

UDC 338.48

JEL Classification 031

Olexandra Tsybulka

Lesya Leshchii (scientific consultant)

Analysis of Implemented Innovative Trends in the Hotel Business

The article examines how the war affected the hotel business of Ukraine and evaluates the measures that were taken at that time. Due to the war, the operation of the hotel had to be changed and these changes are still not final and are developing. The purpose of this study is to examine the approaches that Ukrainian hotels used during the war, with a special emphasis on digitalization, security, and reorientation to domestic travelers. The article also provides suggestions for future projects in the hotel industry in Ukraine after the victory.

Keywords: hotel business, innovative trends, digitalization, domestic tourism, competitive environment, post-war development

DOI 10.37659/2663-5070-2023-11-32-38

Introduction

The hotel business in Ukraine is going through a difficult period due to the war, which has been going on for more than a year. This situation has caused significant changes in hotel operations and requires new approaches to meet the changing needs of guests. The recovery and development of the hotel business in the conditions of war requires the introduction of innovations that increase the efficiency of work and ensure a higher level of security and guest service. This will help Ukrainian hotels to remain competitive on the world market, despite the challenges caused by the war.

The purpose of this work is to analyze the innovative trends implemented in the hotel busi-

ness of Ukraine during the war. To achieve this goal, we will focus on the following tasks:

- To consider the main innovative trends reflecting the response of the hotel business to the war.
- To analyze how these innovations are implemented in Ukrainian hotels, with a special emphasis on security and digitalization.
- To develop recommendations for the future implementation of innovations, taking into account the potential for the development of the hotel business in Ukraine after the war.

Literature Review

Innovation is an important factor in the development of the hotel business. They allow enterprises to increase their competitiveness, meet the needs of customers and respond to the challenges of the modern market. In the scientific literature, there is a wide range of studies devoted to innovations in the hotel business.

L. M. Maliuga and R. B. Kozhukhivska [1] present the classification of innovations in the hotel business according to the following characteristics:

- By nature of influence on the service provision process: technical, organizational, marketing, social.
- By scale: radical, incremental, modifying.
- By the period of implementation: innovations are implemented, innovations in development, innovations in planning.

N. V. Bilokin [2] examines the process of globalization of the hotel business. According to Bilokin, globalization has both positive and negative consequences for the innovative development of the hotel industry. One of the positive effects is that globalization promotes the spread of innovations in the hotel business. This is because companies from different countries compete for consumers and are forced to introduce new technologies and services. However, globalization can lead to increased competition, which can make it harder for businesses to innovate [2].

The article by T. V. Kaplina and V. A. Krasnomovets [3] analyzes the role of innovations in hotels. The authors note that innovation is one of the key factors in the competitiveness of hotels. Anna Kryvko [4] researches the current state of investments in the hotel business in Ukraine and concludes that they are insufficient due to a number of factors, including political instability, economic crisis and war.

Ya. I. Proyaev and O. M. Zbyrannyk [5] examine the development of the hotel business in wartime conditions. The authors of the article observe that the war has caused significant losses to the hotel business in Ukraine. Despite that, some hotel businesses continue to operate and innovate [5].

Thus, the study of innovations in the hotel business is an actual direction of scientific research. In the scientific literature, various aspects

of innovations are considered, in particular, classification of innovations, factors affecting the implementation of innovations, economic effects of innovations.

Results

Overview of Innovative Trends in the Hotel Business

The hotel business is one of the most important branches of the economy of Ukraine. In 2022, there were more than 1,218 hotels in the country with a total number of more than 30,000 rooms. The war in Ukraine led to significant destruction in the country's hotel sector. More than 12 hotels with a total number of 982 rooms were destroyed or damaged. This has led to job losses and reduced revenues for the hotel business. In the first months of the war, the flow of visitors decreased sharply, and in some regions, in particular, in the central, southern and eastern parts of the country, it stopped completely. This led to the fact that most hotels in these regions closed or operated at a loss. In the western regions, which became a refuge for millions of immigrants, the situation was somewhat different. Here, the hotels were overcrowded, and some owners even raised their housing prices [6].

