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ABSTRACT

of the dissertation for the degree of Doctor of Philosophy

**IMPROVEMENT OF INNOVATIVE DEVELOPMENT
MECHANISMS OF THE TOURISM INDUSTRY**

Speciality: 5312.01 - Field economy

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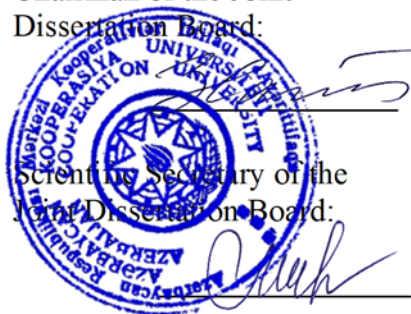
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GENERAL CHARACTERISTICS OF THE WORK

The degree of relevance and development of the topic. Tourism is one of the important factors and important types of activities of national and regional socio-economic development. Tourism, which has become more and more massive in recent years, is characterized as an activity field that improves public welfare and quality of life in society and is a carrier of national culture, and also plays an important role in the exchange of cultural and moral values and norms. Due to its synergistic character and influence, tourism is recognized as one of the exceptionally important areas of activity in accelerating the integration between different areas and directions of the national economic system. This feature lays the groundwork for the further expansion of tourism activity as one of the subsystems of the national economy and as a separate industry.

The concept of the tourism industry began to be developed after the second half of the 20th century due to the faster development of this field and the inclusion of a large number of people. In particular, after the 70s of the 20th century, the expansion of the process of industrial production of tourism products and services determined the regular use of this concept in economic literature and tourism research in the organization and management of tourism as an activity area. The formation of the concept of tourism industry is also related to the expansion of the participation of many other types of economic activity, production areas, directions of economic activity in the process of production of tourism services and products, as a result of the mass nature of this field, and the active participation in the production of various components of tourism products and services. Considering that the level of demand for products and services in the tourism market is constantly increasing as a result of the development and massification of tourism. Meeting this demand requires increasing the level of participation of other fields of activity in the tourism process, then it can be considered logical to call the fields that carry out this process collectively as the tourism industry as a multilateral activity.

The tourism industry can be considered as the result of the existence

of unity with other fields of activity, rather than tourism activity taken separately. The development of tourism, in addition to raising the level of economic growth in this area, also conditions the involvement of other areas in the process of production of tourism products and services and gives impetus to the development of those areas.

Despite the formation and rapid development of tourism activity as an industrial field, serious changes in the tastes and desires and needs of consumers, that is, tourists and excursionists, the emergence of new trends in the development of this field, changes in the nature of production of tourism products and services, production conditions and criteria of services, consumer environment it stipulates that the importance of adaptation to modern challenges should be brought to attention and taken into account in prospective activities.

Taking into account the characteristics of tourism as a field of activity, the socio-economic importance of its development, its role in the overall development of the country and its integration into the global economic, socio-cultural systems, special attention is paid to the progress of this field based on modern approaches in our country, and systematic measures are implemented in this direction. In order to achieve the sustainable development of the competitive tourism industry in our country, the national characteristics and tourism potential, hospitality traditions, geostrategic position of our country, etc. normative and legal documents formed taking into account important factors, tourism development programs covering certain years, the declaration of 2011 as the “Year of Tourism”, socio-economic development of regions in state programs, road maps, concepts, strategic plans, etc. it is possible to mention others in the documents, which envisage putting the development of tourism in the foreground.

The objective need to increase attention to the development of the national tourism industry has also been confirmed by the frequent changes in the price of oil and gas industry products, which have a high specific weight in the national economy, in the world market, and the successive devaluation processes that took place in 2015-

2016. Thus, the development of the non-oil industry, including the tourism industry, has been evaluated as one of the important directions for reducing dependence on oil exports and compensating for the foreign exchange income obtained at its expense.

The development of the national tourism sector in Azerbaijan has been recognized as one of the priority directions of the sustainable development of the non-oil economy. In recent years, the work done on the promotion of tourism in the country, the adopted state programs, and the improvement of the relevant legislative framework prove this once again. The goals envisaged in the “Strategic Roadmap for the Development of the Specialized Tourism Industry in the Republic of Azerbaijan” adopted in 2016, and the initiation of the development of concepts and strategies for the development of tourism in the territories freed from occupation is a clear proof of this. By effectively using the existing opportunities and resources, Azerbaijan is expected to become one of the most impressive tourist destinations in the region and among other countries by 2025. In the perspective, that is, in the period after 2025, the main goal is to make Azerbaijan one of the 20 most famous tourist destinations in the world by using the existing tourism resources through the application of innovative technologies.

To achieve these goals, the production of new, distinctive features and high quality, competitive tourism products and services in the tourism industry and offering them to the global tourism market should be one of the main tasks facing the subjects engaged in tourism activities.

