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## RECREATIONAL TOURISM: PRODUCT PORTFOLIO DIVERSIFICATION

*Theoretical fundamentals of product portfolio diversification in the frames of recreational tourism were disclosed. The main attractive properties of recreational tourism resources were substantiated. The potential advantages and disadvantages of recreation tourism product diversification were investigated. The product portfolio diversification and marketing processes in recreation tourism were analyzed via the example of the clinical sanatorium "Kuialnik" and the resort association "Perlyna Chornomoria" located in Odesa region of Ukraine.*

*Keywords:* recreation tourism, resort, sanatorium, product portfolio, diversification.

**Background.** The relevance of the research of tourism product diversification is undeniable. Firstly, we need to maintain the interest of the consumer constantly, and this is a priority for the sustainable development of the tourist destination and to maintain its existence in the market.

Obviously, recreational resources are the main initiators of tourist travel and a very important motive that boosts tourist traffic. If the recreational and tourism resources are more attractive and more interesting, this will cause massive tourist traffic and more tourist consumption.

Tourism products diversification can help tourism destinations develop partnerships between each other. It will help to increase the flexibility and competitiveness of destinations. It is necessary to combine new and

existing recreational facilities and tourist attractions; capitalize local history and cultural heritage and develop them as unique tourism experiences tailored to the needs of the local community.

Tourism products diversification is also a useful strategy to overcome seasonality effects, either through substituting domestic with international tourists or by substituting low season, low value markets by higher potential and higher value markets.

The main problem of this study is in the investigations of theoretical substantiation of recreation tourism product portfolio diversification. The main objectives of this paper are: to describe the essence of product portfolio diversification and the main principles of its implementation; to explore product portfolio diversification of recreational tourism and its significance for modern business; to investigate the world and Ukrainian practice of product portfolio diversification implementation.

**Analysis of recent research and publications.** Deep fundamental investigations of recreational tourism essence as well as different approaches to its classification are proposed in the scientific works of A. Mazaraki et al. [1; 2]. The development of recreational tourism and different approaches to its scientific investigation in higher school are analyzed by O. Lubitseva [3]. Medical, health treatment and rehabilitation aspects of recreational tourism are explored by O. Fedorchenko et al [4]. Product portfolio diversification essentials are researched by scientists from Corporate Finance Institute [5], and product portfolio diversification for recreational tourism is defined by O. Arup [6]. Theoretical principles of formation and selling the product of recreational and health tourism are expressed in monograph edited by N. Dubrovina and S. Filip [7]. Statistical base for concrete investigations of product portfolio diversification via the example of different resorts in Odesa region of Ukraine is in different open internet sources [8; 9].

**Materials and methods.** This study is based on scientific dialectical method. The main investigation methods of this study are method of descriptive analysis, literary reference analysis, analytical method as well as scientific synthesis.

The **aim** of the article is to highlight recreational tourism essence, recreational resources classification as well as their influence on tourism development. The paper also consists of the researches of recreational tourism product portfolio diversification via the example of different resorts located in Odesa region of Ukraine.

**Results.** Recreational tourism is very popular in the modern world. The main goal of recreation tourism is creation of well-being, the restoration of one's working capacity, the preservation and improvement of one's health. It includes a variety of tourism activities from getting acquainted with faraway and exotic places or enjoying seaside holidays and participating in cultural programs and different forms of entertainment [1]. Recreational tourism shares many characteristics with wellness and medical tourism

as well as with health tourism. Spending quality time during travel is important for sport tourists today. The main aims of recreational tourism include active participation in some kind of recreational activity or participating in a sport or cultural event as a spectator [2].

Recreation includes specific conditions for human psychological and physiological forces reproduction. We can divide these conditions on three parts: natural (with specific climate, water resources, forest trees, picturesque landscapes, etc.), medical (with different medical rehabilitation procedures using specific equipment and health treatment or precaution activities) and hospitality (with specific accommodation location, nutrition diets, keep-fit exercises, recreate sport activities, etc.). Therefore, the essence of recreational tourism consists in active involving of individual person or their separate groups into above mentioned psychological and physiological forces reproduction for effective health treatment and rehabilitation. This is very important scope of recreation tourism that gives treatment for various of pre-existing conditions such as bronchial allergy, hypertension, long-term gastritis and pancreatitis, immunologic diseases, diseases of the musculo-skeletal system and connective tissue as well as illnesses common in older age. Also, recreation tourism gives rehabilitation after different trauma (chest injury, knee joint injury, burns, etc.) [4].

