

GLOBAL TRENDS IN THE DEVELOPMENT OF BUSINESS SERVICES AND THEIR EFFICIENCY LEVEL

^aLILIIA HONCHAR, ^bSERGII NEILENKO, ^cOLEKSANDR ZARAKHOVSKYI, ^dOLENA ZAVADYNSKA, ^eSVITLANA LITOVKA-DEMENINA

^a*Kyiv National University of Culture and Arts, Kyiv, Ukraine,*

^b*Kyiv National University of Culture and Arts, Kyiv, Ukraine,*

^c*Kyiv National University of Culture and Arts, Kyiv, Ukraine,*

^d*Kyiv National University of Culture and Arts, Kyiv, Ukraine,*

^e*Interregional Academy of Personnel Management (IAPM),*

Kyiv, Ukraine

email: ^a*glo_knukim@ukr.net*, ^b*nsm110986@gmail.com*,

^c*zarakhovskyi@gmail.com*, ^d*zavadinskie@gmail.com*,

^e*svlitovka@ukr.net*

Abstract: In today's quarantine conditions, under the impact of the changing organization of trade relations, the development of the global business services market and the renewal of the procedure for international trade order remain a controversial issue. The structure of the global economic space is transforming, as are consumer priorities, imposing pressure on the efficiency of various services market sectors. The renewal of the conceptual framework, international trade regulation have become a forced step in the context of restoring the efficiency of trade relations and business activities of the subregions in the phase of recovery from the Covid-19 pandemic crisis and the severe restrictions on socio-economic interaction; these aspects foreground the need for research on the issues specified.

Keywords: *global services market, business services, foreign trade in services, foreign trade efficiency, business transformation, globalization, tourism and hospitality.*

1 Introduction

The current globalized business services market is characterized by a significant pace of transformation and updating in the conceptual framework of the trade organization. It is driven by activating e-commerce, promoting extensive use of digital tools for managing processes of service delivery and international exchanges liberalization. These tendencies are the result of the need to restore trade relations in the phase of recovery from the global socio-economic crisis caused by the Covid-19 pandemic. The change of market management tools has promoted the transformation of market structure, in particular, favourable development environment for some sectors (e.g. for digital, electronic, telecommunications or IT services) was created. Certain sectors (such as tourism and hospitality) were unprofitable in the stage of implementing restrictions on interstate socio-economic cooperation.

Scholars continue to discuss ways to stabilize the operation of the business services market. This has given rise to the latest models and concepts for managing its structure and business processes. It is an uncontroversial fact that there is an urgent need to restore trade in business services, especially in tourism and hospitality, which form a significant share of national budgets, affecting the level of investment attractiveness of countries and generally determine the competitiveness of the country in the global services market.

As is argued by scholars, the competitiveness of the services market, in particular the areas of hospitality and tourism, depends on human capital. In this case, it is not primarily the employees, but the entrepreneurs themselves, who are charged with the responsibility of maintaining a balance between the efficiency of the business decisions taken and their own benefits from the provision of services in certain sectors. Therefore, the structure of the service market is composed of customers – end-consumers and entrepreneurs – who sell services and stimulate solvent demand, manage service quality and reinvest the revenues into industry development (Peters et al., 2018). Yet, the Covid-19 pandemic has been an unprecedented event for the global economic space, which triggered long-term socio-economic destabilization. This has not been the first crisis for the tourism and hospitality market (Duan et al., 2021), but its impact appeared to be unpredictable. It has been proven by many contemporary researchers that economic crises precipitate

unpredictable and destructive effects on the tourism services market. In particular, economic destabilization causes considerably greater losses for tourism and hospitality than predicted in the initial stages of the crisis exacerbation (Perles-Ribes et al., 2017).

Current world tendencies have given rise to modern scholars' views on the prospects for recovered activity in the commercial services market. More specifically in the tourism and hospitality sectors (Burini, 2020), on viable instruments to stimulate entrepreneurship in outlined economic management sectors and methods to increase consumer demand are discussed. On a short-term horizon, spreading of the concepts such as "Tourism in your city" or "Tourism in your region" (Richards, 2017) can become an effective tool to revitalize the operation of the tourism and hospitality business. However, this strategy is only effective in the context of renewal of national tourism and hospitality sectors; in the global dimension, it lacks development prospects, as it effectively prevents participants from competing in the global services market.

Thus in the economic recovery phase of the Covid-19 pandemic, the business services market is actively transforming. The hospitality sector and today's tourism destinations will no longer resemble those that existed before the pandemic; the interests, priorities, needs and behaviour of service consumers have also changed (Richards, 2020). Therefore, this study aims to clarify current tendencies in the transformation of the business services market, in particular by focusing on the most susceptible economic sectors - tourism, hospitality as well as hotel and restaurant business. The proposal development for managing the operation efficiency in the context of continuous restriction of social interaction and stabilization of market processes after the crisis is also an objective of the given research.

