

Managing innovation in tourism and hospitality industry: International experience

Cite as: AIP Conference Proceedings 2413, 040007 (2022); <https://doi.org/10.1063/5.0089854>
Published Online: 23 June 2022

Raisa Kozhukhivska, Olena Sakovska, Svitlana Maslovata, et al.



View Online



Export Citation

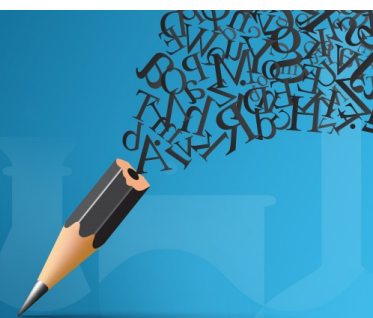


Author Services

English Language Editing

High-quality assistance from subject specialists

LEARN MORE



Managing Innovation in Tourism and Hospitality Industry: International Experience

Raisa Kozhukhivska^{1,a)}, Olena Sakovska^{1,b)}, Svitlana Maslovata^{1,c)}, Liudmyla Dluhoborska^{1,d)}, Iryna Chuchmii^{1,e)}

¹*Uman National University of Horticulture, Uman, Ukraine*

^{a)}Corresponding author: ray80@ukr.net

^{b)}sakovska_lena@ukr.net

^{c)}svetlana_maslovataya@meta.ua

^{d)}dluhoborska@ukr.net

^{e)}chirine.ua@gmail.com

Abstract. The dynamics and trends of innovation in tourism and hospitality industry are analyzed in the article. It is established that innovations act as an incentive for further development of tourism and hotel and restaurant business, allow companies not only to occupy leading positions in their market segments, but also to meet global service standards. The necessity of innovations introduction at domestic enterprises of tourist and hotel and restaurant business in order to cover a larger number of already existing and potential consumers is substantiated. On the basis of the conducted study, the authors concluded that the feasibility of using innovations as an important tool for the development of tourism enterprises and enterprises of the hospitality industry. It is generalized that the use of innovative technologies in the management system of tourism and hotel and restaurant business, at the present stage of economic development, is an important task that is of great interest to managers of enterprises in this field. The results of the study presented in the article can be used as a source of information to build and improve the system of investment attractiveness of enterprises in the hospitality industry.

INTRODUCTION

With the beginning of economic reforms during the 1990 there is an urgent need for a systematic study of the general and specific properties of tourism business and hospitality industry, the specifics of the organization of their activities, patterns of development and management, intersectoral and infrastructural relationships etc. The problems of finding investments, on the basis of which the development of hospitality enterprises in accordance with international standards of commercial hospitality can be carried out, have become especially important. However, modern economic theory has so far proposed solutions to these problems, mainly for the branches of material production.

The specifics of the tourism business and hospitality development, in this regard, has not yet been fully analyzed and researched. Hospitality innovations continue to be analyzed only in a narrow range of additional services that can be provided by enterprises in this area to their customers, and their innovative development continues to remain outside the scope of comprehensive economic analysis.

LITERATURE REVIEW

The innovation process is a sequential chain of actions from the generation of an idea to its implementation in the system of innovative products, services and technologies and their distribution in practice [30, p. 390]. The first

international standard – Frascati Manual defines innovation activity as «an activity related to the transformation of ideas (research and development results) into a new or improved product introduced into the market, into a new or improved technological process used in practical activities, or to a new approach to social services» [31].

For hotels, innovation entails enduring economically in a manner that allows the current and future guests and other stakeholders to benefit from the hospitality services and tourism experiences [26, p. 74; 16, p. 5]. Because the needs of customers in hospitality are constantly ever-changing [11, p.10388], hotels can capitalize on service innovation strategy that focus on new and improved processes that are in line with consumers' needs [4, p. 50; 6, p. 374]. Moreover, hotels may exploit business opportunities by redesigning their products and services to meet environmental standards and social needs [38, p. 21]. That is, hotels' innovation strategy focused at responding to market dynamics can promote economics efficiency [6, p. 375].

Innovation not only require resource investments but also are associated with risk and uncertain outcomes [24, p. 160]. Evidence suggest that economic success is the foremost aim of all businesses regardless of the size and industry [8, p. 497; 3, p. 198; 12, p. 89]. From entrepreneurial point of view, it is thus pertinent to examine how hotels' innovation strategy relates to long-term economic sustainability. The hotels' motivation for sustainable service innovation is related to market positions, customer satisfaction, service orientation [15, p. 2]. A diverse array for innovation processes can be distilled from the literature. Amit, Zott and Moscardo categorize innovation into product innovations, process innovations and business model innovation, while recognize technological and organizational innovations [1, p. 58; 23, p. 5; 25, p. 56]. Conversely, Harvard Business Review identifies four types: sustaining innovation, breakthrough innovation, disruptive innovation and basic research [28].

Recognize innovation as a two stage process with ex-ante and ex-post phases. Ex-ante refers to the initial phase of innovation process which involves generation, screening and evaluation of ideas for BL innovations; and resource commitment in formal development process. Conversely, ex-post stage relates to innovations already in the market [9, p. 4].