In general, according to the State Tourism Development Agency, in the first half of 2022, the hotel market of Ukraine operated at a maximum of 2–3% of the planned. In the south, this indicator was 3–5%, in Kyiv and the region — 10–15%, in the east, due to hostilities and the occupation of territories, most hotels stopped working. The largest increase in the tourist tax was recorded in the western regions, where in February–April accommodation facilities were 100% occupied. The amount of the tourist tax for the first six months of 2022 amounted to UAH 89.4 million, which is almost 28.8% more than for the same period in 2021. The occupancy rate of hotels in the western regions began to decrease at the end of spring. The holiday season did not take place either. More than 2,000 hotel properties located in the south and east of Ukraine have not opened at all. The exception was the relatively safe Odesa, where 90% of accommodation establishments are currently operating with an average occupancy rate of 60%. In Kyiv, hotels resumed work in May, but they still maintain a low rate of 15–25% [7].

At the same time, the war also stimulated the development of some innovative trends in the hotel business. For example, hotels are increasingly using technology to ensure the safety of guests and staff — bomb shelters, breakpoints, mobile high-speed Internet access points, power generators. In addition, hotels are increasingly focused on domestic tourists, because foreign tourists began to visit Ukraine significantly less after the start of the full-scale invasion — according to the State Statistics Service of Ukraine, in 2022 only 270 thousand foreign tourists entered Ukraine (which for a long time and were a potential audience of Ukrainian hotels), which is 11.5 times less than in the year before the Russian invasion, which is the lowest figure in the last 10 years. This requires the development of new products and services that meet the needs and capabilities of the audience itself [7].

But the hotel business of Ukraine continues to develop, albeit with certain difficulties [8]. One of the key factors in the development of the hotel business is the introduction of innovations. Innovations allow hotels to improve the quality and safety of service, reduce costs and meet the demands of modern consumers. In 2023, the

following innovative trends are observed in the hotel business of Ukraine (see Table 1).

The Level of Innovation in the Hotel Business in Ukraine

According to Deloitte’s research, in 2022, 55% of surveyed hotels introduced innovations in their operations. This indicator is lower than in most European countries, where the level of innovation in the hotel business is about 80–85%. There are a number of factors that restrain the development of innovations in the hotel business in Ukraine, incl.:

- Lack of financial resources.
- Lack of qualified personnel.
- Lack of state support.

Despite these factors, there is a positive trend towards an increase in the level of implementation of innovations in the hotel business in Ukraine. This is due to a number of factors, including:

- Growing demand for innovative services.
- Technology development.
- Ukraine’s integration into the world economy.

Table 1. Innovative trends in the hotel business in Ukraine

Aspect	Main directions
Focus on the safety of guests	• Installation of generators. Generators provide electricity to the hotel in the event of a power outage. This is important for ensuring the operation of the hotel’s critical infrastructure, such as security, lighting and air conditioning systems. • Implementation of security systems. Hotels implement a variety of security systems, such as video surveillance systems, access control systems, and fire protection systems. These systems help protect guests and staff from crime, terrorism and other threats. • Use of mobile technologies. Hotels are increasingly using mobile technology to ensure the safety of their guests. For example, some hotels offer their guests apps that allow them to report potential threats.
Implementation of digital technologies	• Process automation (booking, guest registration, room, food and beverage service, cost control). • Personalized service (use of information about guests to provide individual services). • Creation of new opportunities for guests (online conferences, virtual tours, access to applications and services).
Growing attention to ecology	• Saving energy and water (energy-efficient equipment, water collection systems). • Use of ecological materials (wood from renewable forests, recycled materials). • Waste sorting (special containers for different types of waste). • Support of local communities (use of local products, cooperation with conservation organizations).
Development of new forms of accommodation	• Development of eco-hotels (environmentally friendly accommodation, use of ecological materials). • Development of capsule hotels (economical and compact accommodation). • Development of guest houses (intimate and friendly atmosphere). • Development of apartments (greater comfort and independence, kitchen and other amenities).

The war with Russia led to certain changes in the level of innovation in the hotel business of Ukraine. On the one hand, the war led to an increase in demand for innovations that help hotels increase the efficiency of their operations and meet the needs of guests in wartime conditions [9]. On the other hand, war has limited access to finance and technology, making it difficult to innovate. Despite the war, the level of innovation in the hotel business of Ukraine will continue to grow. Hotels will innovate to increase their competitiveness, meet guest needs and meet modern trends.

