

# Economic unit's Operational Business Processes Formation Peculiarities Taking into account Goods' Features for Particular Segment of Resort and Spa Services Market

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**Abstract**— In the article it is suggested approach that allows optimizing operational business processes formation in accordance to goods' peculiarities accounting criterion for resort and spa services market particular segment.

**Keywords**— optimization; economic unit; management; business processes; resort and spa sector

## I. PROBLEM STATEMENT

In the author's previous articles [1–3] it was suggested methodic approach to process management realization for resort and spa sector economic units. It was revealed that operational business processes (BP<sub>Gsi</sub>) formation basic are segment goods (G<sub>si</sub>), which have certain consumer properties for relevant market specific segments satisfaction. These goods are operational business processes outputs, as well as information that is associated with them. To obtain “outputs” it is necessary to use appropriately selected “inputs” that are resources, information, materials which are provided to production, “mechanisms” that are personnel and technological equipment, “controls” that are standards, regulations, etc., and also there is necessity to apply correct actions sequence that is business process work flow. Mentioned above determined this article aim that is to disclose economic unit's operational business processes formation peculiarities taking into account goods' features for particular segment of resort and spa services market.

## II. MAIN CONTENT

Operational business processes formation method for resort and spa sector economic units taking into account goods' features for particular market segment should be understood as like as specific tasks solving way for business processes formation target achieving and also practical and theoretical techniques and operations set for its implementation.

The method developed during research and suggested in this article is realized with algorithm that is represented at Fig. 1. Its steps description is given below in the text.

Step I is segmentation that in general terms is logically substantiated technique for economic units certain goods consumers groups identifying that exist on the market or going to be implement into it, and clients satisfaction more meaningful parameters revealing.

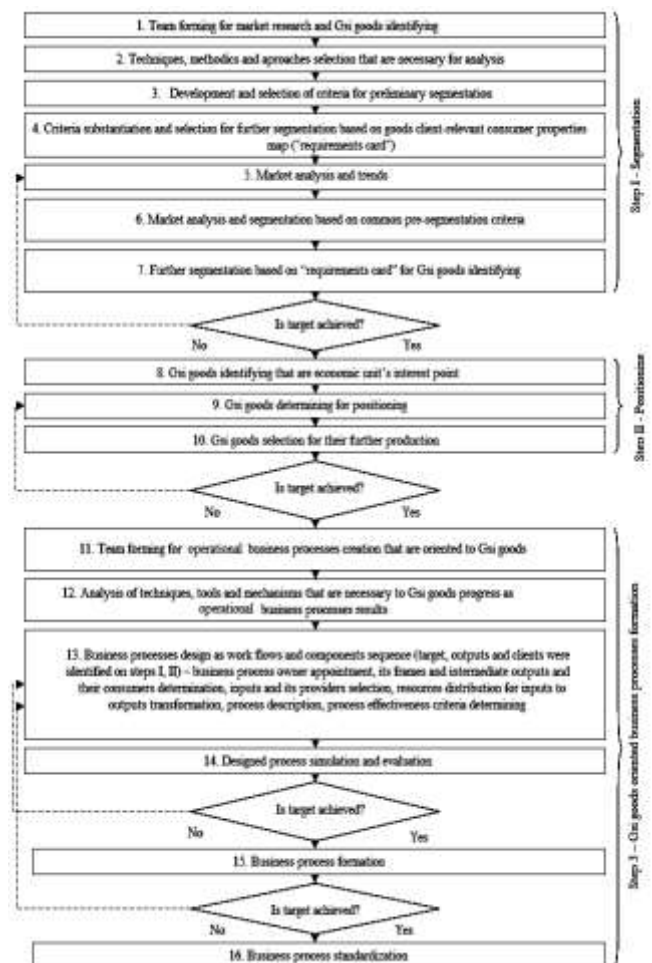


Fig. 1. Operational business processes formation algorithm

Step I starts from team forming for market research and  $G_{si}$  goods identifying: team must include economic unit specialists, consultants from consulting agencies, other stakeholders' representatives. Team assigns rights, responsibilities, and tasks that are performed by its members. They select necessary techniques, methodologies, and approaches for analysis and research existing tools, define their sufficiency and effective applying combinations and also substantiate new ones development necessity.