2 Literature review

Fundamental analysis of the subject proposed in the scientific article leads to the conclusion that the problematics and effectiveness of the modern business services market have gone through sufficient research. Among these are development tendencies in its tourist as well as hotel and restaurant segments, combined with the effectiveness of methods used to stimulate business activity and restore international trade in services in terms of exacerbation of socio-economic crisis that arose in the midst of the unprecedented Covid-19 pandemic.

The research on the development tendencies of commercial services market can be divided into two directions – market analysis in the context of determining the value of service consumers and customer-oriented approach level of modern services (Zeithaml et al., 2020) or market analysis in the context of investigating the performance of economic entities providing services and the balance level between their personal interests and business objectives (Peters et al., 2018).

Scientists who are engaged in research in the first direction believe that the modern business services market is based on one of three paradigms – positivist paradigm (the value of services to the consumer only depends on his perception as the customer), interpretivist (the value to a consumer is determined by realizing the essence of subjective needs through the application of self analysis and inductive logic; therefore, the value of the same service to each consumer is different) (Creswell & Poth, 2018) or socio-constructivist (the value of service to a consumer is determined according to the subjectivity of needs, but taking into account the aspect of social impact on consumer commitment to certain services; accordingly, a set of values and public preferences are formed under the condition of social interaction (Koskela-Huotari & Siltaloppi, 2020).

Scholars who carry out their research in the second direction will specify that, in today's business services market, a large share of

activity is generated precisely by the dynamic activities of enterprises, primarily at the expense of small and medium-sized enterprises (hereinafter referred to as SMEs). Therefore, scientists have proved that the competitiveness of industries (including tourism and hospitality) changes according to the motivation of entrepreneurs, the preferred activity organization model, as well as the level of service quality provided by economic entities to modern consumer (Peters et al., 2018). Increased demand for services recovers business activity in the market, increases consumer satisfaction, and contributes to the profitability of enterprise performance- in other words, the quality of service primarily affects the entrepreneur's own quality of life. Considering the findings of the researchers, it was concluded that the efficiency of service market operation is equally determined by both customer satisfaction and the business entity. Moreover, the business process performance and entrepreneur's living standards are interdependent indicators (Morrison, 2006; Peters et al., 2009). In addition, decisions to expand business and service offers, specifically in such sectors as tourism and hospitality, are advisable to take into account with the expected quality of life in the future (Peters & Buhalis, 2013).

Issues, actively studied by scholars, include the response of the tourism and hospitality industry to lockdown conditions, the specifics of the relaxation of lockdown restrictions (Kuščer et al., 2021) and tendencies of restoring normal market operation mode, trade, in particular. Scholars predict that the transformation of the service market (first of all, tourism services) is inevitable under the pressure of changes in the social life order, which also contributes to changes in the consumption patterns and recreation, work, mobility, and socialization organization of citizens in general (Romagosa, 2020). It has been outlined that the personal lifestyle of service consumers is renewed according to the new culture, values and traditions (Wen et al., 2021). Therefore, changes in the structure of tourism sector and the efficiency of business services market operation are essential.

In addition, scientists have also studied the issue of responsible entrepreneurship (Eichelberger & Peters, 2020), which is particularly important for tourism and hospitality sector. Excessive service supply in the designated sectors may have a negative impact on the overall market operation efficiency. It is advisable to support economic entities who understand the value of service in crisis and are able to bear responsibility for the quality of the consumer's holiday. This, in turn, is an important measure in the context of post-pandemic stabilisation.

Another research direction among scholars has been the analysis of changes in the framework of infrastructure support of commercial services market and the dynamics of its digitalization. The digital business process management tools have greatly simplified the customer communication mechanism in the service sales process and ensured continuous interaction with customers, and created an opportunity to receive feedback and quickly determine the level of consumer satisfaction. Digital technologies increase the innovativeness of services. Meanwhile, global digitalization addresses the implementation specifics of most important business functions, including human resource management, knowledge management or logistics (Eller, 2020). Besides, in the context of analyzing consumer cognition of digital technology as a service element, tourists' attitudes towards the use of artificial intelligence devices in the areas of hospitality and airline service provision have been investigated. It is determined that modern consumer prefers electronic cooperation with airlines rather than that with the entities of the hotel and hospitality sector. Therefore, the study reflected that the expected performance and effort of using artificial intelligence in hospitality services are higher than actual (Chi et al., 2020); accordingly, when social impact is limited, service quality and market efficiency may decrease.

The aim of the study. This article is an original study on the current operation tendencies of the global business services market, the performance of its individual segments in the recovery of business entities in different regions of the world, as well as practical aspects of the organization of international trade in services in the phase of aggravation (2019-2020) and the crisis recovery stage (2010-2021).

