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DEVELOPMENT OF THE HOTEL AND RESTAURANT BUSINESS IN THE CONTEXT OF EUROPEAN INTEGRATION

Summary

Relevance. Problem statement. European integration implies the development of international tourism flows, which will ensure an increase in demand for hotel and restaurant services. This can contribute to the development of infrastructure, improving the level of service, and creating new job opportunities. Furthermore, in the process of European integration, the standards of the hotel and restaurant business in Ukraine require adaptation to the requirements of European norms and standards. This includes the implementation of appropriate standards for food safety and quality, hygiene, energy efficiency, and more. Additionally, European integration involves free movement of capital and openness to foreign investment, which can help attract investment in the hotel and restaurant business and increase its competitiveness. Therefore, it can be argued that the topic of the hotel and restaurant business is highly relevant in the process of European integration, as this sector is an important factor in the development of tourism and the economy as a whole. Introduction to the EU provides Ukrainian hotels and restaurants with the opportunity to attract new customers from EU countries. The increase in tourist flow can lead to a growing demand for hotel and restaurant services. European standards in the hospitality industry are higher than in some other countries. Ukrainian hotels and restaurants must meet these standards to be competitive on an international level. This requires improvements in service, food quality, safety, and infrastructure. With the increase of foreign investments in the hotel and restaurant industry in Ukraine, new competitors emerge. This stimulates Ukrainian businesses in this sector to constantly enhance their services and embrace innovative solutions.

Research objective. The objective of the study is to determine the conceptual foundations of the hotel and restaurant business. **Methodology.** The tasks outlined in the article were accomplished using general scientific research methods, namely analysis, systematization, and generalization. The research is based on logical-dialectical methods of scientific cognition, methods of systemic analysis, as well as specific methods, including methods of analysis and synthesis. **Results.** The article explores the hotel and restaurant business in Ukraine, highlighting that it is developing at a slow pace despite aiming to align with European trends. The positive and negative consequences of the integration aspect of the hotel and restaurant business are addressed. The aspects that may be crucial for the hotel and restaurant business after EU accession are examined. **Practical significance.** Solutions to the issues of sluggish development in the hotel and restaurant business are proposed. It is substantiated that the development of the hotel and restaurant business in Ukraine is essential for Eurointegration and ensuring sustainable economic growth in the country. The article provides suggestions and ideas for the development of the hotel and restaurant business in Ukraine.

Prospects for further research. Further research envisages the utilization of all reserves to enhance the quality of service and competitiveness of hotel and restaurant complexes in Ukraine by implementing positive foreign experience in the development of hospitality enterprises.

Keywords: hotel and restaurant business, sustainable development, integration, social, economic development.

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РОЗВИТОК ГОТЕЛЬНО-РЕСТОРАННОГО БІЗНЕСУ В УМОВАХ ЄВРОІНТЕГРАЦІЇ

Анотація

Європейська інтеграція передбачає розвиток міжнародних туристичних потоків, що забезпечить зростання попиту на готельно-ресторанні послуги. Це може сприяти розвитку інфраструктури, підвищенню рівня обслуговування та створенню нових

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робочих місць. Окрім того, в процесі євроінтеграції стандарти готельно-ресторанного бізнесу в Україні потребують адаптації до вимог європейських норм та стандартів. Це включає в себе впровадження відповідних стандартів щодо безпеки та якості харчування, гігієни, енергоефективності тощо. Також євроінтеграція передбачає вільний рух капіталу та відкритість для іноземних інвестицій, що може сприяти залученню інвестицій в готельно-ресторанний бізнес та підвищенню рівня його конкурентоспроможності. Отже, можна стверджувати, що тематика готельно-ресторанного бізнесу є дуже актуальною в процесі євроінтеграції, оскільки цей сектор є важливим фактором розвитку туризму та економіки загалом.

Метою статті є визначення концептуальних засад готельно-ресторанного бізнесу. У статті досліджено розвиток готельно-ресторанного бізнесу в Україні, а саме його повільні темпи та орієнтацію на європейські тенденції. Висвітлено позитивні та негативні наслідки інтеграційного аспекту готельно-ресторанного бізнесу. Розглянуто аспекти, які можуть бути важливими для нього після вступу до Європейського Союзу. Запропоновано вирішення питань сповільненого розвитку готельно-ресторанного бізнесу. Доведено, що розвиток готельно-ресторанного бізнесу в Україні є важливим для євроінтеграції та забезпечення сталого економічного розвитку країни.

Ключові слова: готельно-ресторанний бізнес, сталий розвиток, інтеграція, соціальний, економічний розвиток.

Кількість джерел: 8; кількість таблиць: 1.

Problem statement. The development of the hotel and restaurant industry in Ukraine is a promising direction due to favorable conditions and rich recreational resources, but there are still many problems in the field of legislative framework and unstable economic and political situation in the country, which hinders the process of development of the hotel and restaurant business.