Taking into account the importance of the application of innovative technologies in the process of production and consumption of tourism products and services in the complex of modern challenges focused on ensuring sustainable development in the fields of the tourism industry, this issue is given special importance in the state programs adopted in our country. The use of innovation opportunities and innovation potential is prioritized in the events planned to be realized in the future in the direction of the formation of the national tourism industry in accordance with modern requirements. In “Azerbaijan 2030: National Priorities for

socio-economic development”, innovative approaches occupy one of the central places in the conceptual basis of achieving tourism development. It can be shown that the implementation of the National Priorities (stable and competitive economy; dynamic, inclusive and social justice-based society; competitive human capital and a place for modern innovations; a great return to the territories freed from occupation and a clean environment) that are intended to be realized in the next decade regarding the socio-economic development of the country and “green growth” country) are each closely related to the development strategy of the tourism industry. Therefore, the sustainable development of the national tourism industry by achieving the application of innovative development models should be considered as an important task. It should be taken into account that innovative approaches ensure sustainable and sustainable development of tourism, environmental protection and creation of ecological balance, effective use of natural-economic and tourism potential of regions, territories freed from Armenian occupation, our country as a whole, national tourism industry global tourism industry will create a foundation for its successful integration into the system and take its rightful place in the world tourism market. To achieve the stated goals, to ensure the development of the national tourism industry, the production of new, distinctive features and high quality, competitive tourism products and services in the tourism industry and offering them to the global tourism market should be one of the main tasks facing the entities engaged in tourism activities.

At the same time, the tourism potential of the territories freed from occupation in the 44-day war under the leadership of Commander-in-Chief Ilham Aliyev should be used effectively in the process of production of tourism products and services, and innovative approaches should prevail in the organization and development of tourism at the level of modern standards in these territories. The creation of infrastructure areas that lay the groundwork for the innovative development of tourism in the smart settlements created in the liberated territories and their alignment

with smart concepts are considered as one of the directions of the innovative development of the tourism industry.

Various aspects of the development of tourism have always been the focus of researchers and these studies are continued in the modern era. Among the modern development trends of the tourism industry, we noted that innovative approaches are more relevant. Azerbaijani and foreign researchers have conducted certain studies in this field. It should be noted that although the researches of many foreign scientists in the field of innovative development of the tourism industry cover a wide period, researches on the formation and development of the national tourism industry in Azerbaijan mainly coincide with the period after independence.

On various problems of tourism activity, tourism industry, including tourism economy, management, development history, development prospects of various types of tourism, directions of efficient use of tourism potential, formation of development strategy of regional tourism complexes, innovative development directions of tourism industry in accordance with the requirements of the modern digitalization era. Z.A. Samadzade, A.N. Hasanov, A.A. Azizov, B.A. Bilalov, A.G. Alirzayev, A.K. Jabbarov, I.H. Ibrahimov, P.A. Hasanova, M.M. The researches of Huseynov, C.M. Mammadov, A.A. Huseyn, H.B. Soltanova, S.H. Rahimov, N.C. Gafarov and others are of special interest.

Jansu U., Cuneyt M., Elchi Sh., Hjalager A., Larajaa M., Sardak S., Cooper R., D'Arcy D., Alexandrova A.Y., Kokurin D.I., Malakhova N.N. among the scientists and researchers of foreign countries, Novikov V.S., Frolova T.A., Shirykalova T.V. and b. they paid special attention to the issues of innovative development of the tourism industry.

The purpose and tasks of the study. The purpose of the research work is to investigate the theoretical issues of innovative development in the tourism industry in the Republic of Azerbaijan, to analyze and evaluate the innovative development of the tourism industry, to prepare proposals and recommendations for the improvement of innovative development mechanisms. To achieve this goal, the following tasks have been defined:

- analyze and clarify the nature and characteristics of development based on innovative technologies in the tourism industry;
- to systematize the types and groups of innovations applied in the fields of activity and to determine the factors that create the basis for the development of innovations;
- analyzing the general development characteristics of the tourism industry in Azerbaijan and assessing the real situation;
- to determine the role of innovation technologies in the development of the tourism industry and to characterize the applied innovation models;
- to determine the principles and specific features of innovative development in the tourism industry;
- to justify the principles of the formation of the innovative development strategy of the tourism industry;
- To assess the factors that create the basis for the innovative development of the tourism industry in Azerbaijan;
- to determine directions for improving the mechanisms of application of innovative development technologies in the tourism industry.

The object and subject of the research. The object of the research work is the national tourism industry enterprises in the Republic of Azerbaijan, and the subject is the organizational and economic issues of improving innovative development mechanisms in the fields of tourism industry in the country and regions.

Research method. Analysis, comparison, grouping, systematic approach, economic statistical methods were used during the research work.

Main clauses defended. The following clauses have been added to the defense:

- due to the development of the national economy, there was a need to systematize and specify the structural elements of the tourism industry;
- taking into account the development trends in the global tourism industry, it is necessary to analyze the innovative development level of the national tourism industry;

- a systematic approach to the evaluation of the current situation of innovative development in the national tourism industry should be determined;
- there is a need to determine the possibilities of using more efficient models in tourism;
- there is a need to evaluate and scientifically justify increasing the role of innovative activity in accelerating the development of the tourism industry in Azerbaijan;
- the necessity of formulating a new development strategy of the tourism industry has emerged;
- in Azerbaijan, the need to define the prospects for the innovative development of the tourism industry and to improve the development mechanisms has increased, and there is a need to prepare proposals.

