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STIMULATION OF INNOVATION ACTIVITIES IN SERVICE AREAS

Introduction

Among the challenges of the 21st century and the new millennium, understanding the development potential of nature and society at a new quality level has a special place. Fundamentally renewing the foundations of social activity within the framework of stereotypes formed over the centuries in the 20th century has opened opportunities for people to develop in a different quality. As long as those possibilities are realized at the level of the traditional worldview, the threats to humanity will continue: food shortages, exhaustion of non-renewable energy sources, undesirable urbanization processes, ecological crisis. The consensus of the advanced part of humanity, scientific elite and political decision-makers makes it possible to get out of the mentioned "magical circle". At the same time, the fragmentary development of science in certain periods of history, interruptions and deviations in this development give rise to critical approaches to innovations in their full meaning. What has been mentioned requires the transformation of the innovative way of thinking into an ordinary way of life, the promotion of the criteria of coexistence, which implies the organic unity of antiquity and innovation, in other words, the wide spread of innovative activity [1].

Main text

The concept of "innovation" is taken from the Latin word "innovato", although it has been used since the 19th century, it was used mainly in Joseph Schumpeter's "The Theory of Economic Development" (1934) and entered the wide scientific circulation. However, the main concepts related to innovation are still interpreted differently. "Innovative activity – new scientific knowledge, ideas, discoveries and inventions of the human collective, as well as existing and tested it is a type of systematic activity aimed at the full social realization of innovations based on the use and application of scientific technology, systems and equipment". In the conditions of modern market relations, the competi-

tive factor is one of the important factors determining the scale and pace of economic activity.

In the conditions where the traditional possibilities of gaining a position in the market are exhausted, one or another participant prefers to search for alternative (new) ways. This way, as a rule, is risky, expensive and long. Therefore, prioritizing the innovative development path requires extensive research and complex analysis. As stated in the open encyclopedia, "innovation is the final result of a person's intellectual activity, discovery, invention, the application of a highly effective innovation. The result of innovation activity is considered to be a new or improved product (work, service), technological process, as well as organizational-technical, financial-economic and other situations in various areas of social relations. Innovation activity is the application of new ideas, scientific knowledge, technology and products to various fields of production and management to ensure economic development and competitiveness [2].

The greater negative impact of the COVID-19 pandemic on the world economy, especially on the hospitality sector, made it necessary to determine the ways to get out of the crisis of the activity of hotel enterprises in Azerbaijan in the context of the pandemic, as well as the ways to improve the situation. As a result of a significant decrease in the flow of tourists to Azerbaijan, in 2020, Baku's hotel services market saw a 93% decrease in occupancy, and a 96% decrease in room profitability compared to 2019.

In general, in 2020, 999.8 thousand tourists spent the night in hotels in our country, that is, a 3.3 times decrease was observed in this indicator. In addition, the main number of overnight stays fell on the share of hotels located in the capital of Azerbaijan – 58% of the total amount. This indicator is 9.7% in Gabala district, 5.5% in Gusar district, 4.1% in Guba district, 3.2% in Lankaran district, 3.1% in Naftalan city, 2.4% in Nakhchivan Autonomous Republic, Shabran district – 1.9%, Mingachevir city – 1.2%, Ganja, Khachmaz, Gakh and Shamakhi districts 0.9% each, Masalli and Zagatala districts 0.7% each, and 5.9% it belongs to other regions of the republic. The main consequence of the pandemic was a critical decline in the hotel's financial and operational performance. The only way for hotels to stay afloat in the reality of huge losses is to develop a serious adaptive anti-crisis action program aimed at mitigating the extremely negative consequences of the pandemic and improving the crisis situation, and designed to manage their income, which contributes to the stabilization and successful recovery of the hospitality industry in our country – standard innovative solutions are built-in.

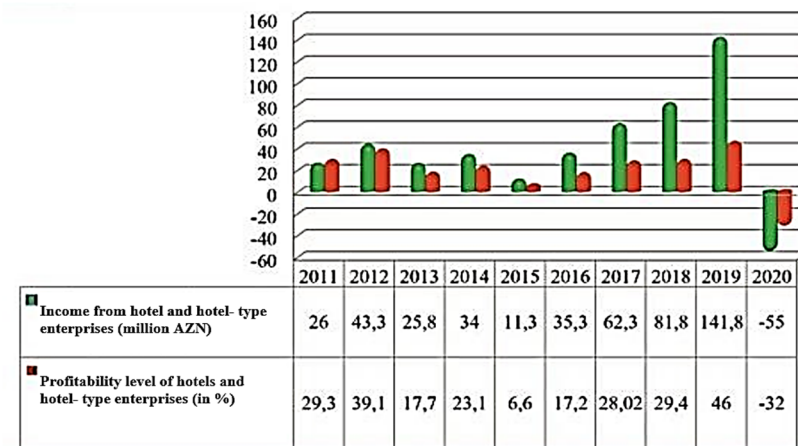
Based on this, the criteria that significantly increase the degree of vulnerability of all hotel establishments in the context of the coronavirus pandemic were initially determined:

- the inevitability of the closure of hotels by the decision of the authorities;
- the inevitability of hotels shutting down due to a complete lack of guests;
- impossibility of providing a comprehensive service complex of hotels;
- location (megacities have a greater flow of foreign tourists);
- dependence of hotel occupancy on charter flights;
- application of fixed rent by the owners of the building, etc. [4].

