

Paulyk, A. Ya. (2024). Condition and directions of hotel and restaurant industry's development. *Actual Issues of Modern Science. European Scientific e-Journal*, 33 ___-___. Ostrava: Tuculart Edition, European Institute for Innovation Development.

DOI: 10.47451/hum2024-10-01

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Alla Ya. Paulyk, PhD in Social and Behavioral Sciences, Senior Lecturer, Department of Hotel, Restaurant and Museum Business, Mukachevo State University. Mukachevo, Ukraine.

ORCID: 0000-0002-0120-4529

Condition and directions of hotel and restaurant industry's development

Abstract: The article is devoted to developing the hotel and restaurant industry in modern conditions. The role and significance of the hospitality industry in developing the country's economy and the region, the intensification of economic sectors, and the formation of interest in the country among foreign tourists are substantiated. The main problems faced by the hospitality industry during the pandemic and war are revealed. The change in the number of hotel enterprises from 2020 to 2022 is studied. Attention is focused on how the regional peculiarities of the hotel and restaurant industry have changed since the beginning of the full-scale invasion. The author examines the negative trends in the development of the hospitality industry in today's demanding conditions. The author considers the main factors that influence the formation and development of the hotel and restaurant industry. The study's object is trends in the development of the hotel and restaurant industry in modern conditions. The study aims to investigate the current state of the hotel and restaurant industry and formulate future directions for its development. Using analysis methods, generalisation, and abstraction made it possible to study and analyse the status and directions of development of the hotel and restaurant industry in modern conditions. The author outlines the main development directions of the hotel and restaurant industry. The study of the current state and formation of promising development directions of the hotel and restaurant industry is especially relevant in the country's post-war reconstruction process.

Keywords: hospitality industry, hotel and restaurant industry, tourism, factors of development of hotel and restaurant industry, hotel product.



Алла Ярославівна Паулик, доктор філософії (соціальні та поведінкові науки), старший викладач, кафедра готельно-ресторанної та музейної справи, Мукачівський державний університет. Мукачево, Україна.

ORCID: 0000-0002-0120-4529

Стан та напрямки розвитку готельного–ресторанного господарства

Анотація: Стаття присвячена висвітленню проблеми розвитку готельно-ресторанного господарства в сучасних умовах. Обґрунтовано роль та значення індустрії гостинності у розвитку економіки країни а регіону, активізуванні діяльності галузей економіки, формуванні зацікавленості країною у іноземних туристів. Розкрито основні проблеми з якими зіткнулась індустрія гостинності в період пандемії та війни. Досліджено зміну кількості готельних підприємств у період з 2020 року по 2022 рік. Зосереджено увагу на тому яким чином змінились регіональні особливості

розвитку готельно-ресторанного господарства з початком повномасштабного вторгнення. Досліджено негативні тенденції у розвитку індустрії гостинності, що склалися в сучасних складних умовах. Автором розглянуто основні фактори які впливають на формування та розвиток готельно-ресторанного господарства. Об'єктом дослідження є тенденції розвитку готельно-ресторанного господарства у сучасних умовах. Метою дослідження є дослідження сучасного стану готельно-ресторанного господарства та сформулювати перспективні напрями його розвитку. Застосування методів аналізу, узагальнення на абстракції дали можливість дослідити та проаналізувати стан та напрями розвитку готельно-ресторанного господарства в сучасних умовах. Автором окреслено основні напрями розвитку готельно-ресторанного господарства. Дослідження сучасного стану та формування перспективних напрямків розвитку готельно-ресторанного господарства є особливо актуальними в процесі післявоєнної відбудови країни.

Ключові слова: індустрія гостинності, готельно-ресторанне господарство, туризм, чинники розвитку готельно-ресторанного господарства, готельний продукт.



Introduction

The hotel and restaurant industry is an integral part of the hospitality industry and one of the most promising sectors of the economy, and plays a significant role in developing social and economic life in the country and region. The growth of the service sector, particularly tourism, gives a special impetus to the hotel and restaurant business. The situation in the hotel and restaurant industry is dynamic and depends on many factors. The state of development of the hospitality industry was significantly affected by quarantine restrictions and war; there was an urgent need to adapt to the new realities of the functioning of the economy and the country and the formation of directions for developing the industry in post-war development. In addition, the development of the hotel and restaurant industry depends on the requests and needs of travelers and the quality of services offered by hotel and restaurant businesses.