The basis for the scientific research. The basis for the scientific research was the works of domestic and foreign economists who study the problems of sustainable development and functioning of hospitality industry enterprises, in particular Michael Olsen's research on the hotel and restaurant business industry and Thomas Hempton, the author of a book "Hotel Management and Operations", Edward Low the author of a book "Hospitality Strategic Management: Concepts and Cases", Yu.S. Synytsya - theoretical foundations, tools, and methods for developing and implementing strategies for hotel and restaurant industry enterprises, O.A. Nikolaychuk – theoretical and methodological principles of organization and management in hotel

and restaurant businesses, O. M. Dzhedzhula, L. O. Volontir - main trends in the development of the hospitality industry market in EU countries. O.V. Dymchenko, O.O. Rudachenko, V.M. Prasol, O.D. Panova - European standards of business planning, O.V. Krukovska - current issues in service management in the hospitality industry at the level of hotel and restaurant enterprises, T.V. Sivashenko, I.P. Panasiuk - issues of business process management in restaurant businesses, A.V. Sidoruk, O.E. Konokh, E.A. Kryvolapov - analysis of the peculiarities of forming the assortment policy of goods and services in restaurant establishments, and so on.

The aim of this article. The aim of this article is to determine the conceptual foundations of the hotel and restaurant business. To achieve this goal, the following tasks must be performed: to investigate the development of the hotel and restaurant business, to identify the relationship between the development of the hotel and restaurant business and Eurointegration, and to identify and characterize aspects that may be important for the hotel and restaurant business after joining the European Union. The relevance of the article is based on the growing importance of the hotel and restaurant industry in the modern economy, as well as the increasing integration of Ukraine into the European Union and the need to adapt to European standards and regulations.

Presenting the main research material. The hotel and restaurant business in Ukraine is developing at a slow pace, although it is oriented towards European trends. The hotel and restaurant business is a wide segment of the economy that encompasses restaurant, café, hotel, tourist agency, and other related services. The main aspects of the hotel and restaurant business are location and accessibility. The hotel and restaurant complex should be located in a convenient place to be accessible for tourists and locals. Moreover, it is important for the hotel and restaurant complex to be located in a high tourist activity area where there are enough potential customers. Equipment and infrastructure: the hotel and restaurant business should have modern equipment for cooking, comfortable rooms with

amenities, sports and entertainment areas, a relaxation area, and other related services. Service quality: the hotel and restaurant business should provide quality service to its clients. This includes fast order processing, compliance with contract terms, food quality, and cleanliness of the premises. Marketing and advertising: the hotel and restaurant business should have an effective marketing strategy that allows them to attract new clients and increase profit. Various tools can be used for this purpose, such as social media, advertising banners, discounts, and promotions. Financial management: the hotel and restaurant business should have a clear financial strategy [1].

According to the State Statistics Service of Ukraine, in 2021 the hotel and restaurant industry of Ukraine is gradually recovering after the COVID-19 pandemic, but at the same time it has significant losses compared to previous years.

According to data from the State Statistics Service of Ukraine, the number of hotel and restaurant businesses in Ukraine decreased from 97.9 thousand in 2019 to 90.3 thousand in 2020, which is obviously a result of the COVID-19 pandemic and a decrease in demand for such services. The average hotel stay cost in Ukraine from 2015 to 2020 increased by almost 60%, indicating an increase in the quality and level of service in the hotel and restaurant business. According to the Ukrainian Hotel and Restaurant Association, in 2021, 12 new hotels with a total of 759 rooms were opened in Ukraine, as well as 21 new restaurants and cafes. In 2020, over 90% of hotels and restaurants in Ukraine became participants of the "Safe Travels" project developed by the World Travel and Tourism Council. This project aims to ensure the safety and health of hotel and restaurant guests during the COVID-19 pandemic.

In 2021, the number of hotel visitors increased by 49.6% compared to the previous year and amounted to 12.2 million people, but this number is still significantly lower than in 2019 when the number of visitors reached 20.2 million people [2].

Also, the average number of nights spent in a hotel decreased from 3.4 nights in 2019 to 2.6 nights in 2021, indicating a decrease in the tourist flow to Ukraine.

In 2021, the most popular tourist destinations in Ukraine were the Carpathians, Odesa, and Kyiv. These regions had the highest number of visitors and overnight stays.

Regarding the restaurant business, at the beginning of the COVID-19 pandemic, a significant portion of restaurants closed or switched to delivery-only mode. However, as quarantine restrictions gradually eased in 2021, many restaurants returned to their usual operating mode. It is also worth noting that in 2021, Ukrainian tourists began to choose domestic travel more often instead of trips abroad [2].

The analysis of hotel and restaurant business activities leads to the establishment of the following conceptual principles:

- Staffing for guest service: Ensure a high level of guest satisfaction by developing a system that prioritizes guests and provides them with personalized attention. Encourage feedback and incorporate their suggestions.
- Quality management: Implement a quality control system for all aspects of your business, including service, cuisine, cleanliness, communication, and more. Strive for continuous improvement and regularly assess customer satisfaction.
- Cost-effectiveness and environmental responsibility: Explore opportunities to reduce the environmental impact of your business. Utilize energy-efficient technologies, waste management practices, local sourcing, and other sustainable development practices.
- Agile adaptation to changes: Be prepared to adapt to market changes and customer demands. Keep track of emerging trends in the hotel and restaurant industry and implement innovations that can enhance your competitiveness. For instance, explore the possibilities of incorporating artificial intelligence technologies to improve reservation processes, personalized services, and data analysis.
- Community engagement: Foster mutually beneficial relationships with the local community. Support local suppliers of products and services, sponsor local events and charities, and create programs

that involve local residents and contribute to their engagement with your business.

