

Managing Innovative Development in International Tourism through Favorable Conditions for Foreign Investment

Volodymyr Dzhyndzhoian , Olha Khodak ,
Nataliia Yakovlieva-Melnyk 

Purpose. This study aims to analyze the role of information and communication technologies and innovative investment in managing the development of international tourism. It focuses on identifying tools and approaches that enable enterprises to respond effectively to evolving tourist demands and support sustainable growth. **Findings.** In the tourism industry, where there is a transition from traditional approaches to providing services to personalized ones, the implementation of information technologies allows satisfying the requests of any client as much as possible and with high quality. **Design / Method / Approach.** The article reveals the problem of the need to create and regulate foreign investment in order to manage the development of international tourism using innovations because of scientific and technological progress. **Theoretical Implications.** The accelerated process of restoring global indicators of international tourism after the COVID-19 pandemic is studied and the reasons for the rapid return of the industry to its previous indicators are revealed. Among the reasons, the introduction of modern information and communication technologies and the use of innovative methods of providing services are highlighted. **Practical Implications.** The tools that allow increasing the demand for tourism are analyzed, the main of which are: contactless payment technology, artificial intelligence, virtual and augmented reality, which accelerated the recovery processes. **Originality / Value.** It is proven that in order to transition from the growth paradigm to the sustainable development paradigm in the long term, only sustainable investments in the tourism sector, namely in artificial intelligence and machine learning, will allow increasing the number of tourists and their changing needs. Investments in startups (alternative housing, hotel management and hotel business, artificial intelligence and analytics, aircraft, etc.) cover various participants in distribution technology. **Research Limitations / Future Research.** It is proposed to attract investments for the implementation of innovative projects in tourist regions, which can become an effective tool for economic growth and a guarantee of the country's prosperity. **Article Type.** Analytical.

Keywords:

smart tourism, foreign investment, international tourism, artificial intelligence, sustainable tourism

Мета. Метою дослідження є аналіз ролі інформаційно-комунікаційних технологій та інноваційних інвестицій у розвитку міжнародного туризму. Акцент зроблено на виявленні інструментів та підходів, що дозволяють підприємствам ефективно реагувати на змінювані потреби туристів і забезпечувати сталий розвиток. **Результати.** В індустрії туризму, де спостерігається перехід від традиційних підходів у наданні послуг до персоналізованих, впровадження інформаційних технологій дозволяє задовольняти запити будь-якого клієнта максимально та якісно. **Дизайн / Метод / Підхід.** Стаття розкриває проблему необхідності створення та регулювання іноземного інвестування з метою управління розвитком міжнародного туризму за рахунок використання інновацій як результату науково-технічного прогресу. **Теоретичне значення.** Досліджено прискорений процес відновлення глобальних показників міжнародного туризму після пандемії COVID-19 та розкрито причини швидкого повернення галузі на колишні показники. Серед причин виділяються впровадження сучасних інформаційно-комунікаційних технологій та використання інноваційних методів надання послуг. **Практичне значення.** Проаналізовано інструменти, що дозволяють збільшувати попит на туризм, основними з яких є: технологія безконтактної оплати, штучний інтелект, віртуальна та доповнена реальність, які прискорили процеси відновлення. **Оригінальність / Цінність.** Доведено, що для переходу від парадигми зростання до парадигми сталого розвитку в довгостроковій перспективі лише стійкі інвестиції в туристичний сектор, а саме в штучний інтелект та машинне навчання, дозволять збільшити кількість туристів та їх потреб, що змінюються. Інвестиції в стартапи (альтернативне житло, управління готелями та готельним бізнесом, штучний інтелект та аналітика, літаки та інше) охоплюють різних учасників технології розповсюдження. **Обмеження дослідження / Майбутні дослідження.** Запропоновано залучення інвестицій для реалізації інноваційних проєктів у туристичні регіони, що може стати ефективним інструментом економічного зростання та запорукою процвітання країни. **Тип статті.** Аналітична.

Ключові слова:

сма-туризм, іноземні інвестиції, міжнародний туризм, штучний інтелект, сталий туризм

Contributor Details:

Volodymyr Dzhyndzhoian, Dr. of Economics, Professor, Dnipro Humanitarian, University, Dnipro, UA, dzhindzhoian@gmail.com

Olha Khodak, MSc in Tourism., Dnipro Humanitarian University, Dnipro, UA, olgakhodak1976@gmail.com

Nataliia Yakovlieva-Melnyk, MSc in Economics, Dnipro Humanitarian University, Dnipro, UA, yanata12y@gmail.com

Received: 2025-05-08

Revised: 2025-09-28

Accepted: 2025-09-29



In today's dynamic society, it is important to ensure innovation in all sectors of the economy. In the era of high technology, much attention is paid to innovation and the construction of an innovative world. Tourism is one of the most stable and constantly growing sectors of the global economy, where innovations are a priority for enterprise development, as they attract customers. Innovations and new technologies are an integral part of the competitiveness of tourist enterprises and serve as an effective tool to enhance marketing activities of products and services in the tourism industry.

Tourist enterprises are increasingly involved in the creation of new technologies and the introduction of innovative products for profit. Innovations in tourism are aimed at creating a new product, new approaches to marketing activities, and the use of new management methods using IT technologies.

The theoretical basis of the study is the concept of innovation management, which involves the creation and implementation of new ideas, products, services and technologies in the field of international tourism. Particular attention in the theory is paid to the creation of favorable conditions for foreign investment, which ensures the expansion of infrastructure capabilities, improving the quality of tourism services and stimulating economic growth.