Review of articles on service innovations reveals that, innovation research has largely focused on product innovation of manufacturing firms. According to Carlborg et al, service innovation research has evolved along three stages [6, p. 375]. The demarcation phase distinguished product (technological) innovations from pure service (non-technological) innovations. The second phase was characterized by customer involvement in the innovation process and value creation [22, p. 701]. Although most technological innovations are developed outside the hospitality industry [16, p. 5], they have extensively transformed hotels' operations [5, p. 46].

The third phase anchors on synthesis perspective, which involves the integration of both technological and non-technological innovations. From sustainability point of view argue that companies pass through five innovation stages to become sustainable. The stages include viewing compliance as opportunity; making value chains sustainable; designing sustainable products and services; developing new business models; and creating next practice platforms [25, p. 57]. In other words, to become sustainable in uncertain and competitive market environment, hotels need to maintain creativity, departing from business as usual practices, reflecting on ever-changing market demands and expectations [10, p. 130]. Accordingly, the present study conceptualize innovation strategy as hotels' actions that aim at supporting new ideas, experimentation, and creative processes that lead to new products, services and technological processes [21, p. 135]. In line with Jones et al this study views innovation strategy as means for hotels to meet the needs of various stakeholders including tourists [17, p. 37]. Therefore, hotels' ability to innovate is expected to be an important tool in managing changes in the business environment.

Innovation aims at improving business efficiency, competitive advantage and profitability [13, p. 65]. It is therefore businesses' attitudes and strategies towards innovation that can considerably influence the effectiveness towards the discovery of new opportunities and exploitation of niche markets [29, p. 3].

Innovative hotels are therefore expected to respond actively across a spectrum of corporate sustainability concerns due to their innovative capability. Basically, innovativeness represents the willingness to depart from existing technologies or practices and venture beyond the current state of the art [21, p. 136]. Thus, to be sustainable, businesses need to adapt to changing and challenging business environments [7, p. 54].

In recent years in Europe the share of online sales of services in tourism has been increasing. In Ukraine, suchsales remain short of the similar traditional services of travel companies, but we can speak about the high dynamics of growth in the future. Some travel services already use the i-commerce, based on the elements of artificial intelligence, which helps to analyze large amounts of data and learn from their own and other people's experience of filling the customer orders. Personalized services that are most suitable for a particular customer are a strong competitive advantage [20, p. 1008].

Such adaption may largely require a proper utilization of innovative strategies [37, p. 680; 39, p. 238]. In other words, the degree to which businesses create new products, services and processes that add value to marketplace

influences their economic sustainability [14, p. 8]. In fact, firms with strong innovative strategies tend to constantly scan and monitor their environments while identifying new opportunities to strengthen their competitive positions. Likewise studies inform that, entrepreneurial, dynamic and innovative firms tend to be adept at environmental scanning, gathering and processing information [27, p. 206].

Therefore, innovative activities can be a driver for economic development for enterprises in tourist and the hospitality industry. However, the problems of innovative development of tourism business and hospitality enterprises remain little researched. This is largely due to the fact that for a long time tourism business and hospitality industry remained on the periphery of scientific and economic observation. The urgency of these issues led to the choice of research topic and outlined its purpose.

METHODOLOGY

The theoretical and methodological basis of the study is the scientific work of domestic and foreign scientists in studying the social and economic aspects of tourism development, as well as personal evaluative comments of the author. Methods of comparative and economic analysis, expert assessments, were used, etc. Thus, the dynamics of tourist flows in Ukraine has been estimated on the basis of the use of economic analysis; factors of influence on the development of the tourism industry were determined using the methodology of comparative analysis and expert evaluations.

The purpose of the article is to analyze and dynamics of innovative development and its impact on the hospitality industry.

RESULTS

Modern tourism is a complex social and economic system, an element of which is a highly profitable diversified economic and industrial complex, which includes travel agencies, hotels and restaurants, cafes, accommodation etc.

Structural changes in the economy, instability of the environment require a revision of the forms and methods of managing the market of tourism services. The topical issue is to define new and improving existing marketing tools, mechanisms for shaping the demand of consumers for tourism services [18, p. 5283].

The international hotel business is a special segment of the hotel industry, which is characterized by a high degree of internationalization of capital, the international nature of its operations, as the hotel system considers the whole world as its field of activity. Thus, the international hotel business plays an important role in solving the problems of integrating a country's economy into the world economy and attracting investment in the real sector of the economy. At the same time, the industry is in the process of adapting to international standards. The main defining feature of the modern economy is innovation. Innovation is a powerful strategic and anti-crisis tool. The relevance of innovative technologies is explained by the world market globalization, shortening the life cycle of goods, as well as the need for a strategic approach to updating the quality characteristics of products and services.

Innovation in tourism is a system of organizational and economic, research, technological and other measures and their results aimed at radical transformation and renewal of the tourist product, the mechanism of its promotion and implementation in order to achieve economic, social, environmental or other effect [2, p. 17].