Factors Affecting the Introduction of Innovations in the Hotel Business in Ukraine

The implementation of innovations in the hotel business is a complex and multifaceted process that depends on a number of factors. Among them, the following can be distinguished:

- *Economic factors.* Ukraine has been at war with Russia since 2022, which has had a negative impact on the country's economy. In 2022, the GDP of Ukraine decreased by 34.4%, which became the worst indicator in the entire history of independent Ukraine. This led to a decrease in investment in the hotel business, as well as to a decrease in demand for hotel services.
- *Technological factors.* In Ukraine, the hotel business is actively implementing new technologies. For example, more and more hotels are using online room reservation systems, room management systems, security and access control systems, energy management systems, and customer support systems.
- *Political factors.* In the conditions of martial law, the government of Ukraine adopted a number of legislative acts aimed at supporting the country's economy and ensuring the safety of citizens. These measures can have both a positive and a negative impact on the development of innovations in the hotel business.
- *Factors of the competitive environment.* In Ukraine, the hotel business is a highly competitive industry. There are more than a thousand hotel enterprises operating in the country, which offer a wide range of services. This creates conditions for the development of innovations.

Recommendations for the Introduction of Innovations in the Hotel Business in Ukraine

The introduction of innovations is an important factor in the competitiveness of the hotel business in Ukraine. Innovation can help hotels improve service quality, meet new customer needs, and reduce costs. The work analyzed existing innovations and developed recommendations for the introduction of new integrations into the hotel business in Ukraine:

- *Safety.* Implementation of security systems, including bomb shelters, as protection against possible shelling and other potential risks that may arise in the future depending on the deployment of the military situation in the country, as well as Russia's plans.
- *Developing emergency response plans and training staff on these plans.*
- *Generators.* Generators allow you to provide uninterrupted power supply in the event of a power outage. This is important for the operation of security systems, as well as for the comfort of guests.
- *Starlink mobile access points.* Starlink mobile access points allow you to provide access to the Internet in case of disconnection. This is important for the operation of security systems, as well as for ensuring communication with guests and staff. They should be installed at different points of the hotel to ensure uninterrupted access to the Internet in the event of a disconnection.
- *Mobile hazard warning systems.* Mobile emergency alert systems allow you to quickly and efficiently inform guests and staff about emergency situations. They can be used as an alternative to an emergency notification system that runs on electricity.

Innovations that allow hotels to improve energy efficiency and reduce environmental impact are especially important. In connection with the ongoing war in Ukraine, hotel companies also need to implement innovations that will allow them to adapt to new conditions, such as:

- *Implementation of remote control and control systems.* This will reduce the number of personnel required to maintain the hotel, as well as ensure uninterrupted operation of the hotel in the event of personnel evacuation.

- Implementation of business process automation systems. This will increase the efficiency of hotel management and reduce costs.
- Expanding the range of services that can be provided remotely. This will allow hotels to earn money even if it is impossible to receive guests on site.
- Development of innovation strategy. The first step to the implementation of innovations is the development of a strategy that will determine the goals, priorities and resources necessary for the implementation of innovative activities. The strategy of innovation should be developed taking into account the general strategy of the hotel's development, as well as the needs of the market.
- Formation of an innovative environment. For the successful implementation of innovations, it is necessary to create an innovative environment that stimulates the creativity and initiative of employees. Such measures may include:
 - › Introduction of a reward system for innovative ideas and developments.
 - › Providing employees with opportunities for training and professional development.
 - › Creating teams to work on innovative projects.
- Selection of innovations. When choosing innovations, the following factors must be taken into account:
 - › Correspondence of innovations to the goals and strategy of the hotel.
 - › Market readiness to accept innovations.
 - › Availability of resources for the implementation of innovations.
- Focus on domestic guests and tourists. Domestic tourism in Ukraine is growing, as people who cannot travel abroad are looking for vacations in Ukraine [10]. Here are some options for implementing this point:
 - › Expanding the offer of services for families. Domestic tourists often travel as families, so hotels must offer services that meet the needs of this group of guests. For example, hotels may offer babysitting services, kids' clubs, playgrounds, and other services.
 - › Development of proposals for business tourists. Domestic tourism also includes business tours. Hotels that want to attract business travelers must offer services that meet their needs. For example, hotels can offer conference rooms, business centers, transfer services and other services.
- › Development of offers for young people. Young people are also an important group in the domestic tourism market. Hotels that want to attract young people should offer services that meet their interests. For example, hotels can offer services for organizing parties, concerts and other events, as well as special prices for young people.