Recreational tourism resources are very different. They have natural and anthropogenic genesis and include material basis for local organization of rehabilitation procedures and human treatment in different specialization fields or at different recreational areas. We can divide them on natural and behavior resources [3]. Natural treatment resources include thermal and mineral waters, mineral wax and muds (ozokerite, bischofite, naphthalan-bath); brine of lakes and estuaries; sea water, natural landscapes for climatic treatment, prevention and rehabilitation. Behavior resources include specific healthy way of life, healthy nutrition, active sport and gymnastics, cognitive elements of health activity etc.

Therefore, we can highlight the main attractive features, that influence on recreational activities development. Among natural attractive features we can choose specific geographical location connected with soft environment and perfect climatic conditions favorable for human health treatment. For example, these territories are related to the seaside, mountains or forests areas. The level of humidity, temperature and precipitation balance as well as level of atmosphere pressure are normal and suitable for comfort well-being.

Among socio-economic attractive features that influence on recreational activities development we can express level of infrastructure development of recreation and resort territory; comfort level of accommodation; transport accessibilities; prices of goods and services of recreation area; level of communication infrastructure development; duration of the vacations; development of advertising and information system; level of professional skills for personnel; level of culture development; tourist mobility as well as national traditions [3].

Social and psychological attractive features contain communication activities, different types of cultural life and entertainment, the influence of fashion and socialization as well as different personal value orientation. Medical and biological attractive features contain only health status of population. At least, demographic features are described by level of urbanization, nationality status and different indices of natality/lethality; sex/age structure, settlement features etc.

The main attractive properties of recreational-tourism resources are connected with product portfolio diversification of recreation tourism. We can disclose them using different systematic approach introduced by L. Tondiy, L. Vasilyeva-Linetska, P. Tsven, V. Kulivnuk and the others [4; 7]. All of them are connected with the usage of different resort mineral, water and climatic resources for health treatment and medical rehabilitation. For example, we can use specific climate conditions and its different components for different treatment such as climate therapy, aromatherapy, heliotherapy, aerotherapy, thalassotherapy, landscapetherapy, speleotherapy and phytotherapy. When we use ozokerite, naphthalane, sand, different therapeutic muds or therapeutic factors of insect and fauna we can prepare components for perfect types of mineral wax and muds therapy, psammotherapy, faunotherapy, apitherapy, kumiss therapy, hirudotherapy, etc. [4].

Tourism product diversification has the potential to embed the notion of market diversification. But it can be a risky strategy as developing new tourism products requires expanding a destination's infrastructural (physical, human and informational) capacity in order to satisfy the wider range of tourists and stakeholders. That is not easy to achieve, and also there are dangers in moving into markets in which there is little or no previous experience. Thus, there is a need for product research and development, and also for innovation, as well as detailed insights into customer and host community needs. There is a need to understand complex processes in order to achieve successful diversification. Therefore, it is useful to discuss critically some of the potential advantages and disadvantages of product diversification in tourism, with the discussion drawing on relevant academic literature [5; 6].

*Potential advantages of diversification:*

- introduce new tourism products, such as business tourism, ecotourism, sport tourism etc., can provide the sector with a wider platform that can consolidate other tourism or hospitality activities, thereby resulting in mutual interdependency.
- can allow for the use of existing expertise, knowledge and resources that are in place when expanding into new activities. This may result not only in the transferal of skills and the sharing of costs, but also in knowledge development through new experiences learning.
- can allow managers to identify declining supply chain activities, which in turn can be eliminated, consolidated or even transformed to more productive ones.

- can potentially encourage internal competition between various tourism suppliers, and that competition might improve quality and performance.

*Potential disadvantages of diversification:*

- can often increase management complexity required to coordinate and control the various activities, resulting in additional costs and inflexibilities.
- can intensify internal conflicts about resources between various tourism actors and that can hinder the collaboration required to compete globally.
- can fail if there is a mismatch between the supply capacity and the needs of the market. Thus, diversification should be guided by both market needs and supply side competencies.

Diversification is a complex process and it requires multi- and interdisciplinary knowledge and information. Despite that, it is quite difficult to eliminate its uncertainty.

We'd analyzed product portfolio diversification and marketing processes via the example of the clinical sanatorium "Kuialnik" and the resort association "Perlyna Chornomoria" located in Odesa region of Ukraine. The clinical sanatorium "Kuialnik" is a well-known Ukrainian mud resort [8]. It has modern medical equipment with physiotherapy patterning, a medical pool and other treatment rooms. The main activity of subsidiary enterprise "Pirogov Clinical Sanatorium" includes medical rehabilitation and specialized medical practice. The resort association "Perlyna Chornomoria" includes two health treatment resorts near Sergeevka settlement. The main activity of resort association "Perlyna Chornomoria" is medical rehabilitation and organization of health treatment [9].

