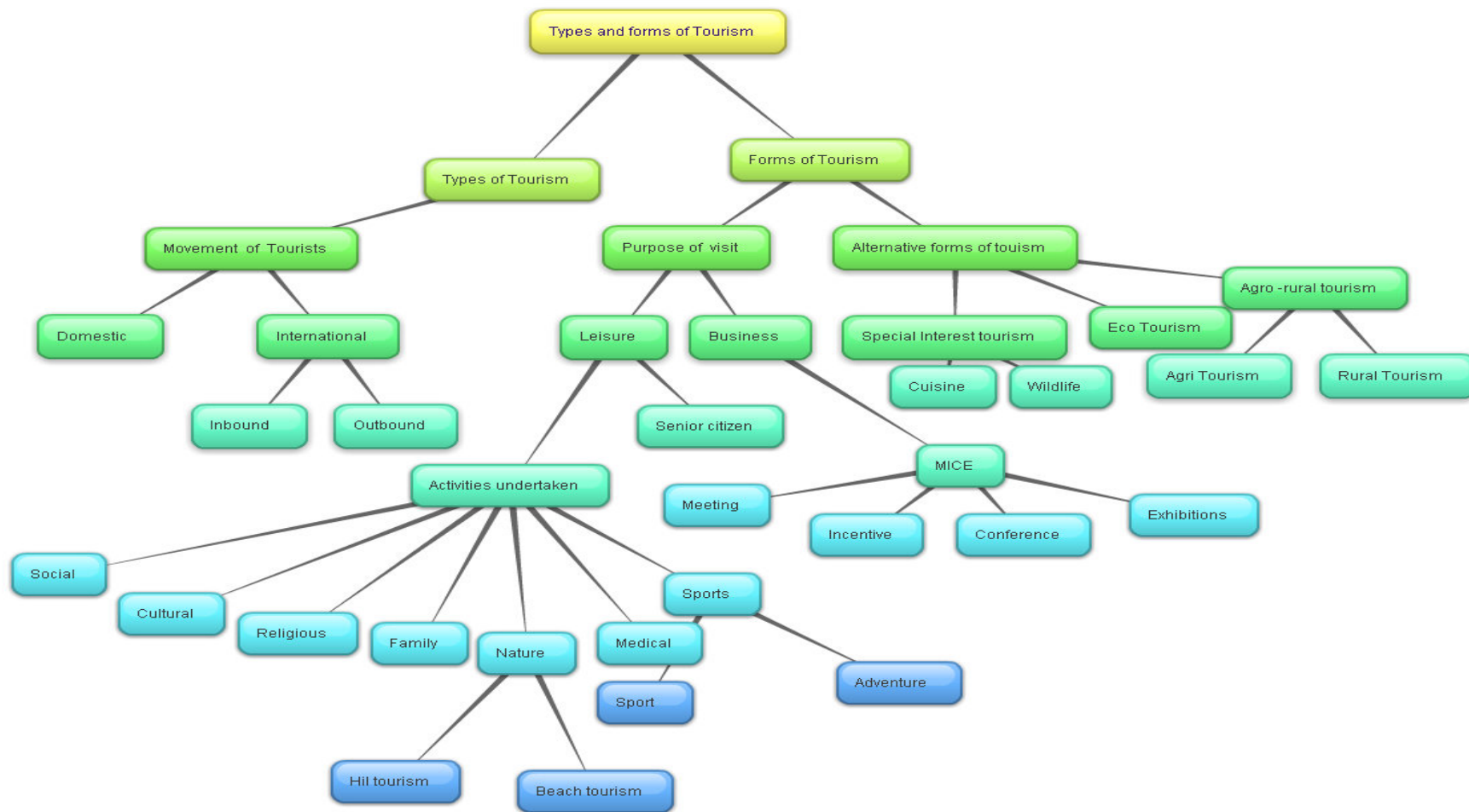
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7. Appendices

1. Types and forms of Tourism



Source: Reisman, 2010

2. The data prepared for the calculation, 2002-2017

Year	Tours Profit (thousand Eur)	Number of guests (people)	Number of tours sold (Q)	Average tour price (Eur)	Income (Eur/year)	Sanctions (0/1)	Average age(years)	Apartment delivery profit (Eur)	Average apartment rating
	y ₁	x ₂	x ₃	x ₄	x ₅	x ₆	x ₇	y ₂	x ₈
2002	48732,00	2001,00	1965,00	24,80	2421,00	0	44,91	2057420,2	7,5
2003	279609,90	1886,00	9543,00	29,30	2734,80	0	45,12	1705312,6	7,9
2004	71843,20	1907,00	2041,00	35,20	2138,40	0	44,23	1180029,71	8,2
2005	52677,80	1956,00	1379,00	38,20	3002,40	0	44,45	1633829,16	8,1
2006	34896,40	1705,00	847,00	41,20	3676,80	0	43,93	1352092,28	8,5
2007	45724,50	1918,00	1129,00	40,50	4539,60	0	44,29	1877684,23	8,5
2008	54527,20	2003,00	1274,00	42,80	5006,40	0	44,75	2281949,8	8,5
2009	109833,30	2531,00	2141,00	51,30	5154,00	0	43,28	1701479,23	8,7
2010	57395,10	2201,00	1057,00	54,30	6234,00	0	44,11	1956282,72	8,8
2011	63166,90	2015,00	1241,00	50,90	6729,60	0	43,46	2261256,94	9
2012	61469,80	2040,00	1162,00	52,90	8025,60	0	43,99	2245864,64	8,9
2013	53678,80	2439,00	1009,00	53,20	7988,40	0	42,99	2121221,93	9,1
2014	83932,80	2699,00	1249,00	67,20	7560,00	1	41,62	2480184,94	9,2
2015	30199,40	1065,00	814,00	37,10	6000,00	1	40,61	922434,041	9,4
2016	43404,40	1581,00	982,00	44,20	6900,00	1	39,8	1704318	9,3
2017	195102,30	3344,00	2591,00	75,30	7056,00	1	39,15	3873419,54	9,3

Source: Hotel Time Database for Royal Court Apartments 2017; Tourist Information Data, 2002-2017