It is appropriate to conduct a detailed analysis of the overall tendencies and practical operation mechanism of the commercial services market, the level of performance of its separate sectors, their infrastructure maintenance along with dynamics of market processes development in the stages of aggravation of the pandemic and gradual recovery from the crisis within the framework of the determined objective. On the basis of conducted analysis, it is prudent to highlight not only the areas of concern, but also methods to optimize the operation of the market space, which is essential in an attempt to create favourable conditions for further development of the global commercial services market.

In order to achieve the specified aim, the article was written using statistical-analytical method, comparative method, analysis and generalization, as well as tabular and graphic simulation are carried out.

3 Materials and research methods

The comparative method and generalization have been used in order to identify the characteristics of modern commercial services market, to compare its current development status with that achieved before Covid-19 pandemic, and to systematize the obtained data. The use of these methods allowed to distinguish various aspects of the commercial services market operation, to reveal the characteristics and current development tendencies of its individual market segments (in particular, tourism, hospitality along with hotel and restaurant businesses), to summarize global tendencies of business process management in the designated business areas and the characteristics of the development of service trade.

Through a detailed analysis, the current practice of different approaches and tools to manage the operation efficiency of the commercial services market was outlined. The analysis determined that the conceptual provisions and regulatory mechanisms should help to stimulate solvent demand and expand service supply after a prolonged socio-economic crisis. In order to determine the development stability of regional commercial service markets, modern comprehensive analysis approaches, in particular the XYZ analysis method, were used. The analysis summarized that the European region and North American markets had a stable pattern of services exports before the pandemic. Consequently, the recovery of business activity within them will be more rapid than in the Asian, Middle Eastern, African, South and Central American markets, where supply is volatile or seasonal.

Statistical analysis method has been applied in the process of analyzing the dynamics of business services markets development region-wise, as well as tendencies of interstate trade in services.

At the same time, an analysis of the efficiency of the commercial services market has been carried out through the use of tabular, graphical and analytical modelling. The impact of the Covid-19 pandemic on its dynamics was determined; a study of changes in the quantitative and qualitative structure of the market, due to significant business transformations and digitalisation of the business sector during the pandemic was carried out.

4 Results

In the context of ensuring the national social development and sustainability of economic growth, services and service processes are of prior importance. Therefore, for years, the mechanisms, tools and concepts for the development of the global commercial services market have been continuously improved. The high market operation efficiency before the global crisis of 2019/2020 is related to the active dematerialization of production, intellectualization of labour and informatization of business processes. In general, the outlined tendencies increase not only the demand and actual value of service, but also add value of services to modern consumer, who perceives services as tools to manage the quality of life.

The current development status of the world services market depends on the pace of post-crisis stabilization, the dynamics of the recovered

socio-economic growth of the global economy, and the ways and stages of eliminating barriers to international trade. The main tendencies that emerged from the unprecedented crisis in the midst of the global Covid-19 pandemic were the destabilization of international politics and an increase in the national economies' autonomy level or their complete closure, significant tension in international relations, dynamic digitalization of business for which most business entities (primarily the SME sectors) were not prepared due to a lack of proper infrastructure and the necessary staff digital capacity. Thus, the efficiency of the global commercial services market has plummeted.

Global export and import figures for commercial services reveal the existence of market leaders. The European continent (in particular the UK, Germany, Ireland, France, the Netherlands), Asia and North America have the highest levels of export and import activity (World Trade Organisation, 2021) (Table 1).

Table 1 – Export-import performance in the commercial services market during 2010-2020, USD billion

Region	2016	2017	2018	2019	2020	Growth rate 2020/2019, %
EXPORT OF SERVICES						
World	5 015,2	5 457,9	6 012,2	6 150,2	4 913,8	-20,1
Europe, incl. leading countries in the sector	2 394,5	2 620,1	2 928,8	2 967,0	2 470,5	-16,7
United Kingdom	355,1	365,5	410,7	401,4	338,8	-15,6
Germany	288,6	314,7	344,0	341,1	305,2	-10,5
Ireland	149,1	182,4	222,1	247,4	262,3	6,0
France	258,5	373,2	302,3	293,6	245,0	-16,5
Netherlands	188,9	218,9	258,2	273,8	185,9	-32,1
European Union	1 800,8	2 002,8	2 244,8	2 288,7	1 919,7	-16,1
Asia	1 235,6	1 343,4	1 509,7	1 559,8	1 226,2	-21,4
North America	873,6	936,0	971,9	990,4	786,2	-20,6
Middle East countries	192,3	206,2	222,2	250,3	177,9	-28,9
South and Central America, Carib-bean	151,3	160,2	165,8	165,3	104,3	-36,9
Africa	88,8	102,8	114,2	118,4	77,8	-34,3
IMPORT OF SERVICES						
World	4 833,7	5 228,7	5 687,8	5 851,3	4 596,4	-21,4
European continent	2 089,7	2 267,9	2 510,4	2 634,1	2 170,8	-17,6
Germany	315,3	344,7	371,2	369,4	307,1	-16,9
Ireland	220,1	231,9	341,8	332,1	295,7	-11,1
France	236,8	246,8	273,6	269,9	231,6	-37,4
United Kingdom	223,9	228,1	260,8	272,7	201,2	-26,3
Netherlands	183,3	216,3	259,2	265,3	169,0	-36,3
European Union	1 668,5	1 829,4	2 028,6	2 138,5	1 783,5	-16,6
Asia	1 433,0	1 540,4	1 683,7	1 674,6	1 301,1	-22,3
North America	628,5	674,3	699,1	725,3	551,8	-23,9
Middle East countries	270,7	285,1	299,7	315,5	218,4	-30,8
South and Central America, Carib-bean	170,5	186,3	189,2	182,8	126,5	-30,8
Africa	133,3	149,9	172,3	179,1	134,1	-25,1

