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## SWOT Analysis of Lviv Tourist Destination and Key Indicators of its Sustainability

**Abstract.** Attractiveness of Lviv as an urban tourist destination has grown over recent decades. The increase in numbers of visits and visitors to this city inevitably makes an important impact on local economy, cultural developments, community life, etc., and consequently gives rise to certain sustainability issues. In order to assure a long-term planning and effective management of the city's tourism assets it is essential to run monitoring programs aimed at spotting problem areas and determining needs for changes in local tourism development. This paper aims at using indicators of sustainability of Lviv urban destination as a central instrument for improved planning and management of tourism business in the city. The research methods combine SWOT analysis and a survey carried out in 2016 in a joint effort of the authors, students of Lviv Ivan Franko National University majoring in Tourism and the City Institute commissioned by Department of Tourism of Lviv City Council. After processing all the data collected in the study, we were able to determine the key indicators of the destination sustainability, namely tourist attractiveness of the city and tourist satisfaction with the destination. As a result of indicator analysis, indexes of Lviv attractiveness as an urban tourist destination and tourist satisfaction with local tourism services were calculated.

**Keywords:** SWOT analysis, incoming tourist survey, urban destination, indicators of sustainable development, index of tourist satisfaction, index of destination attractiveness

### 1. Introduction

Tourism is now one of the global engines of development. Every year, more people are in motion than ever before in history. With good planning and management,

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tourism can be a positive force, bringing benefits to destinations around the world. If poorly planned and managed, tourism can be an engine for degradation. It is in the interest of the tourism sector to maintain and sustain the basis for its prosperity – the destinations for tourism. Lviv as an urban tourism destination has been gaining popularity through the growing variety and originality of tourist offerings and, consequently, the number of visitors has increased substantially in the recent years. The situation calls for more thorough control of the current state of the city's development in order to avoid the pitfalls of intensive exploitation of its resources, particularly by the tourism sector. This article focuses on the use of indicators of sustainability of Lviv urban destination as a central instrument for improved planning and management, bringing managers the information they need, when it is required, and in a form that will empower better decisions.

## 2. Literature review

In recent years, the use of indicators for monitoring progress towards sustainability has been advocated and discussed by tourism researchers and tourism organizations. Since 1993, the WTO has pioneered the application of sustainability indicators as a “fundamental part of overall destination planning and management, and an integral element in efforts to promote sustainable development for the tourism sectors at all scales” [Indicators of Sustainable Development 2004: 8]. Among the researchers who laid the foundations for sustainability indicators studies were Ercan Sirakaya, Tazim Jamal and Hwansuk Chris Choi [2001] and Zhenhua Liu [2003]. A systemic approach should be applied to selecting and defining sustainability indicators. The concept of systemic indicator system (SIS) was first introduced by Karin Schianetz and Lydia Kavanagh. The researchers applied complex adaptive systems (CASs) approach to test SIS methodology while conducting a case study of a holiday eco-village project near Lamington National Park in Queensland, Australia [Schianetz & Kavanagh 2008]. At the same time, Juan Fernandez and Marcelino Rivero [2009] argue that in “no way can one claim that there exists a universally and unanimously accepted list of indicators” [Fernandez & Rivero 2009: 281]. These authors established some methodological bases for the design of a composite index, called the “ST index” (an acronym of sustainable tourism) to measure tourism sustainability “based on the use of weights with the basic information of sustainability” [Fernandez & Rivero 2009: 282].

Polish scholars Łukasz Nawrot and Piotr Zmysłony suggested an original system of methods for sustainability of the urban environment indicators analysis in cities undergoing intensive tourism development in their study dedicated to the assessment of Polish cities competitiveness [Nawrot & Zmysłony 2013].

Difficulties and challenges in applying the European Tourism Indicators System (ETIS) for sustainable tourist destinations were discussed by a team of Romanian researchers in their case study of Braşov County in the Romanian Carpathians [Tudorache et al. 2017]. Yaroslav Yanyshyn, who analyzed the dynamics of tourists coming to Lviv and presented a classification of transport means used for arrivals and departures [Yanyshyn 2016], identified main features of Lviv tourism industry. However, sustainable tourism indicators have not yet been used to analyze the current state of tourism development in one of the major Ukrainian tourist destinations – the city of Lviv, which testifies the topicality of our study. Urban destination study using methods similar to those we apply here were carried out by Andreea Zamfir and Razvan-Andrei Corbos [2015].

### 3. Methods

The main method of data collection used in this study was a survey held among visitors to Lviv city. We conducted the survey with the help of graduate students of Ivan Franko National University of Lviv majoring in Tourism studies. The survey received responses from 400 cultural tourists who came to Lviv in June 2016. Their geography is rather wide and represents almost all continents. Besides major tourism markets (Ukraine, Poland, Germany), the largest number of tourists came from the USA, the Czech Republic, and Hungary. Most of the respondents can be referred to the group of recreation and leisure tourists (71.5%). The data obtained through the survey was processed by Lviv City Institute commissioned by Department of Tourism of Lviv City Council. Other conclusions of the study are based on the official statistics published annually by Lviv City Institute.<sup>1</sup>

SWOT analysis is the main analytical method used in this study to evaluate the indicators of tourism development, which can be observed in recent years. The method enables us to identify the main prospective threats to the tourism industry, which can be avoided by improving the weak indicators.

### 4. National Strategy for sustainable tourism development in Lviv

Over the past decade, studies and workshops have been held at destinations in various regions of the world, with the objective of creating an effective system to support better decision-making for tourism. There are large numbers of programs

<sup>1</sup> City Institute: <http://city-institute.org/index.php/en/> [access: 22.11.2018].

supporting sustainability of destinations. Ukraine has been involved in sustainable development as a part of Europe.