Then team members develop and choose geographical, demographical, psychographic, behavioral and other criteria for preliminary segmentation (for consumers groups defining). Segmentation criteria should be adjusted taking into account resort and spa economic unit's peculiarities and their goods consumers.

By geographical criteria researched economic units' buyers (clients) in selected market frames is rational to segment by their regions, dividing them to urban, suburban and rural areas inhabitants. In Crimea researched goods applications ratio was: urban area – 69 %, suburban – 27 %, rural – 4 %. During 2008–2017 years this ratio did not actually change, values deviation by groups was 0,4–0,6 %.

Demographic criteria for resort and spa sector economic units' customers as such as individuals during private orders executing at goods groups direction in particular time period included: age (from 18 to 24 years, from 25 to 34 years, from 35 to 49 years, from 50 up to 64 years, senior 65 (65 +) years), gender (male, female), social type (heads of associations, organizations, divisions, specialists, etc.), income and other criteria relevant to special economic unit).

Researched goods consumers analysis results according to “age / order” criteria for individuals are illustrated at Fig. 2.

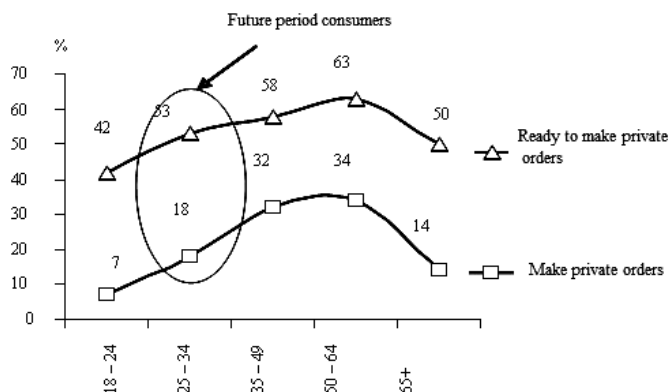


Fig. 2. Age groups and their orders correlation for the researched economic units (Crimea, 2017)

During research execution the results of which are presented in this article, at praxis were researched resort and spa sector economic units potential customers, who was ready to make private orders, and these who already makes them. In 2008–2017 years values deviation was 0,3–0,7 % without age groups division clear pattern. Economic units' points of interest should be not only groups that give orders maximum at the moment, but also “future period consumers”. In the research

mentioned criteria were useful for  $G_{si}$  goods identifying for resort and spa sector economic units.

Psychographic criteria for resort and spa sector economic units should be consumer groups selection criteria based on dynamic stereotypes, which include such basic behavioral types-patterns:

1. conservative educated consumers;
2. experienced highly educated consumers;
3. image-oriented consumers that are receiving education;
4. basic consumers;
5. “professional” consumers (for subsequent work with goods).

At Fig. 3 are illustrated goods consumers psychographic criteria analysis results for researched resort and spa sector economic units. It was made according to 2017 data, in 2008–2017 years values deviations were 0,4–0,8% without divided groups clear pattern.

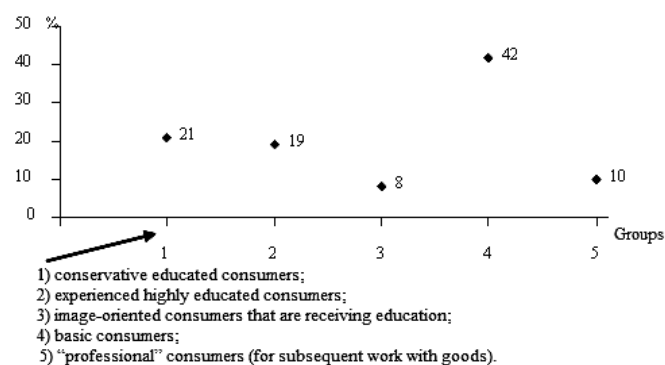


Fig. 3. Goods consumers distribution based on researched economic units psychographic criteria (Crimea, 2017)

Resort and spa sector economic units behavioral criteria should include various categories of buyers' reaction to particular goods and goods searching cases associated actions, goods purchase readiness, goods choice making behavior, and others. By “goods calls cases and frequency” criterion buyers can be divided into the following groups:

1. consumers that order goods repeatedly multiple times;
2. consumers that order goods repeatedly once;
3. consumers that do not order this goods, but can potentially order its counterparts;
4. consumers that do not order this goods and similar one.