Source: compiled by the author according to the data (World Trade Organization, 2021).

Data from the Table 1 reflects the deterioration of trade activity in all regions of the world. The service market of South and Central America has been the most unprofitable. The market of the European continent countries', in particular, the member states of the European Union, suffered the least losses, which indicates its integrity and resilience to unforeseen threats.

The service market is multisegment, which is related to expanding consumer needs and dynamic business transformations. The World Trade Organization (WTO) currently provides the best classification of commercial services, which divides their entirety into two categories (WTO, 2021):

- factor services – are those that are incidental to the international movement of factors of production; they originate from the mobility of capital and labour (more specifically, financial services, such as income, investments, royalties and licence fees, wages paid to non-residents, etc.);
- non-factor services – are independent of the movement of production factors; the World Bank distinguishes transport, travel and other non-financial services.

With the outbreak of the crisis and the implementation of severe quarantine restrictions in 2019-2021, the performance of the global services market in each direction has plummeted. Before the Covid-19 pandemic, the tourism sector was characterized by an active pace of development and growth dynamics, which, in turn, suffered the greatest losses during 2019-2021 (Figure 1).

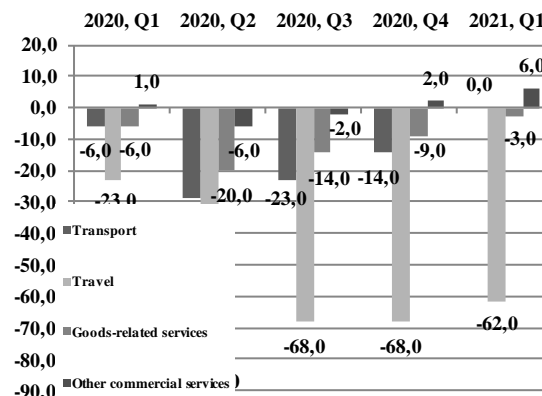


Figure 1 – Tendencies in the global business services market during the period of greatest severity of the Covid-19 pandemic, quarterly growth in %

Source: constructed by the author according to the data (World Trade Organization, 2021).

With the beginning of the second quarter of 2020, international travellers' expenditure has decreased by 81.0% and transport – by 29.0%. The decline in the transport sector was similar to the drop during the financial crisis of 2009 (World Trade Organization, 2021). However, the crisis of tourism, hospitality along with hotel and restaurant business has become unprecedented for the global community.

The area of other commercial services has the higher level of stability. It includes construction, personal, cultural and recreational, financial services, etc. (Figure 2).

The modern travel industry is not only providing high-quality recreational, leisure and hospitality services. It is also an opportunity to create new jobs, stimulate the renewal and improvement of transport infrastructure and road construction. Travel industry enables creation of real prerequisites for the growth of consumer product manufacturing in countries with high development indicators of the travel industry and occupation of prior positions in the structure of export-import activity in the market. It also provides development of means of communication and the spread of digital technologies, which in the context of the pandemic have been recognized as elements of infrastructure support for most service industries.

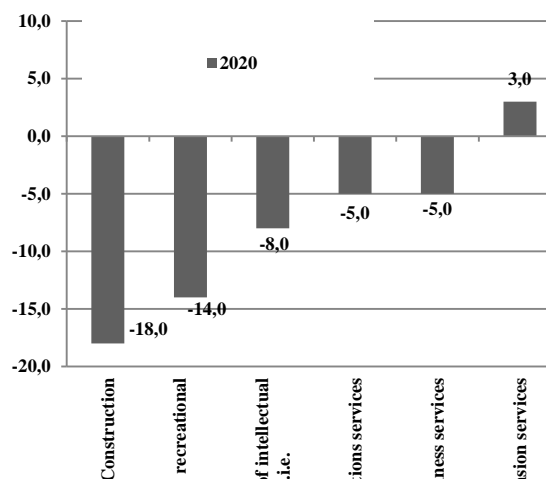


Figure 2 – Change in performance of selected service market sectors in 2020 compared to the corresponding period in 2019, annual growth in %

Source: constructed by the author according to the data (World Trade Organization, 2021).