Scientific novelty of research work. The scientific innovations of the research work include:

- the essence of the concept of tourism industry, the factors determining its formation, the stages of development are summarized, the structural elements are specified, the areas producing basic and additional services are characterized and grouped;
- theoretical-methodological views on the concept of “innovation” were analyzed and systematized, the essence and characteristics of development based on innovative technologies in the tourism industry were determined and specified;
- innovations used in the tourism industry and in various fields of activity were classified and types, groups were specified, and the factors and application conditions that created the basis for the development of innovations were determined;
- The measures implemented in the direction of the general development characteristics, development trends and innovative development of the tourism industry in Azerbaijan were analyzed and evaluated;
- the role of innovative technologies in the formation and development of a competitive tourism industry is determined,

its importance is justified, and the innovation models applied in this field are characterized and the directions of their application in our country are indicated;

- the principles of innovative development in the tourism industry, the specific characteristics and organizational principles of innovation activities in various service-producing areas have been determined, and implementation mechanisms have been proposed;
- The opportunities, potential and factors that create the basis for the innovative development of the tourism industry in Azerbaijan were evaluated and ways and mechanisms of effective use of these factors were proposed;
- the importance of the development of augmented reality (AR), virtual reality (VR), mixed reality (MR), quest innovative technologies distinguished by their relevance in the tourism industry is justified, the directions for improving the efficiency of the application mechanisms are determined.

Theoretical and practical significance of research. From the generalized theoretical propositions obtained during the implementation of the research work and from the practically important suggestions and recommendations put forward, the justified results are used in the development and implementation of the innovative development strategy of the tourism industry in the country, the innovative development mechanisms of the tourism industry areas and enterprises in accordance with the conjuncture, development trends and requirements of the global tourism market. in determining the directions of formation and improvement and in the implementation of measures to improve innovative development mechanisms, in the application of innovation technologies in the activities of various level tourism enterprises, in the production of innovative tourism products and services, in the process of development in the field of tourism, etc. can be used.

Approval and application of research work. The main theoretical propositions, results and suggestions of the research work are published in prestigious local and foreign journals and conference materials recommended by the Higher Attestation Commission,

including 5 articles (including one abroad) and 3 conference materials (including one abroad) was published. The main provisions of the research are in the conference material “The role of non-traditional tourism in the development of the tourism economy” at the “VII International Symposium on Turkic World Studies” (October 20-21, 2020), and at the republican scientific conference on “The role of transit potential of Azerbaijan in economic development” forecast and analysis of tourism potential in the country, development prospects” (October 22-23, 2020), in the conference material “Theoretical-methodological aspects of increasing the competitiveness of tourism enterprises in the post-pandemic period” at the scientific-practical republican conference “Research problems of young people during the pandemic” (2021) was published. In addition, the applicant's “Development level and prospects of medical tourism in Azerbaijan” (2021), the role of tourism in the promotion and protection of national cultural heritage (2021), “The main stages and priorities of the regional development of tourism in Azerbaijan” (2021), “Social-economic foundations of the development of tourism in Azerbaijan” (2021) and “Main directions of regulating the development of ecotourism in Azerbaijan” (2022) articles were published.

The name of the institution where the dissertation work was performed. Baku Eurasian University.

Structure and scope of work. The dissertation consists of 263215 marks, including the introduction section of the research paper 16140 marks, the first chapter 78533 marks, the second chapter 64585 marks, the third chapter 68370 marks, the conclusion 12441 marks, and the list of used literature 17063 marks. Dissertation consists of 240069 characters excluding figures, tables, graphs and bibliography.

THE MAIN CONTENT OF THE DISSERTATION WORK

In the introductory part of the dissertation, the relevance of the topic, the degree of its elaboration, the purpose and tasks of the research, the main propositions submitted to the defense, the scientific novelty, theoretical and practical importance of the work are reflected.

The first chapter of the dissertation work is called **“Theoretical-methodological views on the innovative development of the tourism industry”**. In this chapter, various approaches to the essence of the concept of the tourism industry, relationships are explained in detail, the areas of activity related to the structure of the tourism industry, and the factors determining the development of the tourism industry are defined. The nature and characteristics of the innovative development of the tourism industry have been characterized, the types, groups and opportunities that create the basis for the development of innovations, the specific characteristics that form the innovation potential have been investigated.

The dissertation shows that the fields of activity that play a role in the formation and development of the tourism industry can be divided into two groups, the main and additional tourism industry fields, according to the importance of the tourism products and services they produce. Producers of basic services, which are particularly important in the composition of tourism products and services, including accommodation, food, transport and leisure-entertainment enterprises, constitute the main sectors of the tourism industry and play an important role in its development.

In the development of the tourism industry, taking into account the fact that information and communication technology enterprises act as the main producers of tourism products and services in many cases, this field is also included among the main service producers. Producers of additional services perform certain functions in the formation of tourism products, meeting tourism needs and are characterized as additional field enterprises.

In the dissertation, the concept of the tourism industry is considered, the opinions of scientists are compared and analyzed.