Customer orientation has an impact not only on production and consumption, but also on the associated common practices, which are not purely economic, for example, consumption practices [19, p. 1372].

The application of innovations in tourism greatly facilitates the process of providing tourist services, which begins with informing about them and ends with their final consumption. For example, the emergence of the World Wide Web has led to the simplification of information exchange, improvement of methods of implementing the marketing cycle in tourism, the development of electronic means of payment with customers and suppliers and more.

Hospitality is the basis of tourism as a type of economic activity. Accommodation takes the lead in the range of services provided to tourists during the trip, and is an integral part of each tour. The use of innovations in the hotel business is cost-effective and efficient if they bring additional income, provide competitive advantages in the market, increase market share, reduce costs, improve the service process, increase the efficiency of individual departments and the hotel as a whole.

The hotel business is a highly saturated information industry. It is known that the success of business of some sectors of the economy directly depends on the speed of transmission and exchange of information, its relevance, timeliness of receipt. This also applies to any accommodation.

The successful development of the hotel business involves the widespread use of the latest technologies both in the introduction of new hotel services and in their promotion on the market. It is obvious that the introduction of innovative technologies becomes an integral part of increasing the competitiveness of the hotel business, as well as improving the quality of service. Thanks to modern forms of management, such as franchising and contract management and a combination of these forms, hotel companies have been able to reduce costs when entering the market, more centrally manage their financial resources, minimize current costs, pursue a more effective pricing policy.

As a result, the development of the modern hotel sector is characterized by an increase in the share and role of international business in it. International hotel corporations that create hotel chains dominate the accommodation market. However, the processes of concentration and centralization in the international hotel business have not led to the complete displacement of relatively small independent hotels.

At the moment, the world is undergoing a global economic process of division into massive blocs, such as the European Union (EU), the North American Free Trade Agreement concluded between the United States and Mexico, and so on. The European Union has lifted national restrictions not only on trade but also on the movement of labor and capital.

The synergies that arise between all participating countries have a positive effect on their development. As industrial, commercial and tourism links develop within the EU, the need for hotel services is growing steadily. Taking into account current trends in international trade and tourism, it is easy to predict in which direction international hotel corporations will develop. It is expected that the tourist flow to the countries of the Pacific region will increase at the same rate as in recent years. In this regard, it is planned to develop resort hotels in Indonesia, Malaysia, Thailand, Vietnam and Mexico. In Asia, the rapid development of Hong Kong in 2017 was stimulated by the rapid growth of the economy of neighboring countries and the specifics of the tax system. In Hong Kong a universal corporate tax of 16.5%, income tax of 15% is collected and no taxes on income from capital or dividends are collected [32].

Some hotel corporations are headquartered in Hong Kong, among them – Mandarin Oriental, Peninsula, Shangri-La, all of which are world-famous five-star hotels. They are based in Hong Kong due to low corporate taxation and the ability to use as administrators professionals from other countries without much bureaucratic delay. In developing countries, as they achieve political stability, the development of the hotel business goes hand in hand with general economic and social growth. An example is the countries of the former Eastern European bloc, where the last few years have created excellent opportunities for the development of hotel corporations.

When conducting state policy in tourism, the national tourism administrations of most countries take into account the forecast of tourism development in the world, compiled by the World Tourism Organization (UNWTO) – the largest intergovernmental organization, which is a specialized agency of the UN and has 153 countries.

According to the UNWTO study “Tourism – Panorama 2022” in the period from 2017 to 2022 is projected to increase global tourist arrivals more than double. After the figure of international tourist arrivals in 2013 amounted to 996 million tourists and increased in 2014 by 39 million tourists, and in 2017 by 42 million tourists, the number of international tourist arrivals for the first time in history exceeded one billion (1.035 billion). UNWTO predicts that by 2022 the number of international tourist arrivals in the world will be about 2.0 billion tourists [33].

The basis of the world tourist accommodation market is hotel companies and similar accommodation – up to 70% of the market. Hotels have the following characteristics: they consist of rooms that exceed a certain minimum, have a unified leadership, provide a variety of hotel services (the list of which is not limited to daily bedding, cleaning rooms and bathrooms), grouped into classes and categories according to services provided.

In Ukraine, at the state level, the development of tourism and hospitality is recognized as one of the priorities of the national economy. World hotel corporations are actively investing in the Ukrainian market: in many cities, especially in the capital, there are hotels of the largest hotel chains, which indicate a significant prospect for the development of this area. According to the forecasts of the State Committee for Tourism, in 2022 inbound and outbound tourist flows in Ukraine will increase to 10%. In 2018, more than 28 million foreign travelers visited Ukraine. Thus, the number of international arrivals in Ukraine in 2018 increased by 13% compared to 2017. However, in 2019 only 2.5 million foreign tourists came to Ukraine with tourist purposes [34].