Here are some specific examples of services that can be developed to meet the needs of the internal customer:

- Family packages that include accommodation, meals, childcare and other services.
- Business packages that include accommodation, meals, transfer services and other services.
- Youth packages that include accommodation, meals, services for organizing parties and other events.

Hotels can also develop special programs and events for the domestic tourism market [11]. For example, hotels can organize themed parties, excursions and other activities that will be interesting for the internal consumer. Implementation of these recommendations will allow Ukrainian hotels to increase their competitiveness and become more attractive to customers. Specific examples of innovations that can be implemented in the hotel business of Ukraine:

- Development of mobile applications for booking rooms and providing services. This will allow guests to book rooms and order services anytime, anywhere.
- Implementation of "smart home" systems in rooms. This will allow guests to independently adjust the temperature, lighting and other parameters in the rooms.
- Implementation of artificial intelligence systems for guest service. This will allow automating some tasks related to guest service, as well as providing a more personalized service.
- Development of new types of services, such as: co-living, shared use of workplaces (co-working), shared use of cars (car-sharing)

Introducing innovations into the hotel business is a complex and long process. However, innovations can help Ukrainian hotels to adapt to new conditions and become more successful.

Conclusions

The war in Ukraine caused significant losses to the country's hotel business. Many hotels were destroyed or damaged, and the flow of guests dropped sharply. However, even in such difficult conditions, the hotel business continues to develop. One of the key factors of this development is the introduction of innovations. In 2023, the following innovative trends are observed in the hotel business of Ukraine:

- Focus on safety — to ensure the safety of guests and staff, such as bomb shelters, breakpoints, mobile high-speed Internet access points, power generators.
- Focus on the domestic tourist — adapting products and services to their needs and capabilities, responding to the decrease in the number of foreign tourists.
- Implementation of digital technologies — such as CRM systems, room management systems, reservation systems, to improve operational efficiency and service.

These innovations allow hotels to improve the quality and safety of service, reduce costs and meet the demands of modern consumers. They are a key factor in the recovery and development of the hotel business in Ukraine during the war.

In the future, the hotel business of Ukraine has the potential for further development. After the end of the war, the flow of foreign tourists is expected to increase. This will lead to an increase in demand for hotel services. Hotels that innovate and adapt to new realities will be able to successfully compete in the market and win over new customers.