Approaches are analyzed according to the nature, characteristics and structure of the tourism industry. According to the “Tourism” law, the tourism industry is characterized as “a set of legal and natural persons providing tourism services and tourism training services, carrying out tourism-propaganda activities, as well as tourism industry associations”¹. In addition, in the Law of the Russian Federation “On the Basics of Tourism Activity”, *“the tourism industry includes hotels and other accommodation facilities, means of transport, sanatorium-resort, treatment and recreation facilities, public catering facilities, entertainment facilities and facilities, educational, business, treatment-recreation, is a set of organizations engaged in physical education, sports, tour operator and tourism agency activities, operators of tourism information systems, and other designated organizations”*². At the same time, the same law states that a special tax regime of “Professional Income Tax” is applied to tour guides, guide-interpreters, instructors-guides, private entrepreneurs and natural persons performing tourism activities. According to the author, the tourism industry is a set of economic activity subjects engaged in tourism activities, elements that ensure satisfaction of tourists' needs and play an important role in forming certain impressions and changing emotions in tourists, creating a specific service environment. It is believed that in modern times, creating a service environment that creates a positive opinion along with business interests for enterprises engaged in tourism activities is one of the main providers of their strategic development prospects. In this regard, characterizing the tourism industry as an indicator and presenter of the level of service culture, as well as presenting the tourism industry as a set of enterprises that provide tourism activities, which allows the realization of tourism business interests as a goal, will allow a wider understanding of its essence.

Analyzing the nature, principles, goals and tasks of tourism industry activities, it is possible to form an opinion that the tourism

¹ Turizm haqqında Azərbaycan Respublikasının Qanunu. Bakı şəhəri, 27 dekabr 2021-ci il, № 448-VIQ.

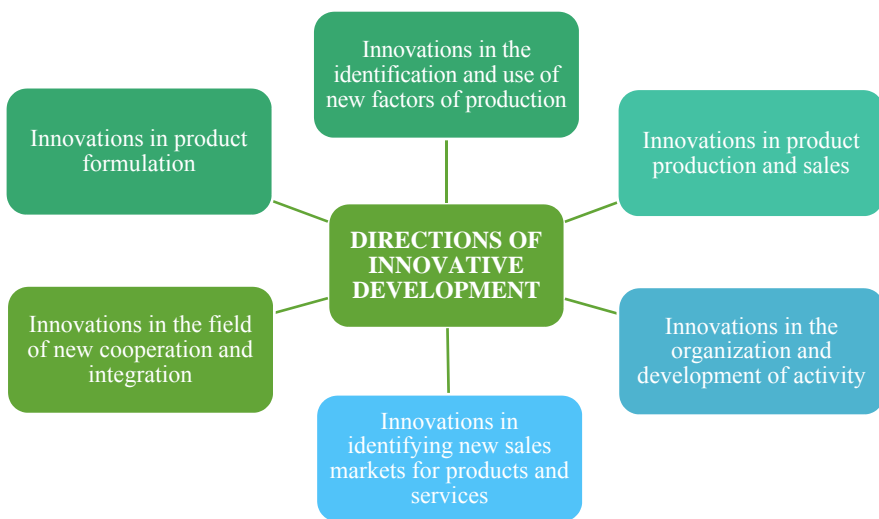
² Федеральный закон от 24.11.1996 N 132-ФЗ (ред. от 05.02.2007 N 12-ФЗ) "Об основах туристской деятельности в Российской Федерации". ст. 1, с. 3.

industry is a system of interdependent and related entities. The sustainable development of the tourism industry as a whole is ensured by the development of each component. Therefore, insufficient development of one of the components of the tourism industry affects the comprehensive development of the tourism industry in the country.

Analyzing the essence of the concept of “innovation”, “innovation activity”, “innovation potential”, “innovation opportunities” and the characteristic signs, characteristics, and other indicators of innovation technologies, it is important to form a generalized opinion. The word “innovation” is derived from the Latin word “inovatis” (“in” - true, “vatis” - innovation) and means “to start using new methods in society, culture and management”, “towards innovation”. According to another opinion, “innovation” comes from the word “innovare” and means “innovation, renewal, progress, development and doing something different.” The term “innovation” in English means renewal and the creation and application of something new, modernization, reform.

In the scientific literature, the concept of “innovation” was first used by J. Schumpeter. According to Schumpeter, “innovation” reflects the use of new raw materials, materials and products, components, the application of different processes, the use of new sales space and markets, the creation of new production cooperations, significant qualitative changes in the function of enterprises and fields, the application of organizational and management forms and methods. Innovation activity in the tourism industry involves the introduction of new products and services, the identification and development of new production methods, markets, the discovery and use of raw materials and supply sources, and the creation of new market structures in the fields of activity. We can describe it schematically as follows (Scheme 1).

Innovation and innovative activity in the tourism industry can traditionally be understood as a process related to the direction of scientific and technical progress and the application of works based on the results of scientific research, the creation of new and different products, the quantitative and qualitative renewal and modernization of existing ones, and the creation of new cultural examples.



Scheme 1. Directions of innovative development

Source: Scheme designed by the author.

Innovations applied in the tourism industry are distinguished depending on the types of products and services, changing technological processes. For the efficient operation of the tourism industry, the author uses them - 1. social management; 2. organizational management; 3. economic; 4. legal; 5. researches pedagogical innovation by dividing it into groups.