Managing the innovative development of international tourism is now one of the key areas of modern economic policy, as the industry is characterized by high dynamism and multidisciplinary nature (Biletska & Romanchukovykh, 2021; Zaytseva et al., 2024). International tourism not only contributes to the development of infrastructure and employment, but also serves as a catalyst for technology transfer and socio-economic innovations (Filiuk, 2022). Innovative development of tourism enterprises requires the integration of new business models, digital solutions and a change in the paradigm of human resource management (Grynko et al., 2017; Han, 2024). This transformation is made possible by a combination of public policy, private initiatives and international cooperation, which provides a synergistic effect (Sheviakov et al., 2016; Komarynets et al., 2022). The approach based on the interaction of investment and innovation creates prerequisites for increasing the competitiveness of tourist destinations in the global environment (Sardak & Sarkisian, 2018). A special role in the formation of a favorable innovative environment is played by organizational culture, which determines the ability of tourism and hotel enterprises to implement new technologies and management models (Krupskiy, 2015).

Foreign direct investment is an important mechanism for strengthening the innovative potential of the tourism industry, as it provides access to capital, new technologies and management experience (Kaur, 2019). Studies show that there is a positive relationship between the inflow of foreign capital and the growth of tourist flows, which confirms the multiplier effect of investment on the development of the sector (Antwi, 2022). The example of Japan has demonstrated that international tourism has a positive impact on the total volume of FDI, and not only on the tourism industry, expanding opportunities for technology transfer and regional development (Tomohara, 2016). Similar trends are observed in ASEAN countries, where tourism and FDI complement each other, stimulating economic productivity growth (Rasit et al., 2020). This effect is enhanced under conditions of a stable institutional framework and developed infrastructure, which act as determinants of investment attractiveness (Aida et al., 2023). At the same time, franchising models play an important role in the expansion of the international tourism business, ensuring rapid scalability of services, standardization of quality and integration of innovative solutions into global networks (Krupskiy et al., 2017).

The digitalization of the tourism sector has become a key factor in innovative development, creating the prerequisites for the emergence of "smart" tourist destinations (Sun et al., 2024). Information and communication technologies, artificial intelligence, service automation and service personalization are radically changing the interaction between service providers and consumers (Han, 2024). Online booking platforms, integrated hotel business management systems and recommendation systems based on big data have become widespread in global practice (Damnet et al., 2024). These tools increase the efficiency of operations, reduce transaction costs and form new channels of communication with customers (Komarynets et al., 2022). In turn, digital transformation strengthens the role of human capital, requiring the development of digital

competencies of personnel and the implementation of innovative HR practices (Han, 2024). A favorable institutional environment and active government policy create a basis for attracting foreign investment in the tourism sector, as confirmed by the examples of Morocco (Almeida-García, 2017) and Kazakhstan (Shayakhmetova et al., 2020). Government support in the form of tax incentives, simplification of permit procedures, as well as the development of public-private partnerships contribute to the implementation of large-scale infrastructure and innovation projects (Taghiyev, 2023). The formation of tourism clusters and priority development zones ensures the integration of local and international resources, strengthening the competitiveness of destinations (Biletska, 2024). In addition, institutional stability and market transparency increase investor confidence, reducing risks and transaction costs (Arteaga-Alcivar, 2024). Thus, a comprehensive approach to government regulation and investment support forms the long-term prerequisites for sustainable growth of the tourism industry (Zaytseva et al., 2024).

Infrastructure investment plays a key role in the development of international tourism, as it ensures the creation of physical, technological and service capacities to receive tourists (Zhao et al., 2025). Research shows that infrastructure investment has a spatial clustering effect and positively affects the economic growth of tourist regions (Zhou et al., 2016). In Chinese practice, combining infrastructure projects with technological innovations promotes the integration of tourist destinations into global value chains (Zhuang et al., 2021). Infrastructure investments cover not only transport and accommodation, but also digital, communication and environmental infrastructure, which enhances the resilience of the sector (Sun et al., 2024). Thus, the combination of traditional and "soft" infrastructure components creates a multiplier effect and forms the basis for innovative tourism development (Komarynets et al., 2022).

Sustainable and regenerative tourism is becoming a priority for governments and businesses as it responds to new societal expectations for environmental responsibility and social inclusion (Khizar et al., 2023). The concept of regenerative tourism involves not only minimizing negative impacts, but also actively improving the state of local ecosystems and communities (Pung et al., 2024). This approach integrates local knowledge, living systems thinking and intersectoral collaboration, creating multidimensional value for destinations (Komarynets et al., 2022). Sustainable tourism development is based on the UN Sustainable Development Goals, which orient the industry towards a balance of economic, social and environmental interests (Khizar et al., 2023). In the future, this allows for institutionalizing approaches that ensure sustainable growth and long-term attractiveness of investments in the tourism sector (Zaytseva et al., 2024).

Along with the prospects for innovative growth, the tourism industry faces a number of barriers – political instability, lack of reliable insurance mechanisms, terrorist threats and migration risks (Shayakhmetova et al., 2020). In these conditions, the role of information and communication technologies, which allow creating "artificial proximity" and managing remote or risky tourist sites, becomes particularly important (Bystrowska et al., 2017). The use of digital tools allows for increased transparency of operations, improved coordination between stakeholders and increased control over the quality of services (Han, 2024). Combined with international security standards, this builds investor confidence and minimizes transaction costs (Komarynets et al., 2022). Overcoming such barriers is a necessary prerequisite for sustainable investment and the expansion of innovative practices in the tourism sector (Antwi, 2022).

On the other hand, successful management of innovative development of international tourism is possible only under conditions of systemic integration of investment, infrastructure, digital and environmental strategies (Zaytseva et al., 2024). The multi-level nature of tourism as an economic system implies coordination of actions between state, private and public institutions (Han, 2024). In the global context, compliance with international standards of sustainable development is of particular importance, which increase the reputational attractiveness of destinations and facilitate access to financial resources (Khizar et al., 2023). The move towards "smart" tourist destinations is accompanied by an increased role of data and analytics, which allows for informed management decisions and increased effectiveness of marketing strategies (Sun et al., 2024). This approach forms a platform for long-term partnership between

investors, the state and local communities (Komarynets et al., 2022).