The epidemic has dramatically changed the dynamics of industry development. The pace of international travel growth and increased activity in the tourism and hospitality service markets is slow, as tourism development indicators have dropped to a critical level in 2020. The recovery remains quite volatile and erratic, with considerable uncertainty about the prospects for the future functioning of the service markets in certain regions of the world. Domestic tourism development is gaining some stability, especially in those countries that have strong infrastructural support for the industry and are relatively resilient to external threats. The development indicators and transformation dynamics of tourism industry in the crisis conditions are reflected in the Table 2.

Table 2 – Tourist services market tendencies by region during 2019-2020

Region	International tourism revenues, USD billion.		Volume of international travel			
			Absolute value, mio. units		Relative variation, %	
	2019	2020	2019	2020	2019/2018	2020/2019
World	1 465,0	535,0	1 466,0	399,0	3,8	-72,8
Europe	571,8	233,4	746,3	235,9	4,2	-68,4
Asia	441,3	132,5	360,4	56,9	4,0	-84,2
Americas	322,8	126,6	219,3	69,9	1,5	-68,1
Africa	38,9	14,0	70,1	18,1	2,0	-74,2
Middle East	90,5	28,4	70,0	18,2	6,8	-74,0

Source: compiled by the author according to the data (World Tourism Organization, 2021).

Thus, the tourism markets of Western, southern and the Mediterranean Europe, and South and Central America performed slightly better than those of Asia, the Pacific subregion, Africa and the Middle East, with the negative growth rate of up to 80,0% in 2020 (and almost 100% according to the scores in the first half of 2021).

Services play a key role in the structure of the balance of payments of each of the world's regions, in particular before the global socio-economic crisis in 2019, they accounted for 24.4% (composite index for all world economies), including 21.0% for highly developed countries and 28.8% for developing countries. Before the Covid-19 pandemic, it was the tourism and hospitality industries that could be referred to as generating the highest profits in the services market of each of the world's regions (Table 3).

Table 3 – The place of tourism services in the balance of payments structure by individual world regions during 2019-2020

Region	Absolute value, USD billion		Share in structure, %	
	2019	2020	2019	2020
World, total exports:	25 159,0	22 566,0	100	100

Total export of goods	19 015,0	17 583,0	75,6	77,9
Total export of services, incl.:	6 150,2	4 913,8	24,4	22,1
international tourism (revenue amount from international tourism and international tour traffic)	1 715,0	637,0	6,8	2,8
Europe, total exports:	10 709,0	9 665,0	100	100
Total export of goods	7 609,0	7 027,0	71,0	72,7
Total export of services, incl.:	3 101,0	2 639,0	29,0	27,3
international tourism (revenue amount from international tourism and international tour traffic)	686,0	276,0	6,4	2,9
Asia and the Pacific, total exports:	8 400,0	7 962,0	100	100
Total export of goods	6 840,0	6 734,0	81,4	84,6
Total export of services, incl.:	1 560,0	1 228,0	18,6	15,4
international tourism (revenue amount from international tourism and international tour traffic)	485,0	145,0	5,8	1,8
Americas, total exports:	4 310,0	3 666,0	100	100
Total export of goods	3 145,0	2 775,0	73,0	75,7
Total export of services, incl.:	1 164,0	890,0	27,0	24,3
international tourism (revenue amount from international tourism and international tour traffic)	375,0	143,0	8,7	3,9
Africa, total exports:	509,0	398,0	100	100
Total export of goods	414,0	340,0	81,4	85,5
Total export of services, incl.:	95,0	58,0	18,6	14,5
international tourism (revenue amount from international tourism and international tour traffic)	47,0	17,0	9,2	4,2
Middle East, total exports:	1 196,0	757,0	100	100
Total export of goods	999,0	700,0	83,6	92,5
Total export of services, incl.:	156,0	57,0	16,4	7,5
international tourism (revenue amount from international tourism and international tour traffic)	123,0	57,0	10,3	7,5

Source: compiled by the author according to the data (World Tourism Organization, 2021).

Market transformation continues, and even vaccination cannot immediately renew the tourism growth rates, especially the growth of international tourism. Increased responsibility and service security in the tourism and hospitality industries are important elements of stabilization policy. However, only a continuous cooperation of states, in particular a coordinated response to mobility restrictions, the coordination of security protocols and communication with consumers, will increase the level of credibility to the industry as well as predict potential losses and formulate methods to minimize them in advance.

Despite crisis tendencies, the momentum of transnational tourism helps to create optimal conditions for infrastructure development. Transnational corporations (hereinafter referred to as TNCs) have reflected the maximum sustainability during the pandemic, and their dependence on market fluctuations is lower than that of SME entities. In the hotel and hospitality sector, TNCs appear in the form of hotel chains or networks, whose extensive structure facilitates the efficient development of the service industry.