The dissertation shows that it is necessary to group and classify innovations in the tourism industry according to their nature, characteristics and signs. At the same time, when analyzing the scientific-theoretical views on this issue, it becomes clear that although the mentioned grouping and classification systems allow to determine certain similarities and differences, certain signs of innovation are not fully specified and there is a need to eliminate the shortcomings in this direction.

The second chapter of the dissertation work is called **“Analysis of the current state of innovative development of the tourism industry in the Republic of Azerbaijan”**. It is noted in the dissertation that tourism plays an important role in strengthening the country's political position, and has become a field that competes

with the oil, food, chemical, and automobile industries. Z.A.Samadzadeh pointed out, *“currently Azerbaijan tourism is developing on an upward line”*³. From this point of view, the development of the tourism industry plays an important role in the increase of employment, the development of related fields, the improvement of the population's well-being, the prevention of the flow of the rural population to the city, and the strengthening of intercultural integration.

In the second chapter, the general development features of the tourism industry in Azerbaijan are characterized, the role of innovation technologies in the development of the tourism industry is justified, and the features of the applied innovation models are compared and evaluated, the principles of innovation development in the tourism industry are determined and their specific features are systematized.

The analysis of the indicators given in the table shows that during 2015-2019 there was a dynamic increase in the number of tourists coming to Azerbaijan from foreign countries, the average number of foreign tourists coming to Azerbaijan during these years increased by 291 thousand people or 12.1%.

The number of foreign tourists visiting Azerbaijan in 2019 increased by 1164.2 thousand people (58%) compared to 2015. In 2019, 90.4% of citizens from foreign countries visited our republic, and in 2021, 58.3% visited our country for the purpose of tourism. In 2019, the growth of the tourism industry in Azerbaijan was 11.4%. According to the calculations of the World Tourism Organization, our country ranked 18th in the list of 20 countries in terms of the development of the tourism industry.

These indicators are given in the table below.

³ Səmədzadə, Z. Ə. Azərbaycan iqtisadiyyatı 100 ildə / Z. Ə. Səmədzadə. IV cild. – Bakı: - 2021. - 592 s.

Table 1.

Dynamics of the distribution and expenses of foreigners and stateless persons coming to Azerbaijan and citizens of the republic going to foreign countries according to the purpose of the trips in 2015-2022. (thousand, people)

Indicators	2015	2016	2017	2018	2019	2020	2021	2022
The number of citizens of foreign countries who came to Azerbaijan	2006.2	2248.8	2696.7	2849.6	3170.4	795.7	791.8	1602,3
come for tourism purposes	1921.9	2044.7	2454.0	2605.3	2863.5	519.4	461.7	1058,1
come for other purposes	84.3	204.1	242.7	244.3	306.9	276.3	330.1	544,2
The total number of Azerbaijani citizens who went to foreign countries	4095.8	4281.9	4108.9	4908.1	5567.7	1164.6	974,5	1489,5
those who go for tourism purpose	3256.2	3592.1	3447.4	4096.7	4347.3	746.6	557.9	918,1
those who go for another purpose	839.6	689.8	661.5	811.4	1220.4	418.0	416.6	571,4
Tourism expenses incurred by tourists coming to Azerbaijan for tourism purposes, million manats	11324	1411.3	2285.3	2661.6	2971.4	414.7	492.6	1340,2
Expenditures of Azerbaijani citizens traveling to foreign countries for tourism, million manats	1816.9	1970.3	1678.9	2387.4	2407.6	412.5	510.3	924,8

Source: The table was compiled by the author based on the information from www.stat.gov.az

In 2022, the number of people who came to Azerbaijan for tourism purposes decreased by 404.5 thousand people or 1.25 times compared to 2015. In 2015-2022, the average annual decrease was 232.3 thousand people or 19.4%. During 2015-2022, the average number of people who came to Azerbaijan for tourism purposes was 2020.18 thousand people. In that period, the turnover indicators of tourism import and export in our country are reflected in chart 1.

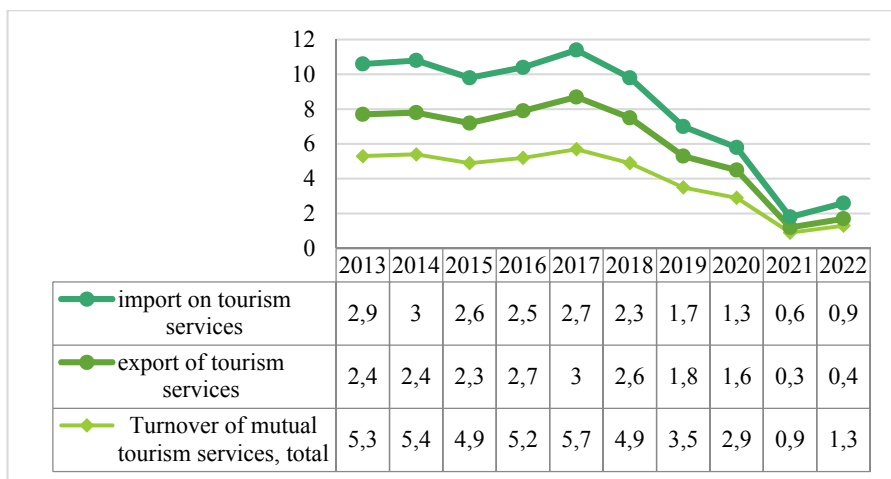


Chart 1. Dynamics of turnover of mutual services in the Republic of Azerbaijan in 2013-2022 (billion dollars).