In summary, it can be argued that international tourism is evolving into a complex system where innovation, investment and sustainability are interconnected and mutually reinforcing (Pung et al., 2024). To achieve sustainable competitiveness, it is necessary to form an effective institutional framework that combines state regulation, private initiatives and international cooperation (Almeida-García, 2017). Creating favorable conditions for foreign investment in tourism is becoming not only a tool for economic growth, but also a mechanism for improving the quality of life of the population and building human capital (Zaytseva et al., 2024). In the future, this will contribute to the emergence of new business models, strengthening partnerships and enhancing the role of technology in providing personalized tourism experiences (Han, 2024). Such a comprehensive approach allows integrating innovative development concepts with global challenges and market trends, ensuring the long-term stability of the tourism sector (Khizar et al., 2023).

According to the concepts of innovative development, effective innovation management involves the formation of a holistic system that includes state policy, support for entrepreneurship, the investment climate, and infrastructure. This system creates incentives for attracting foreign investors to the tourism sector, contributing to the transfer of modern technologies and the improvement of service standards. In addition, it is important to apply economic development theories that emphasize the role of investment in innovation for the long-term growth of the tourism sector. In the context of international tourism, the concept of globalization is particularly relevant, as it expands opportunities for foreign investment and interaction between different cultures. Thus, the theoretical basis of the study focuses on integrating innovation theory with concepts of investment attractiveness, which allows the substantiation of the foundations for creating favorable conditions for foreign investment in international tourism.

Methodology

The article addresses the need to create and regulate foreign investment to manage the development of international tourism through innovations driven by scientific and technological progress. Today, the competitiveness of any enterprise depends on multiple factors, among which the ability to implement and utilize the latest information technology developments is particularly important. This is especially true for the tourism industry, which is undergoing a transition from traditional approaches to personalized services, allowing for maximum satisfaction of individual client needs with high quality. The accelerated recovery of global indicators of international tourism after the COVID-19 pandemic is analyzed, and the reasons for the rapid return to pre-pandemic levels are identified. Key factors include the introduction of modern information and communication technologies and the use of innovative service and maintenance methods. Tools that increase tourism demand are examined, with particular focus on contactless payment technology, artificial intelligence, virtual and augmented reality. The implementation of these technologies during the pandemic facilitated accelerated recovery in the post-pandemic period. It is demonstrated that, to transition from a growth paradigm to a sustainable development paradigm in the long term, only sustainable investments in the tourism sector—specifically in artificial intelligence and machine learning—can increase the number of tourists and meet their evolving needs. Investments in startups covering areas such as alternative housing, hotel and hospitality management, artificial intelligence and analytics, tours and events, enterprise management software, payment and connectivity solutions, smart luggage, ride-

hailing and car-sharing, electric and autonomous vehicles, as well as aircraft and flight services, involve diverse participants in distribution technology. It is proposed to attract investments for innovative projects in tourist regions, which can serve as an effective tool for economic growth and a foundation for national prosperity.

The study is based on open sources of information, including official WTO reports, reports of leading global market research organizations. In addition, articles from scientific journals are also used. In particular, the following methods were used: bibliographic analysis was used to systematize the views of domestic and foreign scholars and analyze reports of international organizations to determine the theoretical basis and relevance of the problem; analysis method - when considering the theoretical foundations of innovative tourism development and investment policy under the influence of innovative technologies and investments in innovation management; economic and statistical method - when studying the quantitative assessment and dynamics of the recovery of international arrivals, analyzing the structure of investments in innovation, as well as statistical reports to confirm the impact of innovative technologies on customer loyalty and booking; comparative method - when comparing data from international organizations on different countries and regions and the popularity of various tourist applications; graphic method - in visualizing dynamics through figures and tables; systemic approach - in interpreting innovations as part of the state's investment policy and studying tourism as a complex system; induction and generalization - when combining the conclusions of the literature review and statistical data on the growing importance of personalization and digital services based on specific examples to formulate recommendations for attracting investment and substantiating the concept of sustainable development in tourism.

Findings

The UN World Tourism Barometer publishes that in 2024, about 1.4 billion tourists made international travels, that is, the recovery of tourism compared to the pre-pandemic period is 99%: 140 million more than international tourist arrivals, or an increase by 11% compared to 2023. The results are caused by increased demand for tourist services after the pandemic, reliable indicators of leading tourist companies and constant restoration of destinations in Asia and the Pacific. Positive dynamics are expected to remain during 2025 due to the high demand for tourism services, which, in turn, contributes to the socio-economic development of both known and new areas. This situation determines the huge responsibility of the tourism sector for accelerating the transformation in accordance with the CSR (goals of sustainable development) - focusing attention on people and planet, which undoubtedly determines the relevance and need to study the development of tourism, ways and factors of its development and further formation (UNWTO, 2025).