On August 7, 2018, a group of people's deputies of Ukraine representing Petro Poroshenko Block introduced a Draft of Sustainable Development Strategy for Ukraine by 2030 to the Parliament. The main strategic goals of Ukraine's long-term development presented in the Draft include provision for an average annual GDP growth; achieving economic productivity increase; ensuring the increase of the employment rate by creating new jobs; eliminating the extreme poverty in the country; ensuring gradual approximation of the minimum wage and minimum pension to the factual minimum subsistence level.<sup>2</sup>

The Cabinet of Ministers of Ukraine bears the overall responsibility for the Strategy implementation. In addition, the National Agency for Sustainable Development shall be created under the Ministry of Economic Development and Trade of Ukraine. It will exercise the authority for coordination of actions, strategic planning, Strategy implementation, monitoring and reviewing at a regular basis. Besides, for the establishment of the institutional basis for sustainable development, it is imperative to create sustainable development management units under all ministries, regional and local governmental bodies responsible for the development of complex prognostic documentation with regard to the changes in natural resource potential, living standards, population health and wellbeing, environmental conditions, etc.

## **5. SWOT analysis of Lviv destination tourism potential**

The Strategy for tourism development in Lviv within the National sustainable development strategy framework should rely on the studies of sustainable tourism indicators. In order to identify the latter, it is useful to assess a destination's Strengths, Weaknesses, Opportunities and Threats (SWOT). A SWOT analysis assesses tourism potential and helps managers to decide what type of indicators will be useful in monitoring trends and progress towards achieving the tourism goals of the destination. A SWOT analysis gives a succinct picture of the destination's assets and shortcomings and reveals the opportunities and challenges it faces. It helps clarify issues and the types of indicators that will be valuable. It provides important information that may help to generate consensus on which issues and risks are of greatest importance and to whom. In our study we used the guidelines for conducting

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<sup>2</sup> Stratehiya staloho rozvytku Ukrayiny do 2030 roku. Proekt-2017, [www.ua.undp.org/content/dam/Ukraine/docs/SDGreports/UNDP\\_Strategy\\_v06-optimized.pdf](http://www.ua.undp.org/content/dam/Ukraine/docs/SDGreports/UNDP_Strategy_v06-optimized.pdf) [access: 22.11.2018].

Table 1. SWOT analysis of Lviv destination

SWOT	Analysis
Strengths	<ul style="list-style-type: none"> <li>– destination assets: local, complementary attractions, historical and cultural assets, infrastructure and support services</li> <li>– community support: active participation, common objectives</li> <li>– workforce: availability, skill levels</li> <li>– management capacity: skill levels, funding available</li> </ul>
Opportunities	<ul style="list-style-type: none"> <li>– economic opportunities: for businesses, employment</li> <li>– community enhancement: socio-cultural benefits</li> </ul>
Weaknesses	<ul style="list-style-type: none"> <li>– no vision: uncertainties in direction, lack of understanding or cohesion in the destination community;</li> <li>– preparedness: lack of plans, training needs, funds, alternative priorities</li> </ul>
Threats	<ul style="list-style-type: none"> <li>– environmental impacts: increased use of resources, waste;</li> <li>– cultural degradation: daily lives, customs and practices disrupted;</li> <li>– poor quality: tourist dissatisfaction, lack of standards;</li> <li>– external threats: regulations, travel security, environmental impacts</li> </ul>

Source: own elaboration.

SWOT analysis presented in [Indicators of Sustainable Development 2004: 34] and included the following elements of Strengths, Weaknesses, Opportunities and Threats for further analysis (Table 1).

After thorough analysis of the data obtained through the survey and from the official statistics, we received the following results:

## 5.1. Strengths

### 5.1.1. Destination assets: Local and complementary attractions, historical and cultural assets

Lviv is more than 760 years old and it has numerous monuments of historical and cultural value. It is often referred to as the capital of scientific, spiritual and artistic life of Ukraine. Today the city has an area of 182.01 km and is situated in the western part of Ukraine 70 km from the EU border and 160 km from the Eastern Carpathian Mountains. The city has old and rich history. It was founded by King Danylo Halytskyi in the 13<sup>th</sup> century. Situated on the crossing of two profitable trade routes, Lviv developed and flourished rapidly and became one of main trade centers of the Medieval Europe. While being a part of different

countries, Lviv borrowed numerous elements of culture and know-how from its occupants which eventually provided for its transformation into an architectural gem with a unique combination of Western and Eastern cultures and architectural styles. Here one can find unique samples of Ukrainian, Polish, Armenian, Jewish, German, Austrian and other cultures within a span of a 10-minute walk. In 1998, Lviv's historical center (120 ha) was included into the UNESCO World Heritage list. In 2009, the city was named Ukraine's cultural capital. The majority of Ukraine's historical and architectural monuments, 2,500 in total, are in Lviv. There are about 60 monuments of Renaissance, Baroque and Classicism styles in the city. Lviv is famous for the beauty of its cathedrals and variety of their styles. There are about 120 operating churches in the city. In June 2001 Pope John Paul II served the Byzantine rite Liturgy in Lviv for 1,500,000 people. It became the event with the largest number of participants in Ukraine.