Researched resort and spa sector economic units goods results are illustrated at Fig. 4 (2017 data for Crimea, values deviation in 2008–2017 years were 0,3–0,6 %).

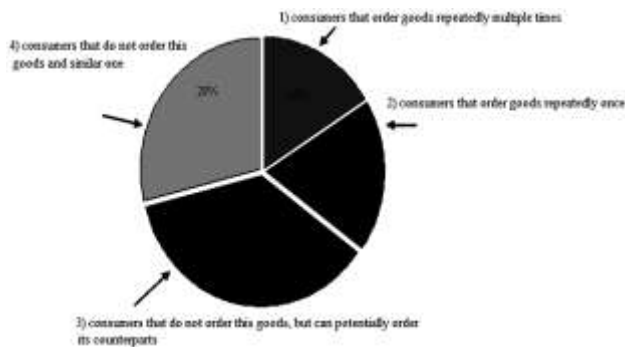


Fig. 4. Goods consumers distribution based on researched economic units “goods calls cases and frequency” criterion (Crimea, 2017)

According to “economic unit's goods choice behavior” behavioral complex criterion it can be determined buyers following characteristics:

- 1) consumers that ask for recommendations;
- 2) consumers that give preference to highly appreciated goods (certificated ones, etc.);
- 3) consumers that believe that price is goods quality direct reflection;
- 4) consumers that buy goods occasionally;
- 5) consumers that belong to merchandise clubs or would like to do it, etc.

Example for researched resort and spa sector economic units goods analysis results are illustrated at Fig. 5 (2017 data for Crimea, values deviation in 2008–2017 years were 0,2–0,8 % in percents of respondents total number ratio).

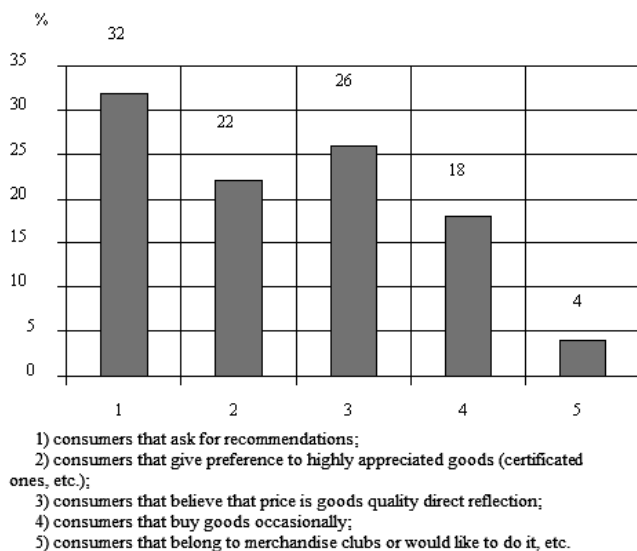


Fig. 5. Goods consumers distribution based on According to “economic unit's goods choice behavior” behavioral complex criterion (Crimea, 2017)

Then economic unit makes criteria substantiation and selection for further segmentation based on goods client-relevant consumer properties map (“requirements card”). After it is made segmentation based on “requirements card” for  $G_{si}$

goods identifying that depends on particular goods specific. In general, there can be taken into account countries that produce goods, if market presents goods from different countries, regional economic units that produce goods, goods’ type from identified goods group, which is characterized by inherent and distinguishing consumer properties depend on similar goods or substitute ones, goods production progress and maintenance information type; goods group price (low, medium, high relative to specific goods groups), goods image consumer properties: fame, prestige, and others).