In 2024, the increase in international arrivals in most directions

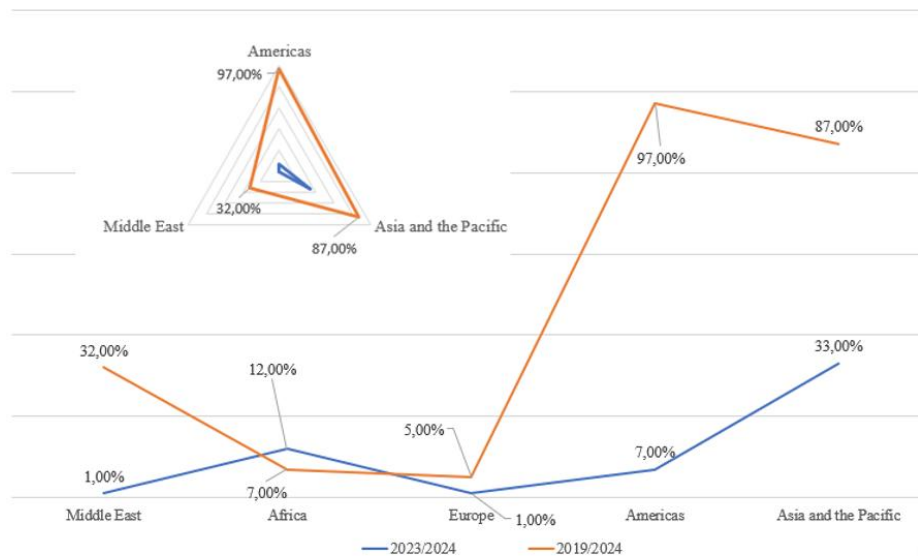


Figure 1 - Dynamics of International Tourism Arrivals by Regions: 2023/2024, 2019/2024. Formed on a basis (UN Tourism, 2025)

was recorded (Fig. 1). The Middle East of the region, where international arrival by 32% exceeded the pandemic level in 2024 and 1% higher than 2023, captures 95 million arrivals. Africa - 74 million arrivals, which is 7% more than in 2019, and 12% more than in 2023. The world's largest destination - Europe reported for 747 million international arrivals in 2024, which is 1% more than in 2019 and 5% compared to 2023. All European subregions have exceeded the level of pandemics, except for Central and Eastern Europe, where many directions are still suffering from Russian aggression against Ukraine.

Two hundred thirteen million international arrivals have been recorded in the US region, which is 97% of pandemics compared to 2019. The Caribbean and Central America countries have already exceeded the 2019 level and compared to 2023 the figure increased by 7%. During 2024, the Asia-Pacific region continued to recover rapidly, and international arrivals increased by 33% in 2024, or by 78 million compared to 2023.

In 2023, the world income of travel applications reached almost \$ 1.3 billion, and, according to its forecasts, it will grow steadily over the coming years. Google Maps mobile app, as a traveling app in 2024, was downloaded the most times (Fig. 2) nearly 127 million downloads on iOS and Google Play. Uber's application has become the second largest number of almost 120 million downloads. On the online tourist agencies (OTA) market, Airbnb has headed OTA applications with the largest number of downloads worldwide in 2024, ahead of booking.com.

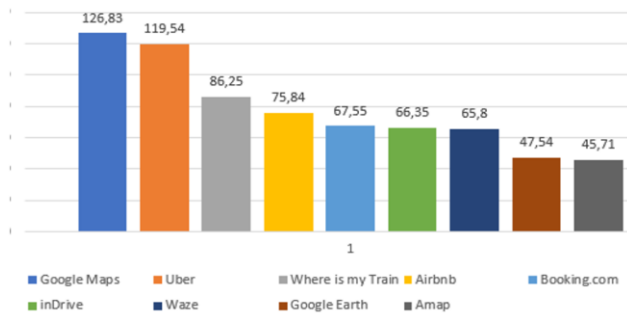


Figure 2 - Market of Appendices of travel agencies online. A total number of loading applications (million times) for travel around the world in 2024. Formed on a basis (Research and Markets, 2025)

In 2023, the global online travel market was estimated at \$ 532.1 billion, expected that by 2033 it would reach \$ 1876.5 billion from CAGR 13.8% during the predicted period from 2024 to 2033 (Fig. 3).

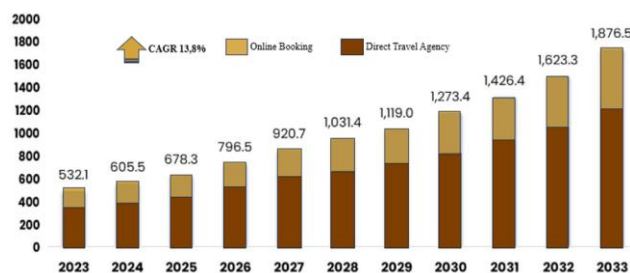


Figure 3 - Global Online Travel Booking Market: forecast 2024-2033. Formed by authors based on (Dzhindzhoyan et al., 2024)

One of the main innovative processes of sales is the use of e-commerce, which can intensively increase the sales of a tourist enterprise on the Internet. The main participants in e-commerce are hotels, airlines, tourist operators and customers. It provides online tours, including global reservation systems (extends beyond the country in which the purchase is made), national reservation systems (within the country) and computer reservation systems (Dzhindzhoyan et al., 2024).

Digital transformation is one of the key priorities of national tourist strategies, as well as strategic emphasis, conditioned by the necessary improvement of efficiency, optimization of functioning, improving productivity, adaptation to the needs of tourists on the way of improving the decision-making process. According to

studies conducted from 2018 to April 2024 on investing innovative technologies, artificial intelligence (AI) and machine learning (ML) made almost two-thirds of all agreements for the period under review. Further, the main investment in technology is the Internet of things (IOT) and exciting technologies, which account for 13% and 10% of transactions, respectively.

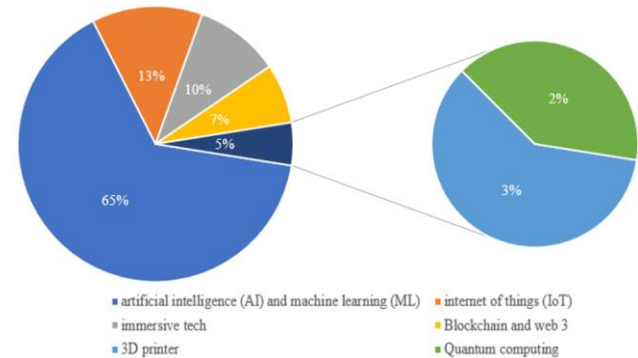


Figure 4 - Distribution of Tech Investment Deals by Travel and Mobility Corporation Worldwide Between 2018 and 2024, by Area of Investment. Formed by the authors based on (UN Tourism, 2024)

According to UNWTO, by 2030 it is expected that the total number of tourist trips will reach 37.4 billion, of which 17.4 billion will be international and domestic overnight (1.8 billion international/15.6 billion domestic). The development contains 2.4 million new hotel rooms worldwide. In addition, the reports mention that the hotel sector consists of almost 200,000 hotels with more than 18 million rooms worldwide. Persistent investments in the tourist sector were directed at «green crossings». The proposal of structures for the transition from the growth paradigm to the paradigm of sustainable development in the long-term perspective involves the development of financial instruments for providing sustainability and renovation of the tourist sector. Therefore, a significant level of investment will be required to support the increased number of travelers and meet their changing needs (Table 1).