Three top tourist attractions of Lviv include the Rynok (Market) Square with the Town Hall, The Opera House and the High Castle. Rynok Square has been the centre of political, public, cultural, and commercial life of the city for 500 years; it is the heart of Lviv, the setting of the historic beginning of the Europeanization of Ukraine. Surrounding it are about fifty unique architectural monuments dating back to the 16-20<sup>th</sup> centuries. The highest point of Lviv called "High Castle" is the place where one can will find the ruins of ancient Lviv defensive walls and a great observational point with the view on the whole city. The Lviv Opera House is an architectural gem built in the Neo-Renaissance style. Designed by architect Zygmunt Gorgolewski and constructed in 1901, the Grand Theatre in Lviv was compared to the Paris and Vienna opera houses. The interior of the Lviv Opera House is no less amazing than the exterior. The internal decorations are gilded, adorned with marble of various colors, decorative paintings, and sculptures. The four-circled lyre-shaped hall, remarkable for its perfect acoustics, accommodates over a thousand people. Embellishing the stage, the decorative curtain Parnassus (1900), painted by Henryk Siemiradzki, represents an allegorical image of the meaning of life in the Parnassus figures. On offer are performances by celebrated opera and ballet troupes of Ukraine as well as distinguished guest performers from abroad. The Lviv Opera House is the host venue for the recently revived Vienna Balls.

Apart from these three most frequently visited sights, the top ten of the most renowned historical and cultural monuments of the city include:

- The Armenian street with its unique architecture that portrays the original spirit of Eastern Christian culture;
- The Palace of Counts Potocki – a majestic edifice in French Neo-Renaissance style of the late 19<sup>th</sup> century housing the exposition of Lviv Art Gallery. European art of the 14<sup>th</sup>-18<sup>th</sup> centuries is represented by the best works from the Gallery's collection: the 15<sup>th</sup>-century Ukrainian icon of St. Paraskeva, paintings

by M. Basaiti, J. Zucchi, S. Ricci, J.-E. Lyotard, J. Guerin, and F. Goya. The palace often hosts conferences, presentations, chamber concerts, and political meetings;

- The Chapel of the Boims family – a famous and unique late Renaissance monument; which has no analogues, either in Ukraine or in the rest of Europe. The building, designed by Andrzej Bemera, a constructor from Wroclaw, was consecrated in 1615;

- The Lychakiv Cemetery, classified as a historic and cultural museum and heritage preserve. It was officially founded in 1786 by the new Austrian government in Lemberg (Lviv);

- The Dominican Church, now the Greek Catholic Church of the Holy Eucharist – a magnificent monument of the late Baroque with an alabaster gravestone dating back to the 16<sup>th</sup> century – a reminder of the old Gothic church that vanished 260 years ago;

Table 2. Tourist Assessment of Lviv's major attractions

Tourist attraction	Points out of 100
Rynok Square	78
High Castle	37
The Lviv Opera House	35
City Council	34
Dominican Church	34
The Kornyakt Palace	27
Armenian Church	23
Saint George's Cathedral	22
Latin Cathedral	20
Lychakiv Cemetery	19
The Arsenal	17
Chapel of the Boims	14
Bernardine Monastery (now the Greek Catholic Church of St. Andrew)	13
Gunpowder Tower	12
Pharmacy Museum	10
Open-air Folk Architecture Museum "Shevchenkivskii Hai"	10
Night city excursions	10
Ivan Franko National University of Lviv	9
Castles around Lviv (Golden Horseshoe)	6
Rus'ka Church architectural complex with The Kornyakt Tower	6
Underground passageways	5
Museums	5
Other	4

Source: own elaboration.

- The Bernardine Monastery (now the Greek Catholic Church of St. Andrew) – an impressive monument in the Renaissance, Mannerism, and Baroque styles dating to 1600-1630s that used to be a fortified medieval monastery;
- The Korniyakt Palace – an extremely valuable Renaissance monument dating to 1580 that belonged the wealthiest medieval citizen of Lviv – merchant Constantine Korniyakt.

The aforementioned attractions obviously enjoy high frequency of tourist visits. According to the information obtained during our survey the attractiveness rates held among the city's main sights are as follows (Table 2).

At the time when our survey was conducted, some tourist attraction did not exist. Among them the memorial to Lviv's beer traditions Lvivarnya that has recently been opened and now enjoys considerable tourist interest. In 2005, the employees of the brewery compiled the first exhibition in Ukraine's only (at that time) museum of the history of brewing. After renovation, it has become the modern museum and cultural center created thanks to the joint efforts by prominent historians, designers and brewing experts.

Lvivarnya is one of the top-notch museum complexes that has no parallels in Ukraine. The idea behind the exhibition and the wording of tours is straightforward: Lvivarnya has collected everything of interest that has to do with either Lviv or beer. Some exhibits are interactive and playable, such as the living engraving, the shadow theater and the 3D-hologram. The exhibition visitors can immerse into the brewing process and make their own variety of beer. From 2017, the third floor of the museum accommodates a powerful cultural complex with an art center for hosting exhibitions and concerts, as well as a business center for conferences and forums.

### 5.1.2. Events and festivals

Carefully preserving the historical heritage, citizens of Lviv have always done their best to demonstrate their keeping-with-the-times. It is in Lviv where traditional celebration of the holidays has received the new format of various themed festivals. The city produces the majority of new art and modern culture trends in the country, as well as the ideas for various interesting entertainment. Over fifty different festivals are listed on the Lviv Calendar of Events. Some festivals gather up to 50,000 tourists. The most popular are the festivals of classical music and jazz, coffee and chocolate, festival of the street arts. Eight of Lviv's festivals are in the top-100 best festivals of Ukraine. Below is the list of top 10 touristic events regularly taking place in the city:

- National Chocolate Festival,
- Lviv Coffee Festival,



- “Easter in Lviv”,
- Lviv Beer Festival,
- Lviv Cheese and Wine Festival,
- Jazz Festival,
- Easter Egg Festival,
- Lviv Doughnut Festival,
- Christmas Fair,
- Easter Fair.