There are researched goods analysis results by mentioned above criteria that are illustrated at Fig. 6 (presented on 2017 data, in 2008–2017 years values deviation by groups was 0,6–0,9 % without divided groups clear pattern to “requirements cards” groups).

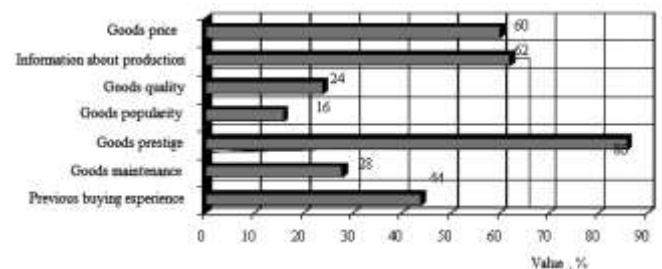


Fig. 6. Consumers “requirements card” criteria fragment for economic units researched goods (Crimea, 2017)

After research necessary methodological tools determining on the business processes formation suggested method algorithm implementation previous phase based on  $G_{si}$  goods, there is made next phase transition – direct market and its trends analysis: data collection, its systematization; goods structure analysis; valuations, specific characteristics; market analysis and segmentation based on common pre-segmentation criteria – they make consumer survey and research which are necessary to preliminary groups selection. Than team executes further segmentation based on “requirements card” for  $G_{si}$  goods identifying based on market and its trends analysis results.

If step I segmentation is completed successfully there is transition to step II – positioning, if not there is need for additional researches. After  $G_{si}$  goods identifying economic unit selects ones that are its interest point, determines their advantages for positioning (attributive positioning, advantages positioning, certain audience focus, competitors emphasis, quality positioning, prestige emphasis, price games) based on economic unit’s production characteristics and comparison with existing competitors' goods, and selects  $G_{si}$  goods for further production. When this step is successfully completed, there is transition to step III –  $G_{si}$  goods oriented business processes formation, if step is not completed there is need for step II actions repeating.

When there is team creating for operational business processes formation that are focused on  $G_{si}$  goods it is need to define its contain – consulting entities consultants, resort and spa sector economic unit’s specialists, other stakeholders; they solve process management formation very steps that demands various specialists involving (on processes automation

development related to ISO 9001:2015 quality system requirements; on business and technology creation and improvement; business analysts; organizations process-oriented type change specialists; project managers; human resources managers and others). Team members analyze necessary tools and mechanisms to create  $G_{si}$  goods that are results of  $BP_{Gsi}$  operational business processes, then design business processes as actions and their components sequence (inputs, outputs, control and mechanism) (in accordance to preliminary defined target, outputs and end-users during steps I and II), business process owners are appointed.

Business processes owners should be economic unit's officials that have rights and powers, disposal personnel, infrastructure, software and hardware, information about business processes, and they are responsible for business process in all its aspects – process planning, provision, management and improvement; process owner can make demands for his process inputs and their indicators, and also use process managing preventive, adjusting and planned improvement measures; he also makes resources orders for his process ensuring and correcting actions or measures as well as process refinement ones; and develop and make changes to process control documentation.

Either it is necessary to define business process frames, intermediate outputs, and customers, select inputs and their providers, indicate resources that are required for input to output transformation, describe process, identify process effectiveness criteria, and after it to make designed process correctness simulation and evaluation with computer tools. This process is related to existing resort and spa sector economic unit situation as future state process.

If processes correspond to current requirements, there is transition to business process formation, if not they make

additional works. When business process is relevant to its formation target, it is standardized – there are business process approval and documentation in accordance to existing standards.

### III. CONCLUSIONS

Suggested resort and spa sector economic units operational business processes formation method taking into account goods consumer properties that satisfy particular clients' market segment, and allow client-oriented approach implementing to business. However the most domestic business entities face limited resources in prospective and forecasting periods' actions formation problems that cause one-off processes implementing impossibility, also mentioned above method realization needs to take into account Balanced Scorecard requirements that will be disclosed in following publications.

Described method practical implementation was successfully tested at resort and spa sector economic units.

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