Table 1 - Activity Frequency of Foreign Investment Direct

Activity	Frequency of foreign direct investment		
	frequent	occasional	rare
hotels and similar	+		
restaurants and similar	+		
secondary houses	+		
passenger transportation	+		
railway passenger transport services		+	
passenger air transportation		+	
services of road passenger transport			+
water passenger transport services			+
maintenance of passenger transportation			+
travel agencies, etc.			+
cultural service			+
sports and other recreational services			+

Financial FDI data in tourism shows that more than 55% of FDIs come into the construction and development of (material) investments, and about 31% are services and related to platforms (intangible) investments.

Value-added chains in tourism are evolving. From a traditional perspective, products of the tourism subsector include recreational services, accommodation, food services, housing, trade, and construction, among others, which create investment opportunities along the entire value chain. In addition, from a non-traditional perspective, other subsector products arise from capital flows directed toward innovations in travel technology. According to UNWTO investment research, two main groups of subsectors were identified based on raised capital. The first group is associated with mobility-unrelated subsectors, which include alternative housing, hotel management and hospitality, artificial intelligence and analytics, tours and events, enterprise management software, payment and communication solutions, among others (Fig. 5).

In addition, investments in the Travel & Mobility Tech startups have covered several other sub-seats, such as: alternative housing,

hotel management and hotel business, artificial intelligence and analytics, tours and events, software for enterprise management, payment and communications, smart and other vehicles. These sub -

regions expanded the value creation chain, covering different participants, distribution technologies (Fig. 6).

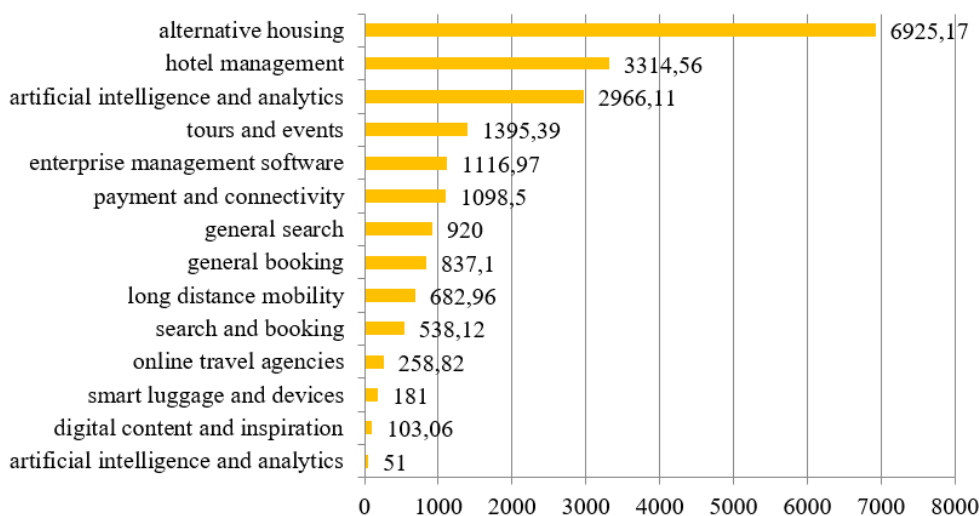


Figure 5 - Funded startups on tourist technologies (not mobile), million dollars. USA

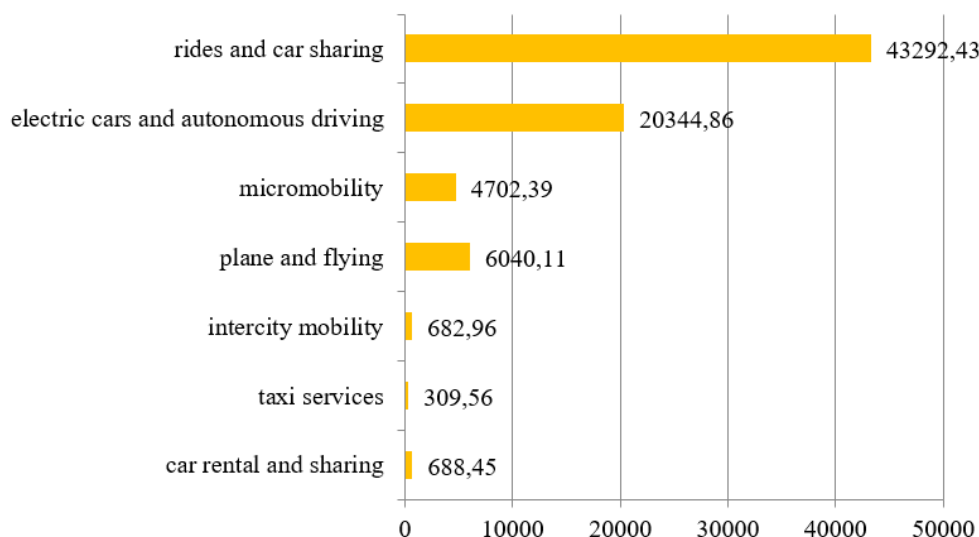


Figure 6 - Sub-sectors tourist technical startups (mobility), million dollars. USA

The results of these two subsector groups are significant in terms of capital accumulation, amounting to approximately \$450 billion. Investment in travel technology in the US is notable, but these subsectors are also important for innovation and their interaction with the tourism ecosystem. The integration of the tourism ecosystem and its stakeholders, present in both traditional and non-traditional subsectors, plays a crucial role in enhancing sectoral synergy. Potentially increased demand and developing markets have brought these capital flows to new records. According to MorningStar Equity Research, the booking market is about \$ 600 billion. US with an increase of 35.5 to 39.4% by 2029 (Research department Statista, 2025).