I would like to note that in the conditions of a pandemic, an entrepreneur should not be concerned about obtaining extreme income, but about the ability to stay afloat and how to prevent business closures.

On the basis of mathematical-statistical calculations, I would like to mention the information about determining the correlation relationship between the capacity of hotel establishments, the expenses of foreign tourists who come to our country for tourism purposes, and the income obtained from the activities of hotel establishments in the Republic of Azerbaijan in 2009-2020.

As can be seen from Fig. 1, a positive trend was observed in the results of the economic activity of hotel enterprises during 2011-2020 due to management optimization.



In modern times, innovation is a provider of stable economic growth in the economy. The purposeful search and application of innovations is the basis of innovation-type development. This allows for technological progress and the improvement of society's well-being. The end of Azerbaijan.

The economic reforms carried out during the period have created new opportunities for the activation of innovation activities. At the same time, new problems have arisen related to the application of the market mechanism of regulation of the economic-economic system as a whole, as well as the sphere of innovation. In addition to continuing reforms in the field of ownership and organizational-economic relations, these are issues related to the development of appropriate development strategies in order to evaluate and improve the efficiency of innovation activity in the socio-economic economic system [5].

In order to determine the efficiency of innovative production, labor productivity, fund yield, profitability, payback, etc. indicators can be used. With their help, various options for organizing innovative production and solving its structural problems are compared. Evaluating the efficiency of social issues and management of innovation structures requires the use of specific qualitative indicators of the development of each of those spheres. For each sphere, it is important to have specific eligibility criteria for the costs of structures and performance results. As a whole, the efficiency of innovation structures is the sum of the efficiency of its operating objects. The efficiency of each object is characterized by the ability to spend less on the production of products and services. It is the ability to produce the maximum amount of a suitable quality product with minimum cost and to sell this product with minimum cost. The economic efficiency of innovation structures also depends on the conformity of its product to the requirements of the market and consumers. Since innovation structures are special innovation infrastructure subjects, their creation and evaluation of the degree of efficiency of their activity cannot be based only on the principles of commercial results. Thus, their activity implies the establishment of completely new relations between workers, investors and buyers of scientific and technical products. Therefore, taking into account the characteristics of its place, role and purpose in the socio-economic system directly serves as the main basis for evaluating the degree of efficiency of the relevant activity.

Formation of favorable environment and conditions for successful operation of innovation structures it is appropriate to offer him a complex of various types of privileges in the first years of his activity. The effectiveness of the activity of such structures of an innovative nature depends

on a number of factors, which manifest themselves mostly in the socio-psychological field. This is very difficult to measure. Thus, those factors are related to the formation of a certain innovative mood in the society, to the efforts made towards the specialization of labor and living standards, to the formation of positive emotions and ideas towards the future in a certain part of the population. One of the factors affecting the economic efficiency of innovation structures is their patent activity [6].

Compared to outsiders, embedded firms are typically characterized by a higher rate of patent activity. The patent activity of these companies increases the economic efficiency of innovative structures. The presence of a patent is a guarantee of the ability of these or other firms to release new products. The economic effectiveness of innovation structures is determined not only by their scientific production activity, but also by patent licensing, consulting, advertising, marketing, etc. related to the activity. One of the main sources of income for many foreign and domestic structures is the sale of their property, buildings, land, equipment to companies, is to be leased. In addition to these, it can be noted that the socio-economic effect of the activity of innovation structures can be formed due to the following constituent elements:

- creation of skilled jobs;
- tax payments and local payments;
- attraction of investments in the fields of science and entrepreneurship;
- development of additional contractual mechanism;
- technology export etc. [7].

The result

Currently, the national research and development, innovation strategy plan, as well as the official national innovation policy are being formed in Azerbaijan. "Innovation policy" is widely discussed in government bodies, and for this purpose, various government organizations are involved in the innovation process. Over the past ten years, innovation issues have been included in numerous State Programs. Since each of these programs has its own goals and objectives, some of the goals can be considered government innovation policy goals. At the modern stage of economic development, enterprises have a strong influence on the geography of creation and production of innovations by controlling the main components necessary for the implementation of innovation projects – venture capital, highly qualified personnel, new ideas and research. Thus, the innovation policy of enterprises plays an important role in increasing the competitiveness of countries by influencing their position (leadership or decline) in this process.

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Надійшла до редакції 28.11.2022 р.