It should be noted that until recently the tourist infrastructure of Ukraine was not developed well enough. Since 1992, the tourist accommodation market has tended to reduce the number of large hotels and their simultaneous capacity. Also, there is a gradual replacement of large complexes with more mobile, flexible forms of business,

mainly in the form of small hotel business enterprises of various types and categories. During 2010-2018, modern hotels were opened in many Ukrainian cities. Currently, hotels are being built in large cities of Ukraine that will operate in accordance with international standards of hotel service. Thus, new hotels are being built in Kharkiv, Dnipropetrovsk, Lviv, Zaporizhia, etc.

It should be noted that due to the quarantine restrictions caused by SARS-CoV-2 pandemic, the number of transactions in the hotel segment of Kyiv in the first half of 2020 decreased almost 8 times compared to the first half of 2019, but however, this figure is 3 times higher than the number of transactions in the hotel segment compared to 2012 [34].

Analysis of the current state of tourism in Ukraine shows that in recent years this area is developing steadily and dynamically. There is an annual increase in domestic tourist flow. The growing demand for tourism services within the country has caused a boom in the building of small hotels, mainly in resort regions, as well as an increase in the number of hotels from international hotel chains in Kyiv, Kharkiv and other major cities, the creation of domestic hotel chains. The volume of investment proposals for hotel construction from both foreign and domestic investors has sharply increased. At the same time, the main proposals are aimed at the hotel business development in the regions of Ukraine.

The successes of recent years in the development of the resort and tourist complex in Odessa and Odessa region should be especially noted. Due to this, not only Odessa, but the whole Odessa region as a whole has gained worldwide popularity, which determines the long-term business interest in the development of tourist infrastructure in the region and the guarantee that in a few years the Black Sea coast will become a developed world resort. At the present stage, the main tools in forming an effective management system of the hotel complex are the use of advanced technologies (including the Internet), energy efficiency, adaptation to user demand, versatility, flexibility, social and environmental responsibility, and regulation of operating costs. The development of the Internet brings the hotel and tourism business such benefits as reduced costs, increased efficiency, easier access to consumers, even for small companies. E-marketing is evolving especially fast.

The latest Internet innovation is the development of social networks such as Facebook and MySpace. Now both hotel and travel companies participate in them. In other words, effective hotel management includes equal consideration of economic, environmental and functional aspects, as well as investment, production costs and process quality, along with comfort, health and satisfaction of needs. This approach of international developers and investors is called "The blue way".

The term "The blue way" appeared in Ukraine relatively recently and is already widely used by hotel business professionals. The concept includes a set of measures to save costs, effective planning, improving the level of service, reorientation in favor of environmental technologies. "The blue way" characterizes the package of services provided in accordance with the principles of renewable, energy efficient and environmentally friendly use, including in the hotel industry. At the same time, environmental friendliness, characterized by the concept of "Green", is included in the concept of "The blue way": if the building meets environmental standards and requirements for economy and functionality, it is a visible example of this holistic and balanced approach.

One of the most common global trends in the hotel business for business and luxury hotels is to attract business tourists with art objects. Hotel operators work with leading galleries and museums, decorating halls, restaurants and rooms with art and antiques, offering their customers tickets to various exhibitions. For example, the Radisson Blu Edwardian hotel chain (England, London) is working with the Victoria and Albert Museum to offer customers a package that includes accommodation, breakfast and tickets to an exhibition dedicated to the legendary musician David Bowie. The popular Crowne Plaza Canberra business hotel in Vienna offers exhibition tickets at the National Gallery of Australia. Siam Kempinski Hotel Bangkok in Thailand changes its exhibition of paintings by local artists every three months, which are exhibited together with art objects from the collection of Thai Contemporary Art Museum, which has more than 4,000 works.

Opened in January 2013 in Indianapolis, USA, the Alexander Luxury Hotel features impressive paintings and installations provided by the Indianapolis Museum of Art. About 40 works by contemporary artists are exhibited in the public areas of the hotel, 14 of which were provided specifically for the opening ceremony. The hotel complexes exhibit unique works by Andy Warhol, Salvador Dali and Pablo Picasso, as well local artists. This practice is aimed at increasing customer loyalty.

Along with attracting business tourists with art objects, the common world practice of promoting premium hotel services is to focus on a narrow segment of customers to create an original hotel product. For example, the number of Women only hotels is growing worldwide. The first such hotel (Barbizon Hotel for Women) appeared in the early 20th century in New York. This "women only" hotel was to be seen as a symbol of feminism. Since the 1980s radical rules were relaxed, everyone could stay in the hotel. The hotel is currently listed on the US National Historic

Site. It should be noted that the primary reason of the exclusively women's hotels' creation – the idea of feminism – eventually gave way to the religious aspect, which is associated with the rules of conduct of women in the Islamic world. In this regard, in 2007, Saudi Princess Madawa bint Muhammad supported the initiative of local businesswomen to open a special hotel Luhtan, or “Escape in search of refuge” in Riyadh. All hotel staff is also women. As stated on the site booking.com. “Men, couples and children are not allowed to stay in the hotel”.