Discussion

Looking forward, it is important to understand: the demographic composition of this new market (2030-2040), which will consist mainly of millennials and generation Z. Both are "digital natives", and by 2040 they will be the largest share of the world's population, 3 billion and 2.6 billion respectively. Depending on their socio-economic groups, this behavior may vary significantly. However, the general trend is shifting towards digital and innovative services, especially mobile services. At the same time, there is a shift from traditional to more personalized experiences. In addition, given the consequences of the Covid-19 pandemic, there is a need for the transparency of health, safety, data and safety protocols

during travel and final destination. Therefore, a significant level of investment will be required to support the number of travelers and changes in consumer behavior and needs. This can open up several investment opportunities by opening new investment flows from traditional hard investments, such as housing infrastructure, to soft infrastructure, such as digital solutions and support services related to experience and resistance in reality after Covid-19. This new consumer behavior forms tourist markets and is a unique opportunity for implementing innovative solutions. These digital natives require technologies such as 5G, basic cloud services or artificial intelligence. All this offers increased speed of access to information, greater intuition in interaction, the ability to expand tourist experience before and after travel (Research department Statista, 2025).

The complete restoration of international tourism in 2024 was also recorded in other sectoral indicators. First, in 2024, tourism revenues amounted to \$ 1.6 trillion, which is about 3% more than in 2023, and 4% more than in 2019. Secondly, according to UN Tourism Tracker, international air bandwidths and air traffic have virtually recovered relatively to pre-pandemic levels by October 2024 (IATA). The global content of the rooms of the accommodation facilities reached 66% in November. According to preliminary estimates, total exports of tourism (including passenger transportation) reached a record \$ 1.9 trillion in 2024, which is about 3% more than to the pandemic.

For 2025, trends are designed not only to the positive dynamics of the recovery of the tourism industry, but also to the important

tasks: creating a balance between growth and sustainability, introduction of environmental methods of work, meeting the demanding needs of consumers. Practically, each of these steps is related to technology and innovation. After 2019, the requirements, approaches and opportunities for the formation of tourist services have changed, and in particular technologies and innovations help to change the tourism industry and reserve the place of priority business. Technologies and innovations give customers a lot more opportunities and a sense of independence while traveling. For example, a mobile app alone allows you to hunt a large number of different aspects of travel, which shows how important technological innovations in tourism are.

The year of record rates for startups for the tourism industry was 2024. Skift tracked over 200 startups that raised \$ 13.1 billion, the total amount of more than twice exceeded 2023, despite the fact that the total number of transactions was approximately the same. Below is an overview of key involvement, financing trends and other important events since 2024 (MySmartJourney, 2025).

Lighthouse fundraising was one of several agreements in 2024, which exceeded all the projects that have been in the tourism industry in recent years. It is a tourist technology company, which rated more than \$ 1 billion in 2024. Lighthouse has concluded with the largest venture capital of \$ 225 million - a startup of Flyr Aviation Retail. Later, Hostaway raised \$ 365 million, which became the largest agreement on short-term real estate management technologies.

The latest report of the Tourism Investment Report 2024, published by Financial Times in collaboration with UN tourism and with the support of Diriyah Gate Company fixes that from 2019 to 2023 investment projects for tourism (1943 projects of direct investment) are collected 259 800 jobs. The European region is a leader in world tourist FDI projects, which involves 867 projects from 2019 to 2023, which is 44.6% of the total volume of world investment, which emphasizes its resistance to cautious investment climate.

Asian-Pacific region: the number of foreign foreign direct investment projects in the region increased by 59.5% between 2022 and 2023 (from 42 to 67), with capital investments increased by 125.3%. During this period, Latin America and the Caribbean attracted 221 FDI tourist projects. This led to investment worth \$ 20.5 billion and the creation of approximately 73,400 jobs. As the region has already exceeded the level of arrival of international tourists in 2019, it gives positive confidence of investors in the long-term profitability of the tourist sector of the region.

The Middle East and Africa regions attracted 314 FDI projects in tourism in the total amount of investment of \$ 18.1 billion and created about 40,700 jobs. The number of tourists FDIs in the region between 2022 and 2023 increased by 16.1%, from 62 to 72, with capital investments increased by 12.2% (UN Tourism, 2024).

Conclusions

Innovation in the travel and tourism industries can take many forms. In fact, there are a lot of ways in which businesses and corporations keep track of how expensive their customers and tourists are. Obtaining investments for the implementation of innovative projects in the region in the tourism sector can guarantee economic growth and prosperity for the region. Through an innovatively oriented tourism policy, it is possible to achieve greater productivity and stimulate the growth of the economy in the region, achieving the goals of the development of sustainable and inclusive tourism. The basis for investing in innovation in the tourist industry is formed in a complex manner and is the result of the interaction of many levels of management and economic entities. First of all, the key role is played by the power, which through legal regulation, tax policy, investment programs and mechanisms of public-private partnership creates a fundamental institutional and financial foundation for investment activity. Nowadays, outside the authorities (the Ministry of Education, the Ministry of Tourism, the Economy, Innovation, Regional Development) are responsible for the implementation of strategy, distribution of resources, support for start-ups and control over additional investment guarantees. Tourist regions, especially in the spirit of decentralization, often initiate local innovative projects, create tourism clusters, hubs, territories of innovative cooperation and promote Local investor support programs. A significant role is played by subjects of the tourism market -