### 5.1.3. Destination assets: Infrastructure and support services

**Restaurants.** The local cuisine is a mixture of traditional Ukrainian, Polish, Austrian and Armenian dishes. There are about 1,500 restaurants, coffee shops and confectionaries in the city.

**Tourist accommodation infrastructure.** Among the officially included in the City Council register are 87 hotels (excluding hotels located around the city) with total capacity of over 6,000 people per day, representing all categories. Among them are 3 five-star, 19 four-star, 36 three-star, and 19 two-star hotels. The presented statistics does not include all hotels in Lviv since some hoteliers do not report to the local authorities about their businesses and do not register them at Ukrainian and international hotelier web sites. The number of hotels in the city is growing: nine hotels are currently under construction.

Apart from hotels, visitor to Lviv often choose to stay in hostels and rented apartments. The official number of hostels is 73, although their actual number is around 300. According to the data obtained in our survey in 2016, 24.2 % of incoming tourists preferred to stay in hotels, 25.2 % stayed with their friends or relatives, 11% chose hostels, and 22.7 % rented apartments.<sup>3</sup>

**Transport.** Danylo Halytskyi International Airport “Lviv” is the biggest airport in Western Ukraine according to passenger flow and destination network. It is a brand new airport that opened on April 12, 2012 and can accommodate 50 incoming and outgoing flights per day and bear a daily passenger load of 150,000 people. A growing number of international airlines fly into Lviv including Austrian Airlines, Lufthansa, Turkish Airlines, LOT Polish Airlines and others. The New Terminal A with the total area of 47,233 m<sup>2</sup> has 9 departure gates, 4 air bridges, 28 check-in desks, 11 passport control checkpoints, 12 aviation security control checkpoints, 15 airline offices, VIP-lounges for the passengers of international and domestic flights, 2 modern Duty Free shops, 2 parking lots with a total

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<sup>3</sup> Lviv Travel: <http://Lviv.travel/ua/index/wheretostay> [access: 22.11.2018].



Figure 1. Direct international regular flights from Lviv airport

Source: City Institute: <http://city-institute.org/index.php/en/> [access: 22.11.2018].

of 623 parking spaces, 2 conference rooms. The airport is only 7 km from Lviv city center. Figure 1 presents the map of direct international flights connecting Lviv with other cities of the world.

Lviv was the first city in Ukraine with its own railway. The first train arrived in Lviv from Vienna on November 4, 1861. Today, Rail travel offers international connections to Slovakia, Hungary, Poland, and Russia with direct trains going to a number of European capitals such as Warsaw, Prague, Bratislava, Budapest.

**Medical care infrastructure.** Medical care can be provided to travelers by both local and American Medical Centers. The latter are represented by AMC Assist Lviv and offer the following services:

- 24/7 emergency medical assistance and on-call consultations;
- medical evacuation by air ambulance, hospitalization referral and coordination;
- referral and accessibility to Europe and the US's top international centers of medical excellence;
- direct insurance billing to most national and international insurance groups – more insurance partners than any private clinic or hospital in Ukraine;
- affordable annual health plans designed for individual or corporate patients;
- world-class team of national and international specialist consultants and elective surgery second-opinions.

**Destination accessibility.** The issue of access to destinations and attractions for those with impaired mobility is a rapidly growing concern, as older persons and those with disabilities become a larger part of global tourism. One of the most rapidly growing demographics is the sixty and over group, many having more time and discretionary income than other groups. Thus demands for access, even to places which have not been easy to climb or traverse, are growing. An international effort to remove barriers to those with disabilities is reinforcing this demand [Indicators of Sustainable Development 2004: 90].

Following the strategy of increasing the city's competitiveness, new tourist offerings to people with disabilities have been introduced in Lviv since 2017. In particular, the non-profit organization "Ukrainian Community of the Disabled" received 20,000 UAH for the improvement of tourist offerings for the blind. The money has been used to:

- develop 5 bus and walking tours for people with visual impairments;
- 11 tourist guides have been trained to use the technique of audio description;
- book "Historical walking tour of Lviv" by Ivan Krypyakevych has been recorded and thus became accessible to the blind;
- small-scale copies of three most popular cultural monuments, namely the Saint George's Cathedral, The City Council Building and The Monument to Taras Shevchenko, along with their brief description in Braille symbols have been placed near the original sights to make the latter available for "observation" to visually impaired visitors.

**Support services.** Informational tourist support is provided by Lviv Tourist Information Center (TIC) whose offices are located at Danylo Halyts'kii Airport, Central Railway Station and in the very heart of the old town – at 1 Rynok Square. Lviv Tourist Information Center has a professionally designed highly informative website that is regularly updated and has an English version available. Besides, officers of the Centre, who speak five languages, willingly provide tourists with any information in a face-to-face mode. Due to the high level of service provided at Lviv Tourist Information Center it was selected as the meeting place for TIC experts. Thus, on October 25-26, Lviv hosted European Cities Marketing Tourist Information Centers Expert Meeting (ECM TIC Expert Meeting) that was attended by 72 participants from 26 countries.