In the middle of the 20th century in a number of hotels there were special hotel floors where only women lived. Such floors still exist today, for example, in the Grange City Hotel (London), where 68 rooms are exclusively women's, equipped with all necessary comfort items. At the Hampton Inn in Albany (USA), women are offered, in addition to coffee with cookies, soft socks, moisturizer, and a half-hour massage on a massage chair. However, on weekends, men can also book rooms on the “female” floor. One of the most important women's requirements is a guarantee of absolute cleanliness and hygiene.

Studies conducted in Copenhagen have shown that it is important for many travelers to know whether only women lived in their rooms, only women used bathroom accessories and cleaned the room (in particular, made the bed). Taking these wishes into account, the Bella Sky Comwell Hotel (Copenhagen) in May 2013 opened a floor with apartments exclusively for women: large shower rooms, mini-bars with champagne, chocolate and cocktails, as well as many additional elements.

The Swiss Lady'sFirstHotel (Zurich) took a slightly different path when dealing with hygiene issues. Located in a building of the 19th century, the hotel accepts everyone, but the SPA-salon is a special area, which is allowed only to women. The idea of women's rooms could not fail to interest the leading hotel chains. For example, in the 1960, Hilton announced the launch of Lady Hilton rooms, where visitors were provided with special make-up mirrors and additional hangers. Somewhat later – at the beginning of the 21st century Marriott Company, after conducting a study, concluded that many customers consider the practice of opening special rooms unacceptable, and refused to create female floors in their hotels. In turn, representatives of Crowne Plaza Hotels & Resorts believe that modern women need solitude (but not isolation), so in the American hotel chain – Crowne Plaza Milwau-kee-Wauwatosa, although there is a "female" floor, but men also have the opportunity book a “special” room.

Hyatt Hotels Corporation Company, trying to listen more to its customers, has conducted a large-scale study of the company's history among various categories of travelers. The study of the opinions and ideas of guests marked the beginning of changes in hotels, thanks to which customers will be able to receive services for individual needs. The study, which lasted 18 months, covered more than 40 focus groups around the world. As women become more frequent travelers, Hyatt has focused on creating conditions that take their interests into account. Based on the results of the study of the travelers' needs, Hyatt Hotels & Resorts has launched a special program through which the hotel can rent or buy the necessary toiletries and utensils. Despite the fact that the new services are tailored to the needs of women, all guests will be able to take advantage of innovations. All innovations have been tested in several Hyatt hotels, selected as “laboratories” specifically for the implementation of the program at the global level.

In Ukraine, this service was non-demanded due to ill-considered proposals and illiterate marketing policy of hotel and restaurant managers. The modern market of hotel services is in constant dynamics, responding to emerging customer requests. Business tourists who need to rent a room for a few hours a day have become the reason for the emergence of a new service on the market – day hotels.

Business people who have come to another city feel the need to tidy themselves up before an important meeting or just relax after a long flight and then leave the hotel. For more than ten years, this service has been offered by hotels at airports, since 2010 this idea has spread among city hotels. Day visitors are usually asked to leave before 18:00 or 19:00 in order to prepare the rooms for the evening arrival of the next visitors. Thus not the hourly payment but the fixed cost of number for day is taken from the visitor. It is noteworthy that despite the fact that such a service is offered by many airport hotels, to such large hotel chains as Holiday Inn, Ibis, Novotel, Hilton, Sheraton on the Internet sites of hotels, the possibility of daily accommodation is rarely advertised.

For the convenience of tourists who need day accommodation in the hotel, there are specialized sites, such as the Belgian Between9and5, among whose partners – the hotel chains Radisson, Hyaytt, Best Western, Marriott. Despite the name, you can book “accommodation” from 8.00 until 19.00, and prices depend on the load of the hotel in a particular period and day.

Similar is the French portal Dayuse-hotels, which cooperates with 400 hotels in nine countries, from Italy to the United States, and is constantly expanding its offer base. The average cost of a day's accommodation when booking through the portal: 79 British pounds per room in central London or 100 dollars in Manhattan. This portal also offers the use of hotel rooms as temporary offices or for luggage storage.

An alternative to budget and short-term accommodation in megacities offer capsule hotels, which first appeared in Japan (Osaka) in 1979. Capsule hotels consist of small rooms. Space in hotels is divided into two types: shared and

individual, which inevitably follows from the organization itself. A mandatory requirement of capsule hotels of this type is a large public space. Hall, lounge, bar, sauna, and sometimes a swimming pool, exist specifically for communication. The interior of the capsules in all hotels is caramel-colored, which has a calming effect on the nervous system of a person in a small enclosed space.

Another Japanese feature – according to an informal rule, capsule hotels in Japan were originally designed for men. And although some of them have one floor for women, this is rather an exception. Capsule hotels are available in both small cities and large cities of Japan – Tokyo, Yokohama, Osaka, Gole, Sapporo. Japan's largest capsule hotel, Green Plaza Shinjuku, is located in Tokyo. On six floors there are 630 residential capsules, installed in two tiers. The length of each cabin, equipped with centralized air conditioning is 190 cm, width – 90 cm, height – 100 cm. For the convenience of the inhabitants of the second tier small steps that serve as stairs are made on the walls. The cost of living in the capital's Japanese hotel Green Plaza Shinjuku is about USD 35 and in the provinces the price is much lower. The original Japanese concept of capsule hotels has undergone major changes for the better, and now respectable tourists stay in capsule hotels.