enterprises, associations, start-ups, who are not only recipients of investments, but also initiators of innovation, who formulate the demand for investments new technologies: automated services, smart solutions, blockchain, AR/VR, etc. The development of digital technologies plays a contributing role in stimulating the online market at an even higher rate. Technologies such as mobile additions, artificial intelligence and machine learning, reduce the need for customized support, more expensive and more portable armor, and portable technologies. Accessible via smartphones, and with free access to the Internet, mandrels can be planned and purchased at the right time for the client. It should be noted that such dynamics vary across regions and may lead to singing rhymes. Therefore, effective investment in innovation in tourism is only possible in the minds of the rich mutual relations of the state, the local government, private business and the institutions of the commonwealth - the skins of which plays a structurally identical, but mutually complementary function. The creation of friendly minds for foreign investment in the former regions will lead to increased efficiency in managing the innovative development of international tourism.

The online travel market covers digital platforms and services that simplify travel bookings, including tickets, hotels, car rental and vouchers. This market is developing due to the growth of convenience, the comparison of prices and settings that offer online tools. Key players are travel agencies, meta-searching systems and direct service providers. Technological achievements, such as artificial intelligence-based recommendations and mobile applications, improve users' interaction and accessibility. As the world demand for travel is restored and digital implementation is increasing, the online travel market is ready for significant growth, changing how consumers plan and book their travels. Viewing sales distribution in the world sector of travel and tourism gives a clear idea of a key role, which is played by an online segment that generates about two-thirds of the 2023 market income.

Tourism was one of the first sectors of the economy to use information and communication technologies (ITK) to manage tourist networks and rationalization of operating processes. Airlines have introduced ICT to their information systems and booking systems, launched "global distribution systems", which today allow access to the most favorable offers and prices, immediate booking. Internet technologies have opened new distribution and management opportunities for tourism; it has become one of electronic commerce leading industry.

Consumers of tourist services can book a flight or hotel, download landing coupons in your own phone, buy tickets to the museum, view the restaurant menu with QR code and more. Of course, personal communication and interaction are available to complement the digital experience. However, if visitors want more independence, travel technologies and innovations do it.

NFC technology (close-frequency bond) is a form of wireless technology that allows two devices to "communicate" with each other and exchange data. NFC technology is widely used for contactless payments as well as companies to improve operations and services provided. Like most forms of technology in travel and tourism, NFC technology increases work efficiency and allows to personalize customer experience. One of the leading ways to use NFC technology in hotels is a door key: a physical door key or card, replaces a virtual key that loads clients on their phone and lifts to a digital door panel - it improves safety and efficiency. Hotels also use NFC technology to their interests to facilitate visitors instantly obtaining the information they need and not expect a concierge answer. For example, the MySmartJourney Platform (MySmartJourney, 2025) helps companies to introduce NFC technology in innovative ways to create interesting and unique impressions: broadcasting text, visual, video and 3D content, creating independent excursions to museums, art galleries, historical seats, parks, resorts, etc.

Artificial intelligence (AI) is another form of technology used in the travel and tourism industry. AI is the main way by which tourist businesses accurately and effectively create personalized impressions for their guests. AI can receive and process huge amounts of data, create reports, and keep in touch 24/7. The personalized approach not only improves the booking process but also increases customer loyalty. According to McKinsey, personalization can increase sales by 10-15%, emphasizing the significant potential of profit for platforms that effectively implement the recommendations controlled by AI (McKinsey & Company, 2024).

Virtual reality (VR) is an irreplaceable assistant in the created and demonstration of cruises and tours, which increases the level of booking. Inclusion of virtual reality parameters or augmented reality when viewing numbers, directions or excursions enables guests to see the impressions which they are going to get. During the Covid-19 pandemic, some companies offered excursions with guides on wonderful islands and places so people can enjoy them while staying at home. Digital technologies, including generative

artificial intelligence (AI), supplemented with reality (XR) and blockchain, radically change the form of tourism and is a powerful catalyst for innovation in the sector. Travelzoo survey showed that 81% of respondents would be more likely to have a vacation if they were able to feel it practically. The integration of virtual reality into the platform of online travel not only improves interaction with users but also serves as a powerful marketing tool for demonstrating directions and services (World Tourism Alliance, 2023).