One of the recent benefits offered to visitors is the digital tourist Lviv City Card. Many European cities having tourist cards on offer have not launched its digital version yet. Lviv City Card can be acquired at one of the Lviv TIC offices and is available in 3 variations: for 24, 48 and 72 hours. The Card enables its holders to visit city museums, ascend the City Hall Observation Tower, take a sightseeing tour and use public transport free of charge; it also gives discounts

Table 3. Search engines used by tourists visiting Lviv

Search engine	Frequency of using (%)
Google, Yandex, and other search systems	69,3
Facebook	16,4
Lviv.travel	10,0
Instagram	6,9
touristinfo.Lviv.ua	5,4
AfishaLviv.net	5,1
Booking.com	3,9
Trip Advisor	2,4
Everplaces	1,0
Couchsurfing	0,7
Pinterest	0,3
Other	2,5
No internet sources	18,1

Source: own elaboration.

at city's restaurants, cafés and ethno-shops. In addition, a SIM card of Lifecell mobile communication provider is given as a gift.

In our survey, we collected data about the frequency of using various search engines by travelers in order to find information about Lviv as tourist destination. We found that the majority of respondents used Google and Yandex. The information obtained also shows that representatives of the younger segment of the tourist market gave their preference to Facebook and Instagram (Table 3).

#### **5.1.4. Community support: active participation, common objectives**

Lviv City Council is in charge of planning, management and monitoring processes connected with the city's tourism industry development. The Department of Tourism in cooperation with the Department of Culture perform the main representative functions. Community members are actively involved in these processes through the Community Tourism Board.

Lviv commercial communal enterprise "Lviv Tourism Development Centre" was established by Lviv city council in accordance with the decision of the City Council of 10/23/2008 № 2137 and is subject to the Office of Tourism of Lviv City Council. Its main goals are as follows:

- to increase tourism attractiveness of the city;

- to promote social and economic development of the city through streamlining and development of tourism as a priority economic activity;
- to provide tourist information services.

The last goal is achieved by means of Tourist Information Centre, which is a division of “Lviv Tourism Development Centre” established in September 2009.

**Workforce: availability, skill levels.** A number of post-secondary and higher educational institutions offer junior bachelors’, bachelors’ and masters’ programs in tourism industry. Among them are Ivan Franko National University of Lviv; Lviv Polytechnic National University and its subsidiary Vyacheslav Chornovil Institute of Ecology, Nature Protection and Tourism; Stepan Gzhytskyi National University of Veterinary Medicine and Biotechnology in Lviv; Lviv State University of Physical Culture; Lviv Institute of Economy and Tourism; College of Ecology at Lviv National Agrarian University, and Lviv Community College of Hospitality and Catering Services.

During 2017, a number of educational and scientific events were held in Ukraine to promote continuous education and professional growth of faculty involved in teaching tourism-related disciplines as well as tourism industry workers. These included: OTBF, Odessa, (April 6-7); International Conference on the Improvement of Statistical Methods in Tourism and Implementation of the Satellite Count System Recommended by UNWTO, Kyiv (October 3-4); Lviv Tourism Forum & Tourism Information Centers Forum, Lviv (October 18-20); HoReCa Show, Lviv (November 1-3); Tourism Business Forum, Zaporizhia (November 16-17). Employees of Tourism Department at Lviv City Council, educators and administrators also participated in numerous international conferences, workshops and other forums including ECM Spring Meeting, Gdansk, Poland (February 22-25); ECM City Cards Expert Meeting, Vienna, Austria (October 5-6); ECM TIC Expert Meeting, Budapest, Hungary (October 26-27); 3rd Industry Forum, Karpacz, Poland (December 7-9).

It is worth mentioning that a number of important professional development events in tourism industry are held in Lviv. For example, Lviv Tourism Forum & Tourism Information Centers Forum, which took place in October 2017 and lasted for three days, involved 250 hospitality industry experts from 16 regions of Ukraine. The event was held in two venues: Museum and cultural complex of brewery history “Lvivarnia” and Metropolitan Andrei Sheptyts’kii Centre. Among other events were projects “Hospitality Recipes”, “Lviv: From legends to historical facts” and B2B-Networking. The latter gathered about 100 participants who attended 77 meetings organized in June and December.

Tourism industry workers as well as local population are continuously kept informed about educational and developmental events, industry news, tourist exhibitions, tourism projects organized by Lviv City Council, polls and surveys,

etc. Local tourism businesses have an opportunity to spread their promotional materials and introduce business initiatives at fairs, exhibitions and other events held in Lviv and abroad.

**Management capacity: skill levels, funding available.** Due to skillful management of tourism in the city, Lviv now occupies high positions in various tourism rankings. Here are some of them:

The Telegraph, Great Britain – 5th position on the list of 12 places in the world which are highly recommended to visit

The Independent, Great Britain – 2nd position on the list of 26 European cities where one can live on less than £600 per month.

Business Insider, USA – 1st position on the list of 12 least expensive recreation destinations in the world in 2017

Lviv tourist information center has been awarded with the Certificate of Excellence from Trip Advisor for three past years concurrently.

## 5.2. Opportunities

### 5.2.1. Economic opportunities

Tourism industry is a complex branch of economy and includes 24 industries related to tourism product creation. Recently, the number of tourists visits has been growing and in 2017 it reached 2,6 million visitors out of which 1,75 million stayed over 2 days. A trip to Lviv is relatively cheap, for example: An average cost for a trip constitutes EUR 171; total expenses during the stay in Lviv (per one person) – EUR 120.6; family expenses (two adults and children) – EUR 264.86; average daily expenses (per one person) – EUR 47. Accordingly, with the increase in the number of visits to Lviv, the income to the city budget is growing. Thus, compared with 2016 the amount of collected tourist tax rose by 24% in 2017, which resulted in 1.8 fold growth of income to the city budget. In 2017, visitors to Lviv spent EUR 615 million in total.<sup>4</sup>

### 5.2.2. Product and market opportunities

The successful development of tourism in any locality relies on the support of major tourist brands, or tourists associations with the destination. The main associations of visitors to Lviv, according to the information obtained through our survey, are “coffee,” “architecture” and “chocolate.” Other associations include “beer,” “cobblestone,” etc. (Table 4).