The main purpose of the Japanese visit to the capsule hotel is not to stay in capsules, but to visit Onsen. Onsen is a wellness center equipped with large hot mineral water baths. The Japanese believe that in prehistoric times only the gods had access to mineral springs. Therefore, accommodation in hotels such as Green Plaza Shinjuku is seen as a joyous ceremony.

In Europe, the idea of “capsules for life” was transformed from minimalist to design. European capsule hotels, in contrast to Japanese hotels of this type, do not look like capsules, but the cabins of modern cruise liners. It should be noted that the capsule hotel is a direct competitor to hostels, which consist of multiple rooms. According to marketers, taking into account the cost of accommodation, in Europe, capsule hotels have prospects.

Determining the right evaluation criteria when developing a pricing strategy is of great importance in the hotel business. It should be noted that the emergence of a large number of budget hotels in the world is directly related to the development of low-cost air travel (Low Cost): poor passengers have become potential tourists. At the same time, there are only two ways to satisfy the needs of customers with little wealth: either to minimize the set of services, or to minimize the area of the room. So, the owners of Yotel Company decided to create small enclosed spacious rooms-cabins in European airports. There are currently 4 Yotel hotels in Gatwick (London), Heathrow (London), Schiphol (Amsterdam) and New York with rooms of 7-10 sq.m. They are equipped with a bed, desk, WiFi, TV and a small bathroom. Food and beverages are provided on request. The cost of living starts from 50 euro for 4 hours.

The Asian corporation Tune Hotels has advanced much further in creating inexpensive hotels. It was founded by Tony Fernandez, the owner of the budget airline AirAsia. Under modern conditions, the chain includes 27 hotels located in five countries. The company's motto is “five-star beds at one-star prices”. Tune rooms (about 10 m²) are equipped with a wide bed, desk, chair and fan. They also have a small bathroom. But there are no towels and soap. The basic cost of living in the flagship hotel Downtown Penang (Georgetown) is about USD 30. If guests have a reasonable desire to turn on the air conditioner, access the Internet, buy a towel, soap etc., will have to pay extra.

The undisputed leader in the budget hotel market is the French corporation Accor. The economic segment development in the Accor Group is given special importance: it generates significant revenue for the operator and is an important factor in global growth.

According to analysts, the group of ibis brand, which belongs to the economy class, is most suitable for development in the regions of Ukraine. Taking the first place in the European rankings, it gives the tone on many platforms outside the Old World. It has a total of more than 3.5 thousand hotels located in 92 countries. Accor hotels operate under different brands. Sofitel or Pullman, for example, represent luxury hotels 5* or even 5*+. The Novotel brand combines 3-4* hotels.

In the budget environment, the Ibis Budget chain stands out. It has 492 hotels in Berlin, Madrid, Paris and Prague. The strong financial potential allows Accor to maintain strict standards that are adopted at the company's headquarters. That is why anywhere in the world Ibis Budget sign promises similar living conditions at low prices. Hotels are festively decorated: pastel tones with an inclusion of juicy paints are typical of both the color scheme of the facades (often different shades of white) and interiors. The undoubted advantage of Ibis Budget hotels is the budget prices. The cost of living in Warsaw is 22 euro, in Berlin 29 euro, in Brussels 39 euro. IbisHotel.com is visited by more than 24 million users a year, and is the main booking channel for ibis hotels worldwide. The new version of the ibisHotel.com website will help expand the reach of the Internet audience. The goal of Ibis is to increase the share of direct bookings from the site to 40% by 2021. Note that the number of visitors to the site in 2019 alone increased by 30% [35].

Along with capsule hotels, hotels with a unique concept and design include Bubble hotels. In France, there are a number of transparent tents designed for accommodation and recreation of tourists. The concept of the new hotel format belongs to the French designer Pierre Stephanie Dumas, who proved with his project that the ball in the hotel market is beautiful and comfortable. A new balloon hotel resembling a soap bubble has opened in a picturesque forest on the outskirts of Paris. This place attracts travelers with a quiet and cozy location that allows you to feel closer to nature, away from the noisy city and fuss. The main idea for the opening of such a hotel was the desire of the designer to create a place for temporary relaxation.

The design of the new bubble hotel is based on the following principles: minimum energy, minimum material, maximum comfort and maximum environmental impact. All these characteristics allow the hotel to claim the title of ecological hotel, based on the principles of nature protection and the rational use of its resources. The design of the bubble hotel has no corners and ribs. The shape of the bubble is maintained by air, which allows you to create a pleasant comfortable humidity inside it. At the same time the hotel fully meets all accepted standards of traditional hotels, providing residents with the necessary amenities and comfortable accommodation. The most spacious models in the collection are CristalBubble and BubbleRoom, which are ideal for a large family.