During our analysis of product portfolio diversification in clinical sanatorium "Kuialnik" and resort association "Perlyna Chornomoria", we have used comparative SWOT analysis. According to them, clinical sanatorium "Kuialnik" has received next results:

*Strengths* include favorable location (the sanatorium is located on the coast of the Kuialnitsky estuary); large territory; year-round operational period; own parking lot; a wide range of services; availability of hi-tech modern medical equipment; significant experience of management personnel; high level of transport accessibility; availability of the different nutrition diets; high level of qualification of medical staff.

*Weaknesses* are: insufficiently strong advertising campaign compared with competitors (especially foreign ones); a low level of comfort in individual treatment; low service quality of personnel; lack of a marketing service; lack of clear resort services strategy development; unsystematic updating of medical equipment in different types of medical services and treatment; low level of innovation development in existing and new facilities.

*Opportunities* are: increasing level of service and the quality of medical staff; the possibility of improvement and expanding the range of services; attracting additional potential consumer groups to use sanatorium services; the possibility of modernizing different equipment in all fields of medical

services; expanding cooperation with various travel agencies and tour operators; achieving a competitive advantage and taking a leading position in mud therapy and other specialized medical fields.

*Threats* are: instability of social economic and political situations; low incomes in off-season period; improvement of competition with new methods of service development; changes in prices for power supply, fuel, raw materials, medical equipment and services; changes in legislation lows (especially taxation).

According to our SWOT analysis, resort association "Perlyna Chornomoria" has received the next results:

*Strengths* are: extremely large territory; advantageous location near Sergeevka settlement; a wide range of services if recreation and medical rehabilitation; highly qualified staff; well-developed infrastructure; availability of different nutrition diets.

*Weaknesses* are: low level of transport services; seasonal prevalence of recreation treatment; weak advertising campaign; low level of accommodation comfort; insufficiently strong advertising campaign compared with competitors; low level of innovation development in existing facilities.

*Opportunities* are: increasing level of service and medical staff quality; increasing of additional campus building intensity and increasing of visitor places accommodation values due to extremely large territory; increasing the level of service and the quality of services personnel; the possibility of improvement and expanding the range of medical rehabilitation services; the possibility of modernizing different equipment in all fields of medical services; expanding cooperation with various travel agencies and tour operators; achieving a competitive advantage and taking a leading position in mud therapy and other specialized medical fields.

*Threats* are: instability of social economic and political situations; low incomes in off-season period; improvement of competition with new methods of service development; changes in prices for power supply, fuel, raw materials, medical equipment and services; changes in legislation lows (especially taxation).

Due to the analysis of business communications (and their interactions) of the clinical sanatorium "Kuialnik" and the resort association "Perlyna Chornomoria" we can conclude that these organizations have enough number of business partners to satisfy all development strategies. One of the most important business communications is participation in the public procurement (tenders). It allows making business with large state and private companies, to enter on the new markets, to increase the competitiveness. Due to comparative analysis of participation in the public procurement (tenders) we can conclude that the clinical sanatorium "Kuialnik" participates in more profitable tenders than the resort association "Perlyna Chornomoria".

To sum up, the resort clinical sanatorium "Kuialnik" have more advantages for health treatment and rehabilitation development because of high level of product portfolio diversification. On the other hand, the resort

association "Perlyna Chornomoria" has its own benefits because of serious focus on separate treatment and therapy program. The effectiveness of work of the clinical sanatorium "Kuialnik" and the resort association "Perlyna Chornomoria" is largely determined by the nature and level of various environmental factors influence. It depends on the professional ability of local managers to meet the negative influence of different threats and weaknesses. Also, local managers have to find additional opportunities to transform the weaknesses of their enterprises into advantages, using the favorable environmental conditions, medical natural and technical resources.

Eventually, we can see the high demand of product portfolio diversification for each of this organization. Local managers have to make the following actions to achieve a high level of enterprises efficiency. There are: choosing a marketing strategy for each of these two enterprises corresponding with their competition level and existing resources, introducing of business contracts with new enterprises, modernization of old contracts, taking part in regional and national health resort improving state programs, rising of marketing communications, professional development of staff personnel as well as innovation development of technical equipment for medical rehabilitation and treatment.

Program activities of product portfolio diversification for the clinical sanatorium "Kuialnik" and the resort association "Perlyna Chornomoria" have different and common options. All of them need to expand their medical equipment base to increase level and diversity of health treatment procedures. They require brand-new technologies for lung treatment, cardiovascular and muscular-skeleton system therapy, for rheumatology and orthopedic, pulmonology and otolaryngology healing, etc. They require new medical acts for Wellness and SPA procedures, fitness programs, gastroenterological and endocrinology treatment also. But clinical sanatorium "Kuialnik" and the resort association "Perlyna Chornomoria" has some different proposals for product portfolio diversification also.