References

- Aida, N., Palupi, W. A., & Husain, F. R. (2023). What is the Role of Tourism, Foreign Direct Investment, and Institutions in Economic Growth in ASEAN? *Wseas transactions on environment and development*, 19, 571–581. Portico. <https://doi.org/10.37394/232015.2023.19.55>
- Almeida-García, F. (2017). Analysis of tourism policy in a developing country: the case of Morocco. *Journal of Policy Research in Tourism, Leisure and Events*, 10(1), 48–68. <https://doi.org/10.1080/19407963.2017.1312420>
- Antwi, J. (2022). Foreign Direct Investment, Tourism Development, and Economic Growth. In *Tourism and Foreign Direct Investment* (pp. 145–158). Routledge. <https://doi.org/10.4324/9781003155492-11>
- Arteaga-Alcivar, Y. (2024). Tax incentive policies and attracting foreign investment. *Revista VICTEC*, 5(9). <https://doi.org/10.61395/victec.v5i9.176>
- Biletska, I., & Romanchukevych, M. (2021). Management of innovative development of tourism enterprises under the conditions of strengthening of globalization processes. *Herald of Khmelnytskyi National University*, 294(3), 53–57. <https://doi.org/10.31891/2307-5740-2021-294-3-8>
- Biletska, N. (2024). Support for attracting investments to the development of the tourism sector. *Economic Scope*, 194, 3–7. <https://doi.org/10.30838/ep.194.3-7>
- Bystrowska, M., Wigger, K., & Liggett, D. (2017). The Use of Information and Communication Technology (ICT) in Managing High Arctic Tourism Sites: A Collective Action Perspective. *Resources*, 6(3), 33. <https://doi.org/10.3390/resources6030033>
- Damnet, A., Sangnak, D., & Poo-Udom, A. (2024). Thailand's innovative agritourism in the post COVID-19 new normal: A new paradigm to achieve sustainable development goals. *Research in Globalization*, 8, 100171. <https://doi.org/10.1016/j.resglo.2023.100171>
- Dzhyndzhoian, V., Khodak, O., & Yakovleva-Melnyk, N. (2024). Activation of digitization processes and introduction of innovative tools in the field of hospitality [In Ukrainian]. *Challenges and Issues of Modern Science*, 2, 409–421. <https://cims.fti.dp.ua/f/article/view/180>
- Filiuk, S. F. (2022). System of innovation and investment measures of the economic strategy to restore tourism and recreational potential of Ukraine. *Ukrainian Journal of Applied Economics and Technology*, 7(2), 417–425. <https://doi.org/10.36887/2415-8453-2022-2-51>
- Grynko, T., Krupskiy, O., Koshevyy, M., & Maximchuk, O. (2017). Modern Concepts of Financial and Non-Financial Motivation of Service Industries Staff. *Journal of advanced research in law and economics*, 8(4(26)), 1100–1112. <https://journals.aserspublishing.eu/jarle/article/view/1516>
- Han, X. (2024). Empowering the Global Tourism Workforce: How Digital Transformation Influences HR Development. *Journal of the Knowledge Economy*, 16(2), 9873–9897. <https://doi.org/10.1007/s13132-024-02292-2>
- Kaur, B. (2019). Foreign Direct Investment: A Growth Engine for Tourism. *SSRN Electronic Journal*. <https://doi.org/10.2139/ssrn.3385163>
- Khizar, H. M. U., Younas, A., Kumar, S., Akbar, A., & Poulouva, P. (2023). The progression of sustainable development goals in tourism: A systematic literature review of past achievements and future promises. *Journal of Innovation & Knowledge*, 8(4), 100442. <https://doi.org/10.1016/j.jik.2023.100442>
- Komarynets, S., Mykhalchyshyn, N., & Mashalir, S. (2022). International tourism management based on the sustainable development [In Ukrainian]. *Pryazovskiy Economic Herald*, 1(30). <https://doi.org/10.32840/2522-4263/2022-1-1>
- Krupskiy, O. (2015). Role of organisational culture in innovation development of tourism and hospitality enterprises providing [In Ukrainian]. *Economic Annals-XXI*, 155(11-12), 96–99. <https://ea21journal.world/index.php/ea-v155-21/>
- Krupskiy, O., Stukalo, N., Krasnikova, N., & Falko, Y. (2017). Franchising model for expansion of the international travel business. *Problems and Perspectives in Management*, 15(4), 230–242. [https://doi.org/10.21511/ppm.15\(4-1\).2017.07](https://doi.org/10.21511/ppm.15(4-1).2017.07)
- McKinsey & Company. (2024). *The state of tourism and hospitality 2024*. McKinsey & Company. <https://e.surl.li/vrraai>
- MySmartJourney. (2025). *An easy-to-use tool for creating digital itineraries for tourist and cultural sites 2025*. MySmartJourney. <https://mysmartjourney.com/en-ca>
- Pung, J. M., Houge Mackenzie, S., & Lovelock, B. (2024). Regenerative tourism: Perceptions and insights from tourism destination planners in Aotearoa New Zealand. *Journal of Destination Marketing & Management*, 32, 100874. <https://doi.org/10.1016/j.jdmm.2024.100874>
- Rasit, N. binti, Singkong, F., & Aralás, S. I. (2020). Tourism and Foreign Direct Investment: An Analysis for Asean Countries. *Malaysian Journal of Business and Economics (MJBE)*, 6(2), 283. <https://doi.org/10.51200/mjbe.v0i0.2217>
- Research and Markets. (2025). *Online Travel Booking Market 2025*. Research and Markets: The world's largest market research store. <https://e.surl.li/jiwfua>
- Research department Statista. (2025). *Travel and tourism trends 2025 - statistics & facts*. Statista. <https://e.surl.li/aqloco>
- Sardak, S. E., & Sarkisian, A. S. (2018). Innovative aspects of international tourism development [In Ukrainian]. *Economic Scope*, 0(138), 18–28. <https://doi.org/10.30838/p.es.2224.231018.18.243>
- Shayakhmetova, L., Maidyrova, A., & Moldazhanov, M. (2020). State Regulation of the Tourism Industry for Attracting International Investment. *Journal of Environmental Management and Tourism*, 11(6), 1489. [https://doi.org/10.14505/jemt.11.6\(46\).19](https://doi.org/10.14505/jemt.11.6(46).19)
- Sheviakov, O. V., Krupskiy, O. P., & Slavskaya, Y. A. (2016). Psychological support of tourism industry development on the Internet [In Ukrainian]. In *Regional tourism: Strategy, resources, development perspectives* (pp. 92–105). Aktsent PP. <https://e.surl.li/qtilgo>
- Sun, D., Zhou, Y., Ali, Q., & Khan, M. T. I. (2024). The role of digitalization, infrastructure, and economic stability in tourism growth: A pathway towards smart tourism destinations. *Natural Resources Forum*, 49(2), 1308–1329. <https://doi.org/10.1111/1477-8947.12437>
- UN Tourism. (2024). *Global greenfield Investment in tourism Reflects Resilience and Shift Toward Sustainability in 2024*. UN Tourism. <https://e.surl.li/gxthbi>
- UN Tourism. (2025). *World Tourism Barometer*. UN Tourism. <https://www.unwto.org/un-tourism-world-tourism-barometer-data>
- World Tourism Alliance. (2022). *World Tourism Innovation and Development Report (2021-2022)*. World Tourism Alliance. <https://e.surl.li/mvqygd>