Source: compiled by the author based on <http://www.cbar.az/> data.

As a result of the analysis, it is determined that in 2022 the turnover of mutual tourism services will be 1.3 billion dollars, the amount of services provided to tourists coming to Azerbaijan from abroad (export of tourism services) will be 0.4 billion dollars, the amount of services provided to tourists going abroad from Azerbaijan (tourism services imports) is 0.9 billion dollars. Compared to 2021, the turnover of mutual tourism services increased by 23% in 2022, the export of tourism services increased by 14.3%, and the import of tourism services increased by 7.6%.

In 2014-2022, the main indicators for the fields characteristic of tourism in Azerbaijan were reflected in the table below:

As it can be seen, in the dynamics of the number of workers working in the fields typical for tourism, a 12.1% decrease was observed in 2016 due to devaluation and a 16.9% decrease in 2020 due to the pandemic compared to the previous year, and an increase was recorded in the remaining years. In 2022, the number of employees working in areas typical for tourism increased by 13,345 people (31.1%) compared to 2014, and by 6,302 people or 10.7% compared to 2020.

Table 2.

The main indicators of the fields characteristic of tourism in Azerbaijan in 2014-2022

Indicators	2014	2015	2016	2017	2018	2019	2020	2021	2022
Number of employees working in fields typical for tourism, (people)	41886	49449	43477	46837	53222	58972	49019	53717	55321
The amount of added value created in areas typical for tourism, (million manats)	2404,2	2437,3	2746,1	3151,0	3464,3	3704,9	1386,7	2062,6	2235,4
The specific weight of the added value created in the fields characteristic of tourism in the GDP of the country (in %)	4,1	4,5	4,3	4,5	4,3	4,5	1,9	2,2	2,4
The volume of investments in areas typical for tourism, (million manats)	2204,0	1063,9	363,0	267,3	229,7	133,7	79,3	242,4	304,8

Source: The table was compiled by the author based on the information from www.stat.gov.az

In the dissertation, using econometric methods, it was determined that there is a relationship between the amount of total added value created in areas characteristic for tourism. There is a strong correlation between the number of citizens arriving in the country and the number of citizens leaving the country (correlation density 0.827), the amount of income of hotels and facilities (correlation density 0.938) and the turnover of air transport passengers (correlation density 0.942).

In accordance with modern development trends, it is necessary to apply innovative technologies more widely in the development of the tourism industry and to continuously implement measures in this direction.

The design and use of innovative technologies in the development of the tourism industry is the main source of innovative development of this field. In order to increase the role of innovations in development, the selection of their type and type, clarification of their goals, identification and systematization of the factors that condition the study and application of their characteristics are important factors. At the same time, it is an important issue to determine the application possibilities of the main innovation models applied in the world (Europe, USA, Japan), as well as the national innovation models of different countries (Thailand, Singapore, China, etc.). We believe that the application of the positive aspects of the existing models in the tourism industry in a combined form and adaptation to local conditions will allow for rapid innovative development in this field. The application of this principle in the tourism industry in our country will create a basis for achieving effective results in development.

One of the important tasks in ensuring innovative development is the definition of principles. Determining the principles of the stages of the process design (creation, design, application of an innovation idea, its spread in the tourism industry, consolidation or cessation of its application in the field of activity, replacement with a new one), ensuring the longevity of innovations in the field of application, and the logical sequence and systematic implementation of measures at these stages, applied evaluation of the effects caused by technology,

etc. based on issues. Therefore, when determining the principles for the effective organization and expansion of innovative development activities in the tourism industry, it is necessary to base it on the fact that the results created by innovations are economic, socio-cultural, etc. for the tourism industry and society as a whole. to be more efficient from the point of view, and their application should also be distinguished by its difference, significance and importance among the driving forces of the innovative development of the field.

The third chapter of the dissertation is titled **“Directions for improving innovative development mechanisms of the tourism industry in Azerbaijan”**. Here, the principles of the formation of the innovative development strategy of the tourism industry were defined, the directions of the innovative development of the tourism industry in Azerbaijan were evaluated, and measures were developed and prepared to improve the mechanisms of applying innovative development technologies in the tourism industry.

The thesis states that usually in the tourism industry, regular, revolutionary, structural, research, legislative, technological, customer, cost and price, personnel, supply-oriented, dependent, assimilated, imitative, offensive, random, etc. strategies are widely used. Innovative strategies in the tourism industry serve to create a new product or improve existing products, primary and additional services, create and develop new markets for tourism services, apply management and marketing activities, use new sources of raw materials, in short, innovative development of the field. Based on this experience, it is considered acceptable to consider certain aspects of the mentioned strategies in the formation of the innovative development strategy of the national tourism industry in Azerbaijan.