<sup>4</sup> City Institute: <http://city-institute.org/index.php/en/> [access: 22.11.2018].

Table 4. Key associations with Lviv

Associations	%
Coffee	48,2
Architecture	47,9
Chocolate	31,1
Beer	24,7
Cobblestone	22,8
Temples	22,8
Lion sculptures	21,3
Art	14,2
Festivals	8,8
Cycling	2,2
Other	3,0

Source: own elaboration.

Among the innovative associations with Lviv are the following:

1. Sightseeing tour by Wonder Train and Wonder Bus;
2. Cobblestone Freeway Tours Travel Show;
3. Smart Route “First time in Lviv”, created on the basis of the book by a Lviv historian Ilko Lemko, that stretches along 3.5 km and includes 15 sites marked with plaques with QR code. Using free Wi-Fi, travelers can download the excursion over the place on their smartphones. The text is available in five languages: Ukrainian, English, German, Polish, and French.

### 5.2.3. Community enhancement: Socio-cultural benefits

The development of a sense of ownership and responsibility regarding sustainable tourism in host communities is a key issue for managers and planners. Neither of these elements is easily achieved in the short term without a strong focus on awareness building, engagement of community and ultimately, empowerment of the individual so he or she can recognize and understand the direct and indirect benefits of a sustainable approach to tourism and how to become involved. The key is a participatory approach that empowers the local community and the tourism industry so they can develop an appreciation and knowledge regarding local and individual issues and costs associated with developing tourism. That way the awareness and responsibility can be an outcome of the planning process.

Twice a year free mass tourist events take place in Lviv involving of a large number of tourist attractions. The first period falls on May, and the second is

timed to the World Tourism Day on September 27. Both guests and local residents of the city enjoy socio-cultural benefit from activities. In the framework of this year's Museum Day in Lviv, which was celebrated on May 18-31, 2018 – 2,000 people visited various museums free of charge. Then, for the first time, the Museum of the City, located in the Town Hall dungeons, opened its doors to visitors. The organizers held an interactive project including a number of workshops, which demonstrated to visitors the future of this cultural and educational space. Guests were encouraged express their ideas of what a perfect museum should be like and vote for them; they also had an opportunity to create their own mini-exhibitions and feel like authors and organizers of the event. Within three days the Museum of the city was visited by almost 600 people. From May to November 2018, the Museum of the City held a number of events, including exhibitions, lectures, master classes, discussions, excursions, film shows, etc. Here comes the list of the most prominent events: Interactive project “Museum, which doesn't exist yet,” International Museums Day; “The 60<sup>th</sup> Year of Our Media Era,” Workshop of the City; Guest exhibition from Lviv Museum of the History of Electrification; A Night in Lviv; The exhibition “Vanishing Towns” by Peter Smetana; Days of European Heritage in Lviv; Olga Babak's exhibition “Changing Reality,” a Meeting with organizers of the Museum for Change. In total, about 1,570 people took part in all events held by the Museum of the City.

The other period of free mass tourist events is September. It begins on the first September weekend with the famous European Heritage Days. In 1991, the Council of Europe launched European Heritage Days. Since then every September in countries that have joined the European Cultural Convention, little-known buildings open their doors to visitors to unveil the secrets hidden behind their facades. The main goal of this activity is to draw attention to the cultural heritage and its role in the development of modern society. Each year, European countries choose a topic and organize various events under a common slogan. Lviv has participated in this European action for the last two years. The Days of European Heritage in 2017 were held under the theme: “City Pulse: Factories, Hospitals and Educational Institutions” and lasted for three days (September 8-10). During that time, 45 events took place, in which 40 initiative guides, historians and 35 volunteers took part. About a thousand of local residents and guests of the city actively participated and supported the events.

This year's Days of European Heritage in Lviv were held under the theme “From Crafts to Professions: The Legacy of those who create Lviv,” which included 75 free events. The Day of Tourism that takes place on September 27 is also traditionally marked by free events. The World Tourism Day in Lviv in 2018 included a program of 19 events and an action with free entrance to the Town Hall. Fifteen initiative guides conducted excursions and quests, which were attended by about



500 people. People who visited the Tourist Information Center on that day were able to take part in a win-win lottery and win gifts from partners of the event.

In addition to the above-mentioned two major socio-cultural events of the year, a number of other cultural events, which leave cultural values to the Lviv community, are held in the city. With the support of the City Council Tourism Department, on August 25-27, 2018, the Graffiti Festival “Alarm” was organized. It was attended by 60 artists from all over Ukraine who painted drawings in graffiti style in two locations. As a result, Lviv obtained 800 m<sup>2</sup> of painted walls and 70 graffiti drawings. NGO “Institute of Social Initiatives,” the winner of the competition initiated by the City Council, implements the project of creating a tourist route that covers the city’s street art masterpieces. The financial support of the project amounted to UAH 65,000. The city community has benefitted from the project by receiving 6 new painted murals in Pidzamche and a guidebook to the new tourist route “LvivWalking” including a total of 25 murals.