The first hotels of this format, which were named Bubble due to their shape, appeared in 2010. Since then, every traveler has the opportunity to enjoy a holiday in nature in a hotel of unusual shape. The hotel's shell is made of recycled plastic materials with UV protection and anti-flammability properties. The size of one room- bubble is about 4 m in diameter, which can accommodate a double bed, table, chairs and other household items for a comfortable stay surrounded by beautiful nature. For the convenience of guests, a special speaker system and air circulation system have been developed, thanks to which, guests have the opportunity to truly enjoy a holiday in nature. In other words, Bubble-hotels reflect the progressive movement of the global hotel business to environmental responsibility, energy and resource conservation through the use of eco-technologies.

CONCLUSIONS

In Ukraine, there is a rapid development of the hotel business, as evidenced by the opening of new hotel facilities and the interest of foreign investors. The leaders of the hotel business in Ukraine are Kyiv, Odessa, Lviv. In addition, the hospitality industry is actively developing in Zakarpattia, Ivano-Frankivsk, Kherson and Zaporizhia regions. In 2022, Ukraine is expected to increase the hotel number due to the development of network operators in the cities of the country. At the same time, the most active operators who plan to develop their networks in the cities of Ukraine are Accor, Rezidor Hotels Group, Kempinski Hotels, Hilton Hotel Corporations. Chain hotel operators are interested in the market of large cities in Ukraine. In the next few years, foreign hotel and tour operators plan to actively develop in the Ukrainian market, which is due to the objective growth of business and tourism flow to Ukraine. In 2016, Hilton Worldwide took the lead in terms of the hotel room capacity. The most ambitious expansion plans for 2022 have been announced by the French network Accor, which aims to launch more than 2,500 rooms, and the American InterContinental Hotel Group, which plans to increase its room capacity by 1,000 rooms.

Such large-scale prospects lead to a significant change in the structure of international operators in the Ukrainian market. In our opinion, by 2022 the leader will be the French network Accor, which is projected to occupy 22% of the market against 10% in 2018, displacing the InterContinental Hotel Group from the first place [37].

Thus, the dynamics of development of the Ukrainian hotel services market reflects the main world trends and modern practice:

- service standards improvement;
- application of innovative design solutions;
- creation of a unique hotel product focused on the needs of a narrow segment of customers;
- development of new hotel services and forms of business (day hotels, capsule hotels);
- principles of environmental friendliness of applied technologies, resource saving, reduction of expenses.

However, in some cases, under modern conditions, Ukrainian hotels do not have enough resources and thoughtful marketing policy to achieve effective management of the hotel and restaurant business. Therefore, the topic of using international experience, development, implementation and application of new models of innovative hotel concepts is very relevant and important for the hotel services in Ukraine.