Notwithstanding the intensity of hotel chains' development, their territorial structure of accommodation is uneven, as it is formed according to the financial solvency of various states in the world, the investment resources volumes attracted to national economies, alongside the overall level of national development. Therefore, current tendencies reveal that the main entities of the hospitality sector is highly concentrated in stable and major economies. The market leaders are: (Atamanchuk & Yavorovenko, 2019):

- The US with preponderance of national hotel chains;
- the share of hotel chains in the EU tourism industry is lower; France has the largest hotel chains – 3,819 hotels (accounting for 21% of all hotels), where the leaders by number of hotels are national operators Accor Hotels (1,603

units), Louvre Hotels Group (820 units); the United Kingdom – 3,538 units (8.5%); Germany – 1,944 units (8.5%); and Italy – 1,491 units (4,2 %).

As one of the system-forming segments of the global commercial services market on the road to recovery of the tourism services market, the WTO has identified key sustainable development guidelines. These include three vectors: optimizing the use of environmental resources, respecting and taking responsibility for the socio-cultural authenticity of the host communities, and balancing between the interests and benefits of each participant in the global tourism market (Figure 3).

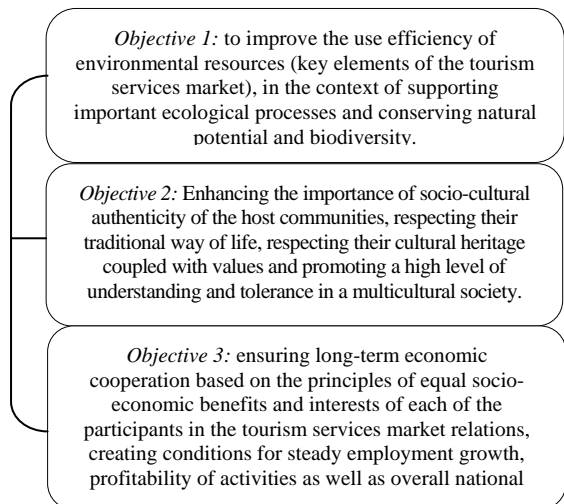


Figure 3 – Sustainable development objectives of the tourism services market
Source: compiled by the author according to the data (World Tourism Organization, 2021).

According to the analysis results, the regions are divided into two groups, X and Y. To the group X belong regions that were stable in exporting a diverse mix of commercial services and were active players in both national and global markets before the crisis. Group Y includes regions that, before the global crisis, were characterised by high levels of volatility in services, with some fluctuations in export activities or regions where demand and supply of commercial services have certain seasonality.

The graphical results of the XYZ-analysis are shown in Figure 4.

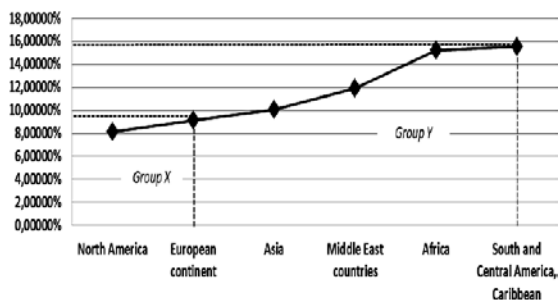


Figure 4 – XYZ-analysis results
Source: compiled by the author according to the data (World Trade Organization, 2021)

The prognosis for the recovery of the export activities of Group X regions (that is, the European continent and North America market), the stabilization of services market functioning, and the intensification of economic activity over the coming years has a high positive potential. However, Group Y regions (that is, markets of Asia, the Middle East, South and Central America, and Africa) are also promising, although more resources and time are needed for the business activity to recover than compared with the Group X regions.

Therefore, the sustainability of tourism service market depends on the environmental, economic, social and cultural aspects of tourism development. Maintaining a balance between these three dimensions ensures the stability and long-term sustainability of the industry.

The functioning of the global business services market depends significantly on the condition, stability and resilience to external threats of each of its segments. Given the contribution of the tourism and hospitality sectors to the revenue structure, it is advisable to focus the regulatory potential on restoring business activity in these areas to the greatest extent. However, the further development of the global business services market is also significantly affected by the level of volatility, which is characteristic of market space in individual regions during 2016-2019, before the onset of the crisis. By using XYZ analysis (Table 4), the stability of the regional services market can be determined.

Table 4 – XYZ-analysis of regional services market

Region	The value of the variation ratio	XYZ-analysis group
North America	8,15145%	X
European continent	9,12787%	X
Asia	10,01868%	Y
Middle East countries	11,92835%	Y
Africa	15,20692%	Z
South and Central America, Caribbean	15,48702%	Z

Source: compiled by the author according to the data (World Trade Organization, 2021)

5 Discussion

The study identified that the functioning of the global business services market depends on the level of favourable socio-economic conditions and the presence of crisis phenomena. During the Covid-19 pandemic, entities that provide services to businesses and the public were unable to cope with the global crisis and significant restrictions on socio-economic interaction, which has led to the decline of market activity, especially in such sectors as tourism and hospitality.