### **5.3. Weaknesses**

Today, the main weakness of the development of tourism in the city of Lviv is the lack of a strategy for the development of tourism industry in the framework of the overall Strategy of City Competitiveness. Others include uncontrolled building, excess of cars and traffics congestion, limited space for tourists. Today’s weaknesses may become real threats to the existence of tourism in the future and it constitutes the main challenges to the city administration and tourism business.

Uncontrolled and often illegal property development is a major threat to the historical heritage of the city. Developers try to use every plot of land within the central part in the proximity to the City Hall for the construction of office blocks with the view of selling that at a maximum profit. This situation creates an excess load on the infrastructure of the downtown area that performs the functions of an administrative, business, cultural and tourist center as well as traffic hub.

If the central part loses its image, Lviv will lose its concept as a tourist city. The unordered legal status of the historic center creates legal chaos and prerequisites for illegal construction. Almost the entire Halyts’kii District is a UNESCO world heritage site and a buffer zone around it. Most of the new high-rise buildings, which are currently constructed or planned in Lviv, appear in the buffer zone. Such a situation with illegal building could lead to the abolition of the status of the UNESCO memorial for Lviv unless urgent measures are taken by the city authorities to fulfil their obligations to the World Heritage Committee and take care of preserving the historical part of Lviv.

Excess of cars and careless parking are the main reasons for congestion in the city center. Reducing the number of cars can be achieved by increase of the cost of parking. The city authorities intend to create parking areas around the center, so that people could leave their cars there and walk or use public transport further on. In future, the Southern bypass road that will connect residential areas will redirect traffic from the center and partly unload it. Part of the administrative offices can be moved from the center to other parts of Lviv. Constructing underground parking lot could be an effective solution to the congestion problem. The authorities have declared their intention to build such parking areas in three location: Petrushevich Square, the square in front of Lviv National University of Franko and Dvirtseva Square. However, no construction works have started yet. The problems that exist today must be solved so that they do not hinder the development of tourism for the future.

## 5.4. Threats

It's hard to draw a distinct line between weaknesses and threats – it's a very dynamic process. Problems that have not been solved in time develop into real threats to the community and the environment. According to our survey, 43.8%

Table 5. Negative sides of tourism service in Lviv destination

No.	Negative aspects	%
1	No downsides	43,8
2	Many gypsies and homeless people on the streets	8,0
3	Litter on the streets (lack of garbage bins)	6,8
4	Poor state of roads	6,0
5	Lack of public toilets	5,2
6	Unsatisfactory state of architecture	5,2
7	Unsatisfactory state of public transport	4,4
8	Lack of parking spaces	3,2
9	High food prices	3,2
10	Lack of round-the-clock stores	2,8
11	Lack of green spaces	2,4
12	Lack of recreational spaces	2,4
13	Lack of public city maps	2,0
14	Lack of English-language information	1,2
15	Too much advertising	1,2
16	Lack of cultural events	0,8
17	Lack of ATM	0,4

Source: own elaboration.

of visitors to Lviv did not mention any negative aspects of staying the city. However, this situation might be very unstable if we do not take measures to improve the infrastructure which ensures the functioning of the tourist sphere. Some aspects of stay in Lviv caused tourists dissatisfaction (Table 5).

Nowadays, the main threats to the city sustainability consist in: a) runaway of local inhabitants from the historical part of the city resulting in the loss of its unique identity; b) overloading of the existing infrastructure, which cannot serve the increasing numbers of visitors any more, c) the increased use of resources and the problem of wastes disposal.

**Tourist satisfaction as the key indicator of the destination sustainability.** Tourist satisfaction is central to whether tourists return, recommend the destination to others or conversely advise others to stay away. It is therefore a leading indicator of the longer-term sustainability of a destination. Tourist satisfaction is based on many different factors, including the range of attractions of a destination, its market positioning, the quality of services, the expectations of tourists, and the experiences of each tourist during their stay.

In order to determine tourist satisfaction level with visit to Lviv we asked respondents in our survey to evaluate various aspect of their visit including beauty