REFERENCES

1. R. Amit and C. Zott, "Business model innovation: creating value in times of change", Proceedings of *Invited Papers, IESE*, Barcelona, 2010, edited by Bernd Helmig (IESE Business School/University of Navarra, 2010), Vol. WP-870, p. 127.
2. J. M.T. Balmer and I. Thomson, "The shared management and ownership of corporate brands: The case of Hilton", *Journal of General Management. USA* **34**, 15-37 (2009).
3. P. Bansal, "Evolving sustainably: a longitudinal study of corporate sustainable development", *Strategic Management Journal. USA* **26**,197-218 (2005).
4. Barcet, A. *Innovation in services: a new paradigm and innovation model* (The Handbook of Innovation and Services, Edward Elgar Publishing, England, 2010). p. 453
5. A. Bilgihan and M. Nejad, "Innovation in hospitality and tourism industries", *Journal of Hospitality and Tourism Technology. GB* **6**, 45-51 (2015).
6. P. Carlborg, D. Kindström and C. Kowalkowski, "The evolution of service innovation research: a critical review and synthesis", *The Service Industries Journal, UK* **34**, 373-398 (2014).
7. A.L. Carsrud and M. Brännback, in *Sustainable Economy: corporate, Social and Environmental Responsibility*, edited by R. Kao (World Publications, Singapore, 2010), pp. 53-70.
8. A.B. Carroll, "A three-dimensional conceptual model of corporate performance", *Academy of Management Review. USA* **4**, 497-505 (1979).
9. M. Dziallas, and K. Blind, "Innovation indicators throughout the innovation process: an extensive literature analysis", *Technovation. USA* **80**, 3-29 (2019).
10. T. Dyllick, and K. Hockerts, "Beyond the business case for corporate sustainability", *Business Strategy and the Environment. USA* **11**, 130-141 (2002).
11. E.A. Dzhandzhugazova, E.A. Blinova, L.N. Orlova and M.M. Romanova, "Innovations in hospitality industry", *International Journal of Environmental and Science Education. UK* **11**,10387-10400 (2016).
12. J. Galbreath, "Sustainable development in business: a strategic view", *Theory and Practice of Corporate Social Responsibility. DE* **4**, 89-105 (2011).
13. M.M. Gobble, "Innovation and sustainability", *Research-Technology Management. UK* **55**, 64-67 (2012)
14. L.K. Gundry, J.R. Kickul, T. Iakovleva and A.L. Carsrud, "Women-owned family businesses in transitional economies: key influences on firm innovativeness and sustainability", *Journal of Innovation and Entrepreneurship. RU* **3**, 2-17 (2014).
15. J.S. Horng, C.J. Wang, C.H. Liu, S.F. Chou and C.Y. Tsai, "The role of sustainable service innovation in crafting the vision of the hospitality industry", *Sustainability. IN* **8**, 1-18 (2016).
16. A.M. Hjalager, "100 Innovations that transformed tourism", *Journal of Travel Research. CA* **54**, 3-21 (2015).
17. P. Jones, D. Hillierand, D. Comfort, "Sustainability in the hospitality industry: some personal reflections on corporate challenges and research agendas", *International Journal of Contemporary Hospitality Management. USA* **28**, 36-67 (2016).
18. R. Kozhukhivska, O. Sakovska, L. Maliuga, and S. Maslovata, "The formation of a system of investment prospects of Ukrainian tourism and recreation sector enterprises on terms of benchmarking", in *Proceedings of the 33rd Education Excellence and Innovation Management through Vision 2020*, (IBIMA, 2019), p. 5282-5290.
19. R. Kozhukhivska, O. Sakovska, O. Shpykuliak, S. Podzihun, and O. Harbar, "Social customer-oriented technologies in the tourism industry: An empirical analysis", *TEM Journal, RS* **8**, 1371-1383 (2019).
20. R. Kozhukhivska, O. Sakovska, S. Skurtol, S. Kontseba, and V. Zhmudenko, "An analysis of use of internet technologies by the consumers of tourism industries in Ukraine", *International Journal of Advanced Science and Technology. UA* **29**,1007-1013 (2020).
21. G.T. Lumpkin and G.G. Dess, "Clarifying the entrepreneurial orientation construct and linking it to performance", *The Academy of Management Review. USA* **21**, 135-172 (1996).
22. T. Mihalic, V. Žabkar and L.K. Cvelbar, "A hotel sustainability business model: evidence from Slovenia", *Journal of Sustainable Tourism. SI* **20**, 701-719 (2012).
23. G. Moscardo, "Sustainable tourism innovation: challenging basic assumptions", *Tourism and Hospitality Research. TH* **8**, 4-13 (2008).
24. D. Mullens, "Entrepreneurial orientation and sustainability initiatives in family firms", *Journal of Global Responsibility. UK* **9**, 160-178 (2018).
25. R. Nidumolu, C.K. Prahalad and M.R. Rangaswami, "Why sustainability is now the key driver of innovation", *Harvard Business Review. USA* **87**, 56-64 (2009).

26. L. Pasape, W. Anderson and G. Lindi, "Assessment of indicators of sustainable ecotourism in Tanzania", *Anatolia*, **AF 26**, 73-84. (2015).
27. Rogers, P.R. and Bamford, C.E. "Information planning process and strategic orientation: the importance of fit in high-performing organizations", *Journal of Business Research*. **NL 55**, 205-215 (2002).
28. Satell, G. "The 4 types of innovation and the problems they solve", (2017), available at: <https://hbr.org/2017/06/the-4-types-of-innovation-and-the-problems-they-solve>
29. D.J. Su and D.W. Sohn, "Roles of entrepreneurial orientation and Guanxi network with parent university in start-ups' performance: evidence from university spin-offs in China", *Asian Journal of Technology Innovation*. **CN 23**, 1-19 (2015).
30. K. Tukibayeva and Y. Barlykov, "Features of innovation activity in the sphere of tourism", *Growth trends in the XXI century*. **UA 15**, 390-394 (2018).
31. See supplementary material at <https://www.oecd.org/sti/frascati-manual-2015-9789264239012-en.htm> Frascati Manual 2015: Guidelines for Collecting and Reporting Data on Research and Experimental Development.
32. See supplementary material at <https://ilostat.ilo.org> Developments and challenges in the hospitality and tourism sector.
33. See supplementary material at <https://www.unwto.org/taxonomy/term/347> UNWTO Press Release.
34. See supplementary material at www.tourism.gov.ua the State Agency for Tourism Development.
35. See supplementary material at <https://all.accor.com/web-accessibility/index.en.shtml> about Ibis.accor.com.
36. See supplementary material at <https://www.weforum.org> Travel & Tourism Competitiveness Report 2015-2020.
37. M.A. West and N.R. Anderson, "Innovation in top management teams", *Journal of Applied Psychology*. **USA 81**, 680-693 (1996).
38. T. Whelan and C. Fink, *The comprehensive business case for sustainability* (Harvard Business Review, Harvard Business Publishing, Brighton, USA, 2016). p. 21.
39. A. Wong, D. Tjosvold and C. Liu, "Innovation by teams in Shanghai, China: cooperative goals for group confidence and persistence", *British Journal of Management*. **UK 20**, 238-251 (2009).