As a result of processing the scholarly studies on the issues outlined, the work significance of certain authors is worth highlighting. Among them are Zeithaml V. A., Verleye K., Hatak I., Koller M., Zauner A. (Zeithaml et al, 2020), Creswell J. W., Poth Ch. N. (Creswell & Poth, 2018), Morrison A. (2006), Peters M., Frehe J., Buhalis D., Kuščer K., Eichelberger S. (Peters et al., 2018; et al., 2021; Eichelberger et al., 2020; Kuščer K. et al., 2021) et al.

We believe that the main factors which affect the conjuncture of the global business services market, can restore the activities of economic entities, as well as have a positive impact on interstate cooperation and trade in service sector are the following:

- First, demand creation and sales promotion, permanent cooperation with the customer. Referring to the works of contemporary scholars (Creswell & Poth, 2018), it can be concluded that customer outreach is a determinant of the overall market performance; customer behaviour is not always predictable, but modern concepts of customer interaction take into account all personal requirements of citizens, their reactions and interests. We believe that the most customer-focused (Zeithaml et al., 2020) and socially efficient is the interpretivist paradigm (Creswell & Poth, 2018). This concept takes into account the importance of cooperation with customers and determines the importance of customers in the pattern of trade relations and service processes. Analysis/self-analysis and surveys are the main tools for communication between parties and methods for investigating the nature of needs (Jutbring, 2018). As the evidence from practice suggests, their application can determine the parameters of service value, which are different for all citizens, as well as the relative level of importance, which will also vary for different consumer

segments (Drennan, 2012) or situations. Client engagement, in our view, is particularly relevant in the tourism and hospitality sectors, the trust in which tends to be recovering. However, the consumer of tourism services is already very different from that before the onset of the pandemic - the perception and value of travel has changed, there are both additional obstacles and incentives to renew behaviour. Current tendencies as a whole have a positive effect on consumers, they increase the level of culture, tolerance, responsibility and awareness of actions in society;

- Second, the recovery of business activity in the commercial services market. Researchers determine that the performance of modern entrepreneurs depends on their motivation, the chosen model of business organisation, and the level of service quality they can provide to the modern consumer (Peters et al., 2018). Furthermore, responsible entrepreneurship (Eichelberger & Peters, 2020) is undoubtedly an indispensable business form in the modern business services market structure (especially in tourism and hospitality sectors). However, in our view in a post-pandemic environment, maintaining the supply and marketing of services is determined by the level of coherence of the socio-economic processes of regions (states) and the efficiency of their cooperation. It is worth prioritising the processes of facilitating interstate cooperation and establishing a mechanism for international trade in services, taking into account the restrictions imposed and regional/national market characteristics.

6 Conclusion

Through the research on the current tendencies of the world business services market, it is concluded that the efficiency of some market activities has decreased (specifically tourism and hospitality). The results of the research also demonstrate that there is no dynamic recovery in the business activity of enterprises that provide services to business and community. This is reflected in the negative values and growth rates of performance index.

The development strategy of the service market is now inefficient and needs to be updated in line with the conditions of the economic space, which have been formed under the pressure of crisis and business transformations. The policies of national and subregional bodies implementing regulatory market policy do not promote trade stimulation and market recovery. On the one hand, this is due to a decline in the rate of development of business entities, and the decline in the solvency of a modern consumer and the overall repositioning of values, on the other.

Thus, in the post-pandemic context, it is advisable to orient further research towards the development of latest mechanisms for regulating supply and demand in the business services market.

Literature:

1. Atamanchuk Z., & Yavorovenko N. (2019). Hotel chains in the global tourism space. *Zbirnyk naukovykh prac' Donec'kogo derzhavnogo universytetu upravlinnja. Serija: Ekonomika*, t. XX, vol. 312. Available at: <https://dsu.edu.ua/fahove-vydannya-zbirnyk-naukovykh-prats/> (Accessed 04 October 2021)
2. Burini, F. (2020). *Tourism Facing A Pandemic: From Crisis to Recovery*. Bergamo: University of Bergamo. Available at: DOI: 10.6092/978-88-97235-04-4
3. Chi, O. H., Gursoy, D., & Chi, C. G. (2020). Tourists' Attitudes toward the Use of Artificially Intelligent (AI) Devices in Tourism Service Delivery: Moderating Role of Service Value Seeking. *Journal of Travel Research*, 1–16. Available at: DOI: doi:10.1177/0047287520971054.
4. Creswell, J. W. & Poth, Ch. N. (2018). *Qualitative Inquiry & Research Design Choosing among 5 Approaches*. Thousand Oaks, CA: Sage. 459 p.
5. Duan, J., Xie, C., & Morrison, A. M. (2021). Tourism Crises and Impacts on Destinations: A Systematic Review of the Tourism and Hospitality Literature. *Journal of Hospitality & Tourism Research*, Vol. XX, No. X, Month 202X, 1–29. Available at: DOI:10.1177/1096348021994194
6. Drennan, J., Lynda, A., & Russell-Bennett, R. (2012). Linking Perceived Value of Mobile Marketing with the Experiential Consumption of Mobile Phones. *European Journal of Marketing*, 46 (3/4), 357-386. Available at: <https://www.emerald.com/insight/content/doi/10.1108/03090561211202512/full/html>
7. Eichelberger, S., & Peters, M. (2020), *Responsible Tourism Entrepreneurship nach COVID-19: Neue Wege im Tourismus*. In: Pechlaner H., Speer S. (Eds), *Responsible Entrepreneurship* (pp. 237–260). Wiesbaden: Springer Gabler. Available at: DOI: https://doi.org/10.1007/978-3-658-31616-7_11
8. Eller R., Peters M., & Pantovic T. (2020). *Owner-Managers' Interpretations of Digitalization in SME Management Processes*. In: Gardini M. A., Ottenbacher M. C., Schuckert M. (Eds.), *The Routledge Companion To International Hospitality Management* (pp. 366–379). New York: Routledge. Available at: DOI: <https://doi.org/10.4324/9780429426834>
9. Jutbring, H. (2018). Social Marketing through a Music Festival: Value Perceived by Festival Visitors Who Reduced Meat Consumption. *Journal of Social Marketing*, 8 (2), 237-256. Available at: <https://www.emerald.com/insight/content/doi/10.1108/JSOCM-03-2017-0017/full/html?skipTracking=true>
10. Koskela-Huotari, K., & Siltaloppi, J. (2020). Rethinking the Actor in Service Research: Toward a Processual View of Identity Dynamics. *Journal of Service Theory and Practice*, 30 (4/5), 437–457. Available at: DOI: 10.1108/JSTP-11-2018-0245
11. Kuščer, K., Eichelberger, S., & Peters, M. (2021). Tourism organizations' responses to the COVID-19 pandemic: an investigation of the lockdown period. *Current Issues in Tourism*, 1–14. Available at: DOI:10.1080/13683500.2021.1928010
12. Morrison, A. (2006). A contextualisation of entrepreneurship. *International Journal of Entrepreneurial Behaviour & Research*, 12(4), 192–209. Available at: DOI:10.1108/13552550610679159
13. Peters, M., Kallmuenzer, A., & Buhalis, D. (2018), Hospitality entrepreneurs managing quality of life and business growth. *Current Issues in Tourism*, 1–20. Available at: DOI:10.1080/13683500.2018.1437122
14. Peters, M. & Buhalis, D. (2013). *SMEs in tourism destinations*. In C. Costa, E. Panyik, & D. Buhalis (Eds.), *Aspects of tourism: Vol. 60. Tendencies in European tourism planning and organisation* (pp. 93–101). Bristol: Channel View Publications.
15. Peters, M., Frehse, J., & Buhalis, D. (2009). The importance of lifestyle entrepreneurship: A conceptual study of the tourism industry. *PASOS –Journal of Tourism and Cultural Change*, 7(2), 393–405.
16. Perles-Ribes, J. F., Ramon-Rodriguez, A. B., Moreno-Izquierdo, L., & Sevilla-Jimenez, M. (2017). Economic crises and market performance-A machine learning approach. *Tourism Economics*, 23(3), 692–696. Available at: DOI: <https://doi.org/10.5367/te.2015.0536>
17. Richards, G. (2020). Tourism in challenging times: resilience or creativity? *Tourism Today*, 19, 8–15. Available at: <https://pure.buas.nl/en/publications/tourism-in-challenging-times-resilience-or-creativity>
18. Richards, G. (2017). Tourists in their own city – considering the growth of a phenomenon, *Tourism Today*, 16, 8–16.
19. Romagosa, F. (2020). The COVID-19 crisis: Opportunities for sustainable and proximity tourism. *Tourism Geographies*, 22 (3), 690–694. Available at: <https://doi.org/10.1080/14616688.2020.1763447>
20. Wen, J., Kozak, M., Yang, S., & Liu, F. (2021). COVID-19: Potential effects on Chinese citizens' lifestyle and travel. *Tourism Review*, 76(1), 74–87. Available at: DOI: <https://doi.org/10.1108/TR-03-2020-0110>
21. World Trade Organisation (2021) World Trade Statistical Review 2021. Geneva: World Trade Organization. Available at: https://www.wto.org/english/res_e/statis_e/wts2021_e/wts2021_e.pdf (Accessed 04 October 2021)
22. World Tourism Organization (2021). *UNWTO World Tourism Barometer. Madrid: World Tourism Organization*. Available at: <https://www.e-unwto.org/loi/wtobarometereng> (Accessed 04 October 2021)

23. Zeithaml, V. A., Verleye, K., Hatak, I., Koller, M., & Zauner, A. (2020). Three Decades of Customer Value Research: Paradigmatic Roots and Future Research Avenues. *Journal of Service Research*, 1–24. Available at: <https://doi.org/10.1177/1094670520948134>

Primary Paper Section: A

Secondary Paper Section: AE