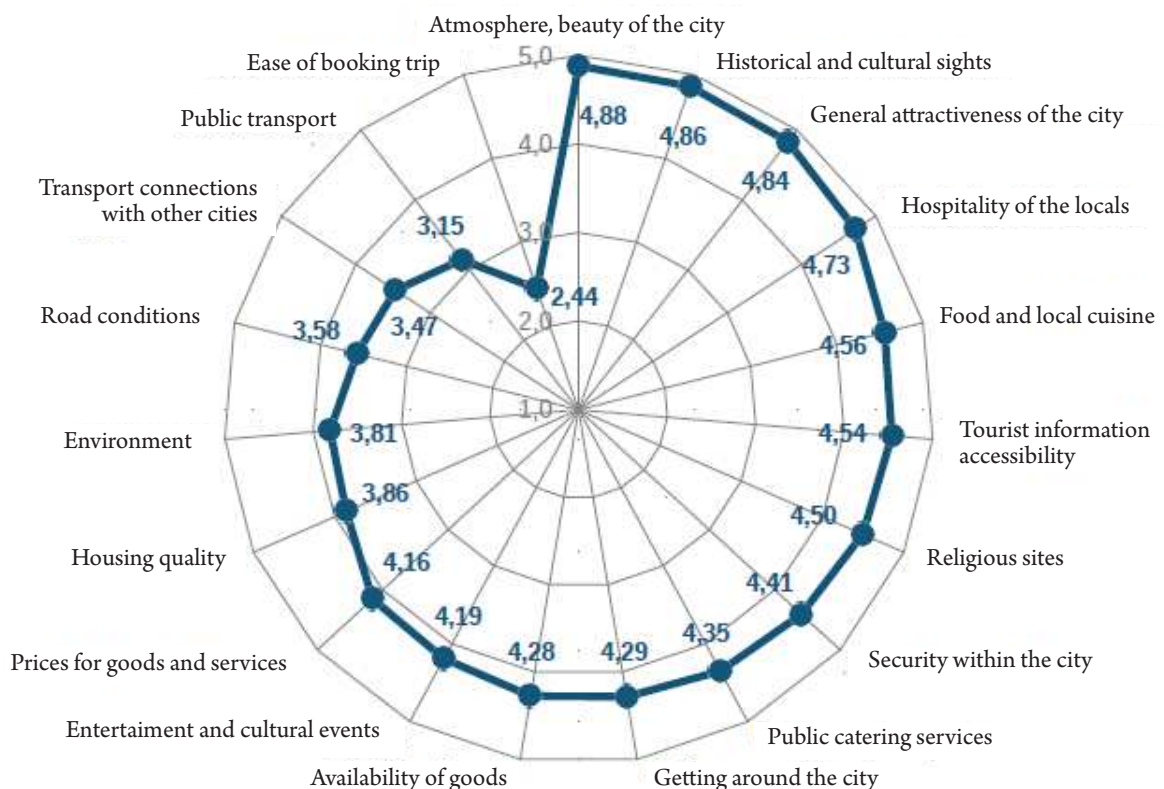


Figure 2. Tourist assessment of various aspects of visit to Lviv by 5-point scale

Source: own elaboration.

of the city, its architectural, historical and religious attractions, general atmosphere and hospitality of local residents, accessibility of tourist information, quality of accommodation facilities, restaurants, food and local cuisine, security, roads and public transport, etc. We used a 5-point scale where 1 stood for “completely dissatisfied,” and 5 for “completely satisfied.” Most of the aspects of travel to Lviv included in the survey questionnaire received high appreciation by the respondents (above 4 points within the scale of 5) (Figure 2). Moreover, 95 % of the respondents expressed their desire to visit the city again, and 98.5% will recommend their friends or relatives to visit Lviv.

Index measuring tourist attractiveness of the city and index measuring visitor satisfaction with tourist services are key indicators showing the effectiveness of the Strategy of the city competitiveness. The former was calculated as an average value of such sub-indicators as atmosphere, beauty of the city, historical and cultural sites, religious places, hospitality of the locals and overall attractiveness of the city and constituted 4,64. The latter was formed on the basis of the average value of such sub-indicators as public catering services, housing quality, public transport, road conditions, tourist information accessibility, ease of booking the trip, getting around the city, security within the city, etc. and constituted 3,99.

## 6. Conclusions

The analysis of tourism sustainability indicators of Lviv urban destination showed that tourism industry here is at the development stage and has the potential to increase economic indicators of profitability. The use of SWOT analysis has given the opportunity to classify the strengths and weaknesses of the development of Lviv destination, as well as highlight the problems that need to be addressed in order to prevent the process of transforming the destination development into its degradation.

The main indicators of sustainable tourism development in Lviv: economic, ecological and social have been analyzed. They showed a significant contribution of the tourism sector to the economic complex of the city. Thus, tourist spending in Lviv, which amounted to 615 million euros in 2017, has been distributed among the hotel, restaurant and entertainment sectors, forming the bulk of the income for Lviv residents involved in the tourism business. The social benefit for the local inhabitants, in addition to salaries and wages, includes an opportunity to lead a cultural life, which is very rich in events due to the development of the Tourism Development Strategy by the city authorities. The implementation of the Strategy has enabled to eliminate the dead season from the city's tourist calendar: summer festivals compensate for the break in the theatrical season, and

wintertime is dominated by numerous international business exhibitions. Recently, the city's transport system has improved: new buses and trams have entered the routes, which has significantly increased the level of comfort in public transport for local residents and guests of the city. Improvement of the natural environment has also become possible due to the increments to the budget through tourist tax, which constitutes a significant contribution to the city's economy. The lion's share of the budget has been used for cleaning up and landscaping the streets of Lviv and its park areas.

In our study, we found that the main indicator of the tourist destination sustainability – the degree of tourist satisfaction – is very high. Nevertheless, it can be improved through the increase of availability of Lviv city tourist attractions to all segments of tourism product consumers without exclusion.

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## **Analiza SWOT oraz kluczowe wskaźniki trwałości Lwowa jako destynacji turystycznej**

**Streszczenie.** W ostatnich dziesięcioleciach wzrosła atrakcyjność turystyczna Lwowa. Zwiększająca się liczba turystów przyczynia się do rozwoju społeczno-gospodarczego i kulturalnego miasta. Jednocześnie prowadzi do negatywnych skutków w postaci naruszenia równowagi rozwojowej. Skuteczne długoterminowe zarządzanie rozwojem turystyki w mieście wymaga systematycznego monitorowania obszarów problemowych i wskazywania koniecznych zmian. W artykule zaprezentowano wskaźniki zrównoważonego rozwoju, które mogą być wykorzystane do planowania i zarządzania rozwojem turystyki w Lwowie. Na podstawie analizy SWOT oraz badań ankietowych określone zostały kluczowe wskaźniki trwałości destynacji. Przeprowadzone analizy pozwoliły określić wskaźniki atrakcyjności Lwowa jako destynacji turystycznej oraz zadowolenia z lokalnych usług turystycznych.

**Słowa kluczowe:** analiza SWOT, miejska destynacja turystyczna, wskaźniki zrównoważonego rozwoju, wskaźnik satysfakcji turystycznej, wskaźnik atrakcyjności destynacji