

HOTEL CHAINS IN UKRAINE: CURRENT STATE AND PERSPECTIVES OF OPERATION

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Hotel chains are of great importance for the high-quality functioning of the hotel services market, as they have established service standards, sufficient financial resources, and are widely distributed on the world market. In turn, measures are needed to increase the efficiency of their activities. The article examines the essence of hotel chains, their advantages in the market of hotel services. Methods of organizing hotel chains are revealed. Franchise relations are the most common, which cover approximately 80% of all hotels, and their advantages and disadvantages are defined. The ranking of the largest hotel chains in the world is submitted. It is established that the Indian operator OYO is the leader in terms of the number of hotels in the world, and Marriott International is the leader in terms of the number of rooms sold. The main strengths of hotel chains are the appropriate quality of services, a joint advertising policy, uniform service standards, the availability of financial resources, the possibility of obtaining consultations in the network, the implementation of innovations, support for social projects, uniform staff training systems, a wide range of services, and the availability of consumer loyalty programs. The main problems of the development of hotel chains in Ukraine are highlighted: decline in activity due to the COVID-19 pandemic and military operations, damage to hotels, loss of customers, disruption of supply chains, problems with power outages, uneven territorial distribution of hotel chains, insufficient number of chains and hotels, low level of development of associated infrastructure, low interest of investors and lack of guarantees of protection of investments in the development of the infrastructure of hospitality enterprises, insufficient number and inadequate level of training of personnel for the hotel industry. The prospects for the development of hotel chains in Ukraine have been determined: the introduction of innovations (greening of activities, digital technologies, marketing innovations, crowdsourcing, etc.), diversification and personalization of services, increasing the safety of guests.

Keywords: hotel chain, franchising, innovation, crowdsourcing, hotel.

JEL Classification: L83, Z32, Z31

Introduction. Hotel chains are effective associations of hotels that guarantee high quality of services. Both international and national hotel chains operate in Ukraine. However, international hotel chains have a low share in the hotel market of Ukraine, and are also located territorially unevenly, which is associated with such reasons as the instability of the economic and political situation in the state, military actions, low economic development, inflation, legislative deficiencies and others.

Analysis of the recent research and publications. Such scientists as O. V. Basyuk, I. V. Bezugliy, M. Boyko, T. V. Buryak, K. A. Galasyuk, M. P. Malska, T. O. Marcyn, Titomir L. A., Zhovtyak K. O., Savenko A. A. and others considered the problems of hotel chains in their works.

Highlighting previously unresolved parts of the overall problem. Despite the fact that in recent years, the relevance of the study of hotel chains is growing, some issues require further research. This concerns the prospects for the development of hotel chains in Ukraine, the determination of directions for improving the efficiency of their operation in the conditions of military operations in Ukraine.

The purpose of research. The purpose of the study is to reveal the essence of hotel chains, analyze their functioning

both in the world and in Ukraine, determine their advantages, weaknesses and prospects for development.

Research results. Hotel chains are associations of hotels that operate under a single brand, have common chain service standards that must be followed, as well as a common concept, conduct joint marketing activities [1].

Hotel chains are quite common on the international market. This is due to the fact that they have a number of advantages [2; 3; 4]: use of uniform service standards; accumulation of investment resources; shared use of the international reservation computer network; purchase of large batches of services and goods at wholesale prices («scale effect»); cost savings; use of a centralized accounting, supply and sales system; use of a common logo and trademark; creation of complex consumer loyalty programs; monitoring the quality of services provided by hotels.

Hotel chains increase revenues through international expansion, innovative financial structure and overall revenue management [5]. Scientists revealed the requirements for hotel chain enterprises [6].

Management of hotel chains is carried out on the basis of a franchise agreement, management contract or leasing

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(rent) [7]. Franchise relationships are the most common, currently covering approximately 80% of all hotels. The essence of franchising is that the franchisor grants the franchisee the right to use its trademark, technologies and work methods, marketing procedures, reservation systems, etc. In turn, the owner of the hotel manages it independently, and the hotel operator monitors how the owner adheres to service standards. The advantages for franchisees are help in organizing activities, participation in a unified marketing system of the network, use of centralized reservation systems, discounts from suppliers when purchasing goods, and receiving consultations [8]. The franchisor receives additional financial income, the business expands. Franchise relations also carry certain threats for the franchisee, which are primarily related to the need to pay the franchisor, the need to comply with the franchisor's quality standards, and a certain loss of economic independence and individuality.

The rating of the world's largest hotel chains in 2021 is given in the Table 1. In general, in 2021, Jin Jiang was the largest international hotel chain by the number of hotels (10,000), and Marriot International – by the number of rooms and representation in the countries of the world [9; 10].

The Indian operator OYO is the leader in the number of hotels in the world – 20,000 units. In second place is the Chinese chain Jin Jiang – 10000 hotels. Marriott International hotel chain sold the most rooms in 2021 – 1400289. Jin Jiang is on the second place – 1100000 rooms [9; 10].