Such domestic scientists formed the theoretical basis for studying the hospitality industry's state and development. Thus, T. Brykova investigated the main trends in the hotel and restaurant industry in the context of crisis phenomena (*Brykova, 2023*). Ryabev A. analysed the hotel industry's condition in the context of the country's regions (*Ryabev, 2020*). L. Matviychuk, M. Lepky, and D. Molnar-Babilya conducted a regional analysis of the development of the hotel industry in Ukraine and summarised the factors influencing the state and development of the hotel industry (*Matviychuk et al., 2021*). L. Bezruchko, S. Belous, and M. Fil devoted their research to the peculiarities of the functioning of the hotel industry in the conditions of entry and analysis of the condition and prospects of its development (*Bezruchko et al., 2023*). O. Morgulets, M. Korobkina, and P. Vofsi studied the influence of institutional factors on the development of the hotel and restaurant industry (*Morgulets et al., 2023*).

The article aims to study the hotel and restaurant industry's current condition and formulate the perspective directions of its development. To achieve this purpose, the following tasks are outlined:

- identify factors influencing the hotel and restaurant industry's development;
- determine the role of hotel management in developing the economy;
- investigate changes in the hospitality industry's condition caused by the pandemic and war;

- form promising areas for developing the hotel and restaurant industry.

The study of the current condition and the formation of promising directions for developing the hotel and restaurant industry is particularly relevant to the country's post-war reconstruction.

The results of the study

The hospitality industry is usually considered an integral part of tourism, forming its material and technical base. The hotel and restaurant industry occupies the main place in the formation and development of the hospitality industry. Exploring the hotel and restaurant industry as an object of managerial influence, it includes a set of hotel enterprises specialising in providing temporary accommodation, additional services, and food establishments. The category of hotel and Restaurant Management combines the totality of such accommodation facilities as hotels, campsites, tourist bases, boarding houses, motels, hostels (*Ryabev, 2020*) and food establishments that sell their products (*Nezveshchuk-Kogut & Yazina, 2020*). The main feature of the functioning of such enterprises is the combination of tangible and intangible services. Hotel companies create a range of services, forming the attractiveness of the tourism industry as a whole. The development of the hotel industry plays no role in the development of the region's economy, the formation of a positive image of the region in the international arena, the activation of the development of other sectors of the economy and, as a result, ensuring a high level of competitiveness of the region and the country.

The primary purpose of hotel and restaurant enterprises is to meet travellers' needs for accommodation, food, and additional services, creating conditions for guests' comfortable stays in the relevant institution. At the same time, it is significant to comply with international standards of hospitality, provide high-quality services, and apply new approaches to creating and providing hotel services to meet consumers' needs.

The hotel and restaurant industry of the region is formed and develops under the influence of factors that determine its structure and features:

- institutional (legislative framework and stability of the legal system, regulation and control and industries, investment policy of the state, tax policy, policy in standardisation and certification) (*Morgulets et al., 2023*);
- specialisation of hotel services;
- availability and condition of infrastructure, including tourism;
- geographical, environmental and natural factors;
- staffing;
- competition;
- regional security;
- demographic data;
- range and quality of services (*Matviychuk et al., 2021*);
- availability of tourist resources;
- social and cultural factors.

The hotel and restaurant industry's development has many positive impacts on the economy of the country and the region:

- solving problems of unemployment and improving the standard of population living;

- promoting the development of other sectors of the economy;
- increased investment activity and attractiveness;
- strengthening interregional cooperation;
- promotion of certain types of Tourism (green, eco-friendly);
- budget revenues at various levels;
- stimulating infrastructure development;
- formation of the international image of the country and region.

In modern conditions, the hotel and restaurant industry has faced a number of challenges and problems that have significantly affected its development and efficiency.

The most common indicator that characterises the state of the hospitality industry is the number of accommodation and catering establishments and their dynamics. In 2020, 71,748 accommodation and catering establishments operated in Ukraine (*Official website of the SSS of Ukraine, 2024*). In 2021, their number decreased by almost 3% and amounted to 69,775 enterprises. The pandemic and quarantine restrictions caused a downward trend. 2022 was a turning point in the history of our country and in the development of the hotel and restaurant industry. Military operations on the territory of Ukraine and the temporary occupation of a significant part of the territory led to a sharp reduction in temporary accommodation and food establishments to 57,734 units, -20% compared to 2022 (*Official website of the SSS of Ukraine, 2024*). 2022 was a particularly difficult year for the hotel and restaurant industry. There is no reliable information about the number of hotel and restaurant farms destroyed, damaged, and ceased their activities due to the fighting.