Providing a conceptual approach to the issue is considered an important factor in order to achieve innovative development of the tourism industry in our country. This approach should consider innovation activity, the conditions created by globalization and ensuring sustainability in development, which should be based on certain principles. One of these principles is considered to be the main driving element and implies the creation of a technological basis for innovative development, the dynamic nature of

development. Another principle is the involvement of the activity in the realization of the process of consumption of innovative products and services of the target market, and this is considered more important, because in this process it covers the issues of development of products and services in the conditions of market relations, extension of life and ensuring profitability.

One of the important principles is the prioritization of measures aimed at ensuring the integrated character of innovation activity in the tourism industry. This principle includes the improvement of financial-economic, material-technical, technological, creative-initiative personnel provision of development, creation of corporate innovation culture, innovation team, adoption of new tourism markets, expansion of participation in global tourism markets, creation of a continuous support system for the innovative activity of tourism industry enterprises and effective system may include management. In our opinion, these include the introduction of an improved model of the public-private partnership mechanism, the expansion of cooperation in the exchange of experience and support measures of business entities in the field of tourism the development and continuous improvement of the policy and strategy of ensuring the systematic innovative development of the national tourism industry, the form and continuously updating its principles, in short, taking the necessary measures in the field of implementing the strategy related to innovative development as the main goal.

The technologies applied for the purpose of ensuring and accelerating innovative development in the fields of the tourism industry have different forms and types depending on the nature of the fields of activity. Innovation technologies applied in accommodation enterprises mostly cover legal, material and technical, social, management, organization of sales and increase of sales volume and other processes.

A fairly wide range of innovative technologies are applied in food establishments, which mainly provide the basis for quality assurance in the production of food products, significant changes in the improvement of service forms and service environment. Tourists are interested in the design of dining tables in catering establishments,

the aesthetic appearance of the table, the arrangement of cooking utensils, and the features of processing the raw materials of food and snacks in a different way. In order to respond to these interests and meet the needs, we believe that the applied innovations include remote-controlled buttons for flexible communication with the waiter at the tables, QR codes for obtaining information about the range of dishes and other indicators, interactive menu, Wi-Fi, employee activity control system, the use of radios for operative communication of personnel, coding of ordered food from a tablet and selection from a conveyor belt with a code, digital tables are very important. In our opinion, these include online ordering system, online delivery, contactless payment, online menus, payment systems, service performance assurance system, etc. QR codes that provide access to sources, raw material supply management system, software for creating food product reserves, ventilation, microclimate and cooling technologies, process innovations applied for personnel management, rotation, selection and development, various light and sound effects in enterprises music programs accompanied by etc. technologies can be attributed.

The innovations applied in transport services provided to tourists include interactive technologies, virtual guides, means of communication with video and audio display systems, satellite communication, various food and entertainment services, use of special vehicles distinguished by high level of comfort and technical-technological indicators, etc. is attributed.

Entertainment enterprises, as one of the important sectors of the tourism industry, use various innovations in the process of meeting the entertainment needs of tourists. Sound and light effects in entertainment events, augmented reality, virtual reality, mixed reality and others can be examples of innovations.

Excursions are one of the areas where innovations are widely applied in the tourism industry. Compilation of excursion themes and texts in a new form and content, intelligent, audio, quest virtual, story, online, 3D, etc. organization and conduct of excursion forms, as well as the use of innovative methods, equipment and tools in the organization and conduct of excursions, the use of new marketing

methods in the study of the excursion market, etc. are considered the main innovative activities.

Thus, the design and use of innovative technologies is one of the main elements of development in the current era, and the sustainable development of tourism in many cases depends on the effective organization of innovation activities and the purposeful application of the results, and therefore the design and application of innovations should be the first of the main priorities for the tourism enterprise. We believe that in order to achieve the goals in the field of innovative development of the tourism industry, which is one of the priority areas of the national economic system in Azerbaijan, systematic action in this direction, support of ideas and initiatives for the development of innovative technologies, strengthening of state support for this process, formation of the national tourism policy and strategy and in the process of their implementation innovation activity should be in the focus, continuous improvement of the activity mechanism should be carried out. These principles should be evaluated as the main factor in ensuring the innovative development of the national tourism industry in Azerbaijan and its integration in the global tourism market. Realization of strategic goals related to the future development of the tourism industry of our country, increasing the role of the tourism industry in the overall development, expansion of innovative development, application of innovative works and improvement of mechanisms for increasing efficiency is necessary.

In this regard, the dissertation shows that the tourism industry enterprises operating in our country should expand innovative development, support innovative initiatives, improve the financial support of the activity, create reliable support mechanisms of private and state tourism management structures for the process, attract and efficiently use existing opportunities, potential and resources for the development of innovations. may be one of the important factors. In addition, it is one of the main tasks to take advantage of international experience and innovative development models applied in developed countries and the wide application of virtual and digital innovations, as well as the creation and application of similar development

models, provided that the development tendencies and characteristics of the national tourism industry are taken into account. they should identify as one, unite efforts in this direction, and achieve sustainable innovative development in this field by improving intra- and inter-sectoral integrative action mechanisms.