Currently, hotel chains of well-known global brands and national chains operate in Ukraine. Marriott International, Hilton, Wyndham Hotel Group, Accor Hotels, InterContinental Hotels, Radisson Hotel Group, Hyatt Hotels Corporation, Rexin are international hotel chains that are widespread in Ukraine (Table 2).

The largest number of hotel chains are represented in Kyiv, Lviv, and Odesa.

Certain trends in the development of hotel chains in Ukraine can be identified [3]: expansion of the list of hotel chain brands, emergence of economy class brands, entry of the Asian corporations into the Ukrainian hotel market, dominance of national chains over international ones,

uneven territorial distribution of chain hotel enterprises in Ukraine, exit of national chains to the world level, implementation of innovations, conducting business on the basis of sustainable development.

In recent years, the hotel business has been exposed to significant risks. At first, the industry was hit hard by the COVID-19 pandemic. The full-scale invasion of Russia led the industry to a critical financial state, as well as to changes in the hotel market. Many hotels stopped working, were destroyed (in regions close to military operations, for example, Kharkiv, Kyiv, Mykolaiv, Chernihiv, Kherson and other regions). The number of customers has significantly decreased in the hotels of eastern Ukraine and in areas close to military actions. Only hotels in western Ukraine are working normally. The military actions significantly reduced the number of tourists, as well as the number of people staying at hotels. Due to the decrease in demand for hotels, accommodation in them has become significantly cheaper, that has led to losses. The negative impact of the war on the hotel market is manifested in the following: hotels stopped working, destruction of the establishments, decrease in the number of tourists, disruption of supply chains, inability to work effectively due to the introduction of curfew work, air alarms, problems with power outages, personnel problems due to the departure of personnel abroad.

Other problems that restrain the development of the hotel industry are: the absence of state and local management bodies for the development of the hospitality industry; insufficient number of chains and hotels due to the unstable political situation in Ukraine; low level of development of accompanying infrastructure; discrepancy between the level of prices and the quality of hotel services; low level of differentiation of hotel services (insufficiently developed network of hostels, camping sites, motels, boarding houses, etc.); low interest of investors and lack of guarantees of investment protection in the development of the infrastructure of hospitality enterprises; insufficient number and inadequate level of training of personnel for the hotel industry, especially in regions remote from large population centers; low level of use of automated management systems of hotel enterprises, innovations; low level of loading the room fund.

Table 1 – Ranking of the world's largest hotel chains, 2021

Chain name	Country where the headquarters is located	Year of establishment	Number of hotels	Number of rooms	Representation in countries
Marriott International	USA	1927	7500	1 400 289	125
Jin Jiang	China	2003	10000	1 100 000	68
Hilton Hotels	USA	1919	6478	1 010 257	103
InterContinental Hotel Group (IHG)	United Kingdom	1946	6000	886 036	100
Wyndham Hotel Group	USA	1963	8 941	795 909	78
Accor Group	France	1967	5300	778 000	92
Huazhu	China	2007	7000	607 137	16
Choice Hotels	USA	1939	7 147	597 977	40
OYO	India	2013	20 000	449 000	80

Table 2 – International hotel chains in Ukraine

Hotel chain	Hotel	City	Number of rooms
Intercontinental Hotel Group (United Kingdom)	InterContinental - Kyiv 5*	Kyiv	272
	Grand Plaza Lviv	Lviv	
Redisson Hotel Group (Belgium)	Redisson Blu Hotel 5*	Kyiv	255
	Redisson Blu Hotel Podil 4*		164
	Park Inn by Redisson 4		196
	Redisson Blu Resorts 4*	Bukovel	252
Accor (France)	Radisson Hotel Odesa City Centre	Odesa	90
	Ibis 3*	Kyiv	212
	Fairmont Grand Hotel 5*		258
	Ibis Kyiv Railway hotel 3*		281
	Mercure Kyiv Congress 4*		160
Ibis Styles 3*	Lviv	77	
Gruner Lviv Boutique Hotel 4*	Lviv	12	
Hotel de Paris Odessa MGallery 5*	Hotel de Paris Odessa MGallery 5*	Odesa	51
	Hyatt Regency Kyiv 5*	Kyiv	234
Global Hyatt Corporation (USA)	Hyatt Regency Kyiv 5*	Kyiv	234
Rixos (Turkey)	Rixos–Prykarpattya 5*	Truskavets	359
Hilton (USA)	Hilton Hotel 5*	Kyiv	262
Marriott (USA)	Four Points by Sheraton 4*	Zaporizhzhia	164
	Aloft Kiev 4*	Kyiv	310
Wyndham Worldwide (USA)	Ramada Lviv 3*	Lviv	103
	Ramada Encore 4*	Kyiv	264

Table 3 – SWOT analysis of the development of hotel chains in Ukraine

Strengths	Weak sides
Adequate quality of services, joint advertising policy, uniform service standards, availability of financial resources, the possibility of obtaining consultations in the chain, implementation of innovations (technical, environmental, marketing and others), support of social projects, uniform staff training systems, a wide range of services, availability of loyalty programs for consumers	Uneven territorial distribution, low distribution in the market, slightly higher prices for services, low number of cheaper brands, partial loss of individuality of the hotel, insufficient qualification of staff, insufficient use of innovations, non-compliance of quality with international standards
Opportunities	Threats
Implementation of innovations, expansion of the market, range of services, increasing staff motivation.	Loss of regular customers, increasing competition, inflation and a decrease in the purchasing power of the population, military operations, pandemics

At present, the construction of hotels is somewhat suspended, but in the future the hotel market will actively develop. It is obvious that when building new hotels, it is necessary to take measures to increase security, in particular, to create shelters or the client should have available information about the location of the nearest shelters in the settlement. During the war, some hotels must be repurposed, as the consumer segment changes (displaced persons, volunteers, representatives of the mass media, international organizations), and brands must be changed. Hotels can be used as premises for negotiations, as shelters for refugees.