- **Social responsibility:** Explore opportunities to fulfill social responsibilities. Implement environmentally-friendly initiatives, promote equality and diversity within your team, support social projects, and contribute to local communities.

We propose the following solutions and ideas for the development of the hotel and restaurant business in Ukraine:

1. Improving the quality of hotel and restaurant service through training and qualification enhancement of personnel.
2. Establishing quality standards and certification for hotels and restaurants, which will allow for an improvement in the level of service and attract more clients.
3. Expanding the network of hotels and restaurants in regions that do not yet have sufficient numbers of hotels and restaurants.
4. Supporting the development of domestic hotel and restaurant infrastructure through the creation of special funds and state support programs.
5. Supporting small and medium-sized businesses in the hotel and restaurant sector, which will stimulate entrepreneurial development and provide competition in the market.
6. Developing infrastructure for tourism and hospitality, including the creation of new tourist routes and excursions.
7. Attracting foreign investors to the hotel and restaurant sector of Ukraine through the creation of favorable conditions for investment and the adoption of new technologies.
8. Developing internet marketing and online booking for hotels and restaurants, which will allow for attracting more clients from different countries and regions.

Unfortunately, currently the war has led to a decrease in demand for hotels and restaurants in most of the country, especially in the areas of military conflict. This has resulted in a decrease in the number of clients and, accordingly, a decrease in the revenues of hotels and restaurants. Specifically, in 2022, the number of tourists who visited

Ukraine decreased by 30% compared to the previous year. The total volume of the hotel and restaurant market decreased by 40% compared to the previous year. The number of hotels and restaurants that have ceased their operations increased by 20%. In the areas of military conflict, more than 30% of hotels and restaurants have been completely destroyed [3-5].

Another possible solution is to allocate additional funds for the restoration of hotel and restaurant infrastructure in the conflict zone and the development of other tourist regions of the country that were not affected by the war. Additional investments and state support can also help hotels and restaurants recover and develop after the war. It is also important to consider the possibility of attracting foreign investors who may be interested in investing in Ukraine's hotel and restaurant sector [6-8].

It's important not to forget the important European integration aspect of the development of this industry. Integration can have both positive and negative consequences for the hotel and restaurant business (Table 1).

Table 1

Positive and negative consequences of integration*

<i>Positive consequences</i>	<i>Negative consequences</i>
Increase in foreign tourist flow	Competition with foreign hotels and restaurants
Development of infrastructure	Increase in demand for quality and service standards
Improved quality and standards of services	Increase in expenses to meet quality and standards
Increased level of investments and additional sources of financing	Dependence on foreign investors and markets
Creation of more job opportunities	Increase in prices for land and real estate
Increase in the country's popularity and attractiveness for investors	Dependence on changes in external economic environment

*Created by the author.

Significant impetus for the development of the hotel and restaurant business will be Ukraine's accession to the EU. Let's consider some aspects that may be important for the hotel and restaurant business after joining the European Union:

1. Improving service standards and product quality. According to European standards, the hotel and restaurant business should provide high-quality service and products. This may be a challenge for hotel and restaurant management, but it can also ensure a high level of customer satisfaction and increase their numbers.
2. Increased competition. Joining the European Union may lead to increased competition in the hotel and restaurant business. Competition may come from existing European brands or new businesses that may be interested in entering the Ukrainian market.
3. Development of tourism. Joining the European Union can contribute to the development of tourism in Ukraine. This can lead to an increase in demand for hotel and restaurant services. However, to ensure successful tourism development, the hotel and restaurant business must comply with European quality and service standards.
4. Changes in the tax system and declaration rules. After joining the European Union, the rules for declaration and the tax system may change.
5. Financing. After joining the EU, the hotel and restaurant business may have access to various forms of financing such as grants and loans for enterprise development, which can help in expanding the business and implementing new technologies.

Conclusions. Analyzing the activity of the hotel and restaurant business in Ukraine, it is possible to identify the following main problems: insufficient development of restaurants with Ukrainian regional cuisine, rapid construction of hotel and restaurant establishments for large events that do not take into account the development of city infrastructure and transportation network, use of resold establishments with outdated technologies and equipment, consumption of environmentally hazardous

raw materials, violations of requirements for compliance with the technology of food production processes, ineffective training of specialists in this field, and overpriced services.

To successfully operate Ukrainian hotel and restaurant establishments on the European market, it is necessary to improve the quality of services and production standards, use new technologies, attract investments for business modernization and development, enhance the qualifications of personnel, and ensure compliance with environmental standards.

The accession to the European Union can be a favorable factor for the development of the hotel and restaurant business in Ukraine. To capitalize on this potential, serious work is needed to improve the quality of services and infrastructure.

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