CONCLUSION

In modern times, innovation activity based on new knowledge and intelligence is one of the important tasks of economic development in all fields of activity and brings practical benefits and income. Innovative development in the tourism industry is considered more promising and useful. The duration and benefits of these innovations are more than those applied in other fields. Therefore, expansion of innovative activity and improvement of development mechanisms are more relevant in the tourism industry, which plays an important role in solving global, national, regional and local, socio-economic problems and ensuring general economic development. The research work conducted and concluded in the field of improvement of innovative development mechanisms of the tourism industry in Azerbaijan gives grounds for coming to the following conclusions:

1. In the innovative development of the tourism industry, finance, personnel, technology provision, tourism management institutes, research and educational institutions have an important role in the development of this field. The influence of many external and internal factors on the innovative development of tourism should be taken into account. The internal structure of the tourism industry, regulation of relations between service providers, reconciliation of interests, etc. by taking into account the factors, it is possible to create a favorable environment for innovation and additional incentives for development.

2. The grouping of innovations is also related to the nature of the resources that ensure their development. Therefore, we believe that this factor should also be taken into account in the grouping process. The richness and breadth of the sources of innovation creation determines the emergence of additional innovation groups of

different nature, and this can be considered an additional potential for further expansion of the directions of innovation development.

3. To analyze the level of innovative development of tourism, it is necessary to have complete and qualitative information. The main indicator of the innovative development of tourism also affects the flow of tourists, which depends on many factors. However, the relevant authorities in our country do not provide statistics on the level of innovation activity in the tourism industry and applied innovation technologies. The technologies applied in the tourism industry in the future and the effects caused by their application, the impact on the level of profitability, the promotion of tourist flows, the role in solving socio-economic problems, etc. there is a need to develop a mechanism for conducting statistics on indicators and reflecting the results in general tourism statistics.

4. It is impossible to achieve progress without innovative technologies to develop the tourism industry. Approaches to the concept of innovation in the tourism industry are analyzed, its content and development characteristics, trends are summarized, and its conceptual bases are explained. Taking into account the different characteristics of the tourism industry, we propose to approach innovations from a socio-economic perspective through creativity, an efficient approach to problem solving, and a new way of thinking.

5. Types of innovations in the tourism industry are divided into groups according to goals and characteristics. These are: 1. according to the types of innovation; 2. according to the implementation mechanism of innovations; 3. due to innovation potential; 4. according to the characteristics of the innovation process; 5. results are classified according to the efficiency level. In addition to the above, innovations in tourism based on scientific approaches: 1. social-management innovations; 2. organizational management innovations; 3. economic innovations; 4. legal innovations; 5. It is studied by dividing into pedagogic innovations.

6. The development of the tourism industry also depends on having a perfect development strategy related to technological innovations as well as innovation activities. Integration into the global tourism base, creation and promotion of the national tourism

brand, improvement of the tourism legislative base, training of professional specialists and service personnel, knowledge and capacity building is considered necessary.

7. We consider the formation, implementation, development and constant improvement of the innovative development strategy of the national tourism industry as one of the main tasks. Therefore, during the formulation of the innovation strategy, niche (collaboration), regular, revolutionary and structural, research, legislative, technological, customer, cost and price, personnel, dependent, assimilated, imitative, offensive, random, supply-oriented strategies are applied in developed countries. we consider it appropriate to use it.

8. European, US, and Japanese models of innovative development, as well as individual national innovation models of many countries, form the basis of models used in the tourism industry. We believe that the application of the positive aspects of the existing models in the tourism industry of our country in a combined form and adaptation to local conditions will allow for rapid innovative development in this field.

9. In the course of reconstruction works in the liberated regions, infrastructure, technical-technological, management, etc., which lay the foundation for the future efficient use of the resources, potential and opportunities of the territories that stimulate the innovative development of tourism creation of elements should be considered.

The main provisions of the dissertation work, the obtained results and proposals are reflected in the following published works of the author:

1. The role of non-traditional tourism in the development of the tourism economy // VII International Symposium on Turkish World Studies. Volume II. – Turkey, – 20 – 22 October, -2020, -p. 377-391.

2. Forecast of development prospects of tourism in Azerbaijan and analysis of tourism potential in the country, development prospects // Republican scientific conference on "Role of transit potential of

Azerbaijan in economic development". – Sumgait, - October 22-23, - 2020, -p. 25-29.

3. The main stages and priorities of the regional development of tourism in Azerbaijan // - Baku: "Cooperation" scientific and practical magazine. №2(61). - 2021, - pp. 104-110.

4. The role of tourism in the promotion and protection of the national-cultural heritage // - Baku: "Construction economics and management" scientific and practical journal. #4(17). - 2021, - pp. 174-179.

5. Development level and prospects of medical tourism in Azerbaijan // - Baku: "Cooperation" scientific and practical magazine. №4(63). - 2021, - pp. 170-177.

6. Social-economic foundations of the development of the tourist market of Azerbaijan // - Moscow: "Financial economy" Vserossiysk scientific-analytical journal. #10 ч.2. - 2021, - pp. 125-128.

7. Theoretical and methodological aspects of increasing the competitiveness of tourism enterprises in the post-pandemic period // Scientific-practical republican conference "Research problems of young people in the pandemic period". - Ganja: Azerbaijan University of Technology, - 2021, - p. 35-37.

8. The main directions of regulating the development of ecotourism in Azerbaijan // – Nakhchivan: Journal of scientific works. #1(2). - 2022, - pp. 83-90.



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