References

1. Maliuga, L. M., & Kozhukhivska, R. B. (2018). Innovation in sphere of the hotel business. *Ekonomika i suspilstvo* [Economy and Society], 2018(17), 291-295. <https://doi.org/10.32782/2524-0072/2018-17-42>
2. Bilokin, N. V. (2019). *Doslidzhennia protsesu hlobalizatsii hotelnoho biznesu* [The study of the process of globalization of the hotel business] [Master's thesis, Odesa National Economic University]. eONEUIR – Electronic Odesa National Economic University Institutional Repository. <http://dspace.oneu.edu.ua/jspui/handle/123456789/10979>
3. Kaplina, T. V., & Krasnomovets, V. A. (2021). Innovatsii v systemi rozvytku hotelnoho hospodarstva [Innovations in the development system of hotel enterprises]. *Підприємництво та інновації* [Entrepreneurship and Innovation], (16), 63–66. <https://doi.org/10.37320/2415-3583/16.10>
4. Kryvko, A. (2020). Suchasnyi stan investuvannia hotelnoho biznesu v Ukraini [Current state of investment in the hotel business in Ukraine]. *ΛΟΓΟΣ*, 1, 80-81. <https://doi.org/10.36074/24.04.2020.v1.27>
5. Proyaev, Ya. I., & Zbyrannyk, O. M. (2023). Rozvytok hotelnoho biznesu v umovakh viiny: Perspektyvni napriamky [Development of the hotel business during wartime: Prospective directions]. In *XXX Mizhnarodna naukovo-praktychna konferentsiia studentiv, aspirantiv ta molodykh uchenykh "Aktualni problemy zhyttiedialnosti suspilstva"* [XXX international scientific and practical conference of students, postgraduates and young scientists «Actual Problems of Society's Life»] (213-214). Kremenchuk Mykhailo Ostrohradskyi National University. <https://doi.org/10.32782/2222-5099.2023.6.9>
6. Interfax-Ukraine. (2023, January 23). *Ponad 12 hoteliv postrazhdaly v Ukraini cherez viinu* [More than 12 hotels in Ukraine have been damaged due to the war]. <https://interfax.com.ua/news/general/886309.html>
7. Lupashko, A. (2022, October 14). Na pochatku viiny hotelnyi biznes Ukrainy obvalyvsia na 90%: Chy ye nadiia na vidnovlennia? [At the beginning of the war, Ukraine's hotel business collapsed by 90%: Is there any hope for recovery?]. *Forbes Ukraine*. <https://forbes.ua/company/na-pochatku-viyni-gotelniy-biznes-ukraini-obvalivsya-na-90-chi-e-nadiya-na-vidnovlennya-14102022-9033>
8. Boiko, M. H., Beridze, R., & Okhrimenko, A. H. (2019). Forsait rozvytku hotelnoho biznesu [Foresight of the hotel business development]. In A. A. Mazaraki (Ed.), *Turyzm XXI stolittia: Hlobalni vyklyky ta tsyvilizatsiini tsinnosti: Materialy Mizhnarodnoi naukovo-praktychnoi konferentsii* [Tourism of the XXI century: Global challenges and civilizational values: Proceedings of the international scientific and practical conference (Priashiv, April 10-11, 2019)] (pp. 12-13). Kyiv National University of Trade and Economics. <https://doi.org/10.31617/k.knute.2019-04-12.01>

9. Kolesnichenko, O. (2023, June 13). *Kilkist hostei u piatyzirkovykh hoteliakh zrostaie popry viinu: Chomu?* [The number of guests in five-star hotels is growing despite the war: Why?]. *Ekonomichna Pravda* [The Economic Truth]. <https://www.epravda.com.ua/publications/2023/06/13/701093/>
10. Visit Ukraine Today. (2023, June 27). The hotel business in Ukraine in war conditions: Why the number of guests is growing in hotels. *Visit Ukraine Today*. <https://visitukraine.today/uk/blog/2150/gotelnii-biznes-v-ukraini-v-umovax-viini-comu-v-gotelyax-zrostaje-kilkist-gostei>
11. Danylenko, M. I. (2019). Invent-servis pidpriemstv hotelnoho biznesu [Event services of hotel business enterprises]. In A. A. Mazarakı (Ed.), *Turyzm XXI stolittia: Hlobalni vyklyky ta tsyvilizatsiini tsinnosti: Materialy Mizhnarodnoi naukovo-praktychnoi konferentsii* [Tourism of the XXI century: Global challenges and civilizational values: Proceedings of the international scientific and practical conference (Priashiv, April 10-11, 2019)] (pp. 119-121). Kyiv National University of Trade and Economics. <https://doi.org/10.31617/knute.2019-04-12.45>

Цибулька О. О., Лецій Л. А. (наук. конс.)

Аналіз впроваджених інноваційних тенденцій у готельному бізнесі

У статті розглядається, як війна вплинула на готельний бізнес України, та оцінюються заходи, які були прийняті у цей час. Через війну діяльність готелю довелося змінити і ці зміни все ще не остаточно розвиваються. Метою даного дослідження є вивчення підходів, які українські готелі використовували упродовж війни, з особливим акцентом на цифровізацію, безпеку та переорієнтацію на вітчизняних мандрівників. У статті також наведено пропозиції для майбутніх проектів у готельній індустрії в Україні після перемоги.

Ключові слова: готельний бізнес, інноваційні тенденції, цифровізація, внутрішній туризм, конкурентне середовище, повоєнний розвиток