We propose to consider the option of interaction between organizations for the resort association "Perlyna Chornomoria" based on barter terms with sanatoriums located nearby. They can use different infrastructure objects for health treatment active sport and rehabilitation procedures jointly. We also proposed to complete sales segment for clinical sanatorium "Kuialnik" with local unique health treatment products: mineral water and medicinal extracts (mud applications, cosmetic creams, ointments for SPA procedures, pharmaceutical solutions, sprays, etc.).

One of the main program activities for product portfolio diversification suitable for both clinical sanatorium "Kuialnik" and the resort association "Perlyna Chornomoria" include organization of different sport, health treatment and cultural events. These events can be organized on the large seaside territory and attract a lot of visitors.

The efficiency of product portfolio diversification for each of above mentioned enterprises is determined by many factors, included in the list of weaknesses and threats from SWOT analysis as well as from analysis

of their financial statements. They can cope with their problems using effective strategy of product portfolio diversification in the frames of unstable financial and market-based situation as well as in the frames of the COVID-19 pandemic restrictions.

**Conclusion.** Tourism affects development of many other industries in the destination. Tourism through tourist movements has a large impact on geographic space, this effect manifests itself on all the elements that make up the space, and these effects can be economic, social, social and environmental. Tourism can have a good impact on the quality of life of existing residents, local business can be strengthened by increasing the number of visitors, and infrastructure and transport system should also improve with tourism development.

Obviously, recreational resources are one of the main initiators of tourist travel and a very important motive that boosts tourist traffic. The recreational and tourism resources are characterized by attractiveness, better environment and interest. They will cause more massive tourist traffic and more tourist consumption.

The need to define, explain, analyze, share and diversify of recreational and tourism resources are key factors and subjects of analysis. Tourism products diversification can help tourism destinations develop partnerships between each other that can help to increase the flexibility and competitiveness of destinations. For this, it is necessary to combine new and existing recreational facilities and tourist attractions; capitalize on local history and cultural heritage and develop them as unique tourism experiences tailored to the needs of the local community.

Tourism products diversification is also a useful strategy to overcome seasonality effects, either through substituting domestic with international tourists or by substituting low season, low value markets by higher potential and higher value markets.

Tourism products diversification can reinforce the concept of market diversification. But it can be a risky strategy, as development of new tourism products requires expanding of the infrastructure (physical, human and informational) capabilities of the destination to cater a wider range of tourists and stakeholders.

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**Ткаченко Т., Гладкий О., Жученко В. Рекреаційний туризм: диверсифікація продуктового портфеля.**

**Постановка проблеми.** Актуальність дослідження диверсифікації асортименту послуг туристичного продукту дуже висока. Через необхідність постійної підтримки інтересу споживача вона є пріоритетом для стійкого розвитку туристичних дестинацій та збереження їхніх позицій на ринку.

**Метою статті є** дослідження сутності рекреаційного туризму, класифікації рекреаційних ресурсів, їх впливу на розвиток туризму, диверсифікації асортименту послуг рекреаційного туризму на прикладі різних курортів, розташованих в Одеській області України.

**Матеріали та методи.** Основними методами дослідження є: науково-діалектичний, описового аналізу, літературно-довідкового аналізу, аналітичний, а також наукового синтезу.

**Результати дослідження.** Розкрито теоретичні основи диверсифікації асортименту послуг. Досліджено сутність рекреаційного туризму як об'єкта наукових досліджень, концептуальні особливості рекреаційних та туристичних ресурсів. Наведено сутність рекреаційно-туристичних ресурсів. Запропоновано їх поділ на різні частини. Обґрунтовано ключові оздоровчі властивості рекреаційно-туристичних ресурсів. Виділено основні групи поділу туристичних ресурсів відповідно до географічного простору. Розглянуто потенційні переваги та недоліки диверсифікації асортименту послуг рекреаційного туризму. Проаналізовано диверсифікацію асортименту послуг та маркетингові процеси рекреаційного туризму на прикладі клінічного санаторію "Куюльник" та курортного об'єднання "Перлина Чорномор'я", розташованих в Одеській області України.

**Висновки.** Диверсифікація асортименту послуг рекреаційного туризму може допомогти туристичним дестинаціям розвивати партнерські відносини, що сприятиме збільшенню їх гнучкості та конкурентоспроможності. Для цього необхідно поєднувати нові та існуючі рекреаційні ресурси і туристичні атракції; скористатися привабливими факторами місцевої історико-культурної спадщини та розвивати їх як унікальний туристичний продукт з урахуванням потреб місцевої громади.

Диверсифікація асортименту послуг туристичного продукту є корисною стратегією для подолання сезонних ефектів, хоча може посилити конкуренцію диверсифікації товарних ринків.

**Ключові слова:** рекреаційний туризм, курорт, санаторій, асортимент послуг, диверсифікація.