The priority direction of the development of hotel chains is the introduction of innovations. These are automated hotel management systems that provide a number of advantages, including cost savings, digital technologies (mobile applications, blockchain, Big Data, virtualization technologies, artificial intelligence, intelligent robots, the Internet of Things, etc.). To overcome the challenges associated with changing consumer needs, hotel chains need to collect and analyze

big data, which will be helped by Big Data technologies. Artificial intelligence technologies are used to speed up certain operations for tourists at the hotel and increase the security of the guests' stay. Chat bots allow you to work with customers around the clock and provide them with the necessary information. Robots can be used to perform certain operations in hotels. Digital marketing tools contribute to the promotion of hotel services among consumers. Some hotel chains, such as Starwood, Hyatt, and Marriott, use such an innovation as crowdsourcing (involvement of society to solve certain problems on a voluntary basis through information technologies) [5]. In order to retain existing customers and attract new ones, it is necessary to work on loyalty programs and personalization of services. More and more hotels are introducing the concept of sustainable development into their practice.

In addition, the effective functioning of the hotel industry is impossible without a balanced state policy, which is manifested in regulatory and legislative regulation, tax, investment and other state policies. During

the war, the state tries to support business in various ways: a moratorium on inspections, temporary exemption from paying taxes, simplification of tax and customs regimes, cancellation of some regulations, preferential lending programs for businesses and others. In addition, through various public initiatives, it is possible to attract funds to hotels that are not functioning due to military actions (grants, financial support, etc.).

Conclusions. International hotel chains are not widespread enough in Ukraine due to a number of economic, political and other factors. In recent years, the COVID-19 pandemic, as well as the military actions in Ukraine and

their consequences (economic downturn, decrease in the number of tourists, disruption of logistical connections, personnel problems, etc.) have had a negative impact. However, hotel chains are quite effective and promising associations of hotels, as they guarantee high standards of customer service. Hotels need to take measures to increase customer safety, re-purpose, and change brands. The introduction of innovations (greening of activities, digital technologies, marketing innovations, crowdsourcing, etc.) will contribute to increasing the competitiveness of hotels. Important significance is also given to the state support of the hotel industry.

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ГОТЕЛЬНІ ЛАНЦЮГИ В УКРАЇНІ: СУЧАСНИЙ СТАН ТА ПЕРСПЕКТИВИ ФУНКЦІОНУВАННЯ

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Готельні ланцюги мають велике значення для якісного функціонування ринку готельних послуг, оскільки мають встановлені стандарти обслуговування, мають достатньо фінансових ресурсів, широко поширені на світовому ринку. У свою чергу потрібні заходи щодо підвищення ефективності їх діяльності. У статті розглянуто сутність готельних ланцюгів, їх переваги на ринку готельних послуг. Розкрито способи організації готельних мереж. Найбільш поширеними є франчайзингові відносини, якими охоплено приблизно 80 % усіх готелів, визначено їх переваги і недоліки. Подано рейтинг найбільших готельних ланцюгів світу станом на 2021 р. Встановлено, що лідером за кількістю готелів у світі є індійський оператор ОУО, а за кількістю проданих номерів - Marriott International. Основними сильними сторонами готельних ланцюгів є відповідна якість послуг, спільна рекламна політика, єдині стандарти обслуговування, наявність фінансових ресурсів, можливість отримання консультацій в мережі, впровадження інновацій, підтримка соціальних проєктів, єдині системи навчання персоналу, широкий асортимент послуг, наявність програм лояльності споживачів. Виділено основні проблеми розвитку готельних мереж в Україні: спад діяльності через пандемію COVID-19 та воєнні дії, пошкодження готелів, втрата клієнтів, порушення ланцюгів постачання, проблеми з відключенням електропостачання, нерівномірний територіальний розподіл готельних ланцюгів, недостатня кількість мереж та готелів, низький рівень розвитку супутньої інфраструктури, низька зацікавленість інвесторів та відсутність гарантій захисту інвестицій у розвиток інфраструктури підприємств сфери гостинності, недостатня кількість та неналежний рівень підготовки кадрів для готельного господарства. Визначено перспективи розвитку готельних мереж в Україні: впровадження інновацій (екологізація діяльності, цифрові технології, маркетингові інновації, краудсорсинг та інше), диверсифікація та персоналізація послуг, підвищення безпеки гостей.

Ключові слова: готельний ланцюг, франчайзинг, інновації, краудсорсинг, готель.

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