The deployment of a full-scale war of Russia against Ukraine led to the shutdown of the country's hotel and restaurant farms and significant financial losses due to a sharp reduction in tourist flows. Hospitality establishments have focused their business activities on providing accommodation services for internally displaced persons. The activity of hotel and restaurant farms today depends on the region. The situation developed so that hotel and restaurant farms in the western regions were overcrowded by fellow citizens who left their homes due to military operations; hotel companies in other regions suffered significant losses or ceased their activities (*Vlasyuk, 2024*). The activity of hotel and restaurant Farms is affected by the distance from the regions where active military operations are conducted. The best conditions for conducting business activities by enterprises of the hospitality industry in Transcarpathian, Ivano-Frankivsk, Chernivtsi, Lviv, Volyn, and Ternopil regions. This is evidenced by the increase in the tourist tax for the first half of 2022, particularly in the Lviv region. this figure was 193% (compared to the same period in 2021), Ivano-Frankivsk – 176%, Ternopil – 145%, Transcarpathian – 144%, Khmelnytskyi region – 114%, Kirovohrad region – 105%, Chernivtsi region – 103%. In the first half of 2022, the state budget received 26% less revenue from the tourism industry than in 2021 (*State Tourism Development Agency, 2022*). The Odesa and Kyiv regions felt the most significant reduction in revenues from the activities of hotel and restaurant farms.

The conditions in which modern hotel and restaurant farms operate have formed many negative trends and consequences, namely:

- reduced investment activity in the hospitality industry;
- suspension of the hotel and restaurant industry's innovative development;

- reducing the flow of foreign tourists;
- suspension of pre-war projects;
- loss of material and technical base.

The security situation in the country has affected the contingent of visitors to hotel and restaurant farms. Conventionally, hotel visitors could be divided into three main categories: internally displaced persons, representatives of diplomatic missions who moved to safer regions, and foreign journalists (*Bezryubko et al., 2023*).

Ukraine will face a post-war reconstruction period, as the hospitality industry is a significant and integral part of the economy. changes will also affect hotel and restaurant farms. Enterprises in the hospitality industry will develop in the following areas:

- formation of new types of services aimed at meeting the needs for rehabilitation of victims of military operations;
- development of hotel facilities located in resort areas and promotion of medical and medical tourism;
- focus on ensuring the autonomy of functioning, including energy, greening hotel and restaurant farms, and switching to alternative energy sources;
- strengthening security measures and retrofitting hotels according to new requirements;
- expansion of hotels aimed at providing long-term stay services for families;
- promoting the activities of hotel and restaurant farms located in safer regions;
- promoting the development of business tourism and providing it with appropriate hospitality facilities with a wide range of additional services;
- attracting investment, developing tourism, and the hospitality industry in particular.

In recent years, it has been observed that hotel and restaurant farms operate in the context of Strategic and structural changes that form the main trends in their development, namely;

- rapid dissemination and implementation of information technologies in the activities of enterprises in the hospitality industry;
- diversification of the hotel and restaurant services market, reorientation to new consumers and complexity of services;
- increased competition, predominance of non-price competition;
- wide application of new methods and sales channels and modern marketing tools.

So, it is worth noting that the directions and trends in developing the hotel and restaurant industry discussed above will make it possible to increase the efficiency of its activities by adapting to the conditions and challenges of our time.

Discussion

The author substantiates the role of hotel and restaurant management in developing the country's economy. Factors influencing the activity and development of enterprises in the hospitality industry are considered. While studying the hotel and restaurant industry's condition, the author outlined the consequences of negative phenomena in the epidemiological, economic, and security spheres and identified the main directions of its development in the post-war period.

Conclusion

Given the above, it is worth noting that the hotel and restaurant industry is a significant and integral part of the country's economy, contributing to its industries' development. Considering the changes that are taking place in the economic and political situation and under martial law, hotel and restaurant enterprises face new management challenges to ensure the efficiency of their functioning. The study of the hotel and restaurant industry's current condition made it possible to identify the main problems that affect its development. There is a negative trend of reducing the number of hospitality enterprises caused by the negative consequences of quarantine restrictions during the pandemic and martial law. A deeper study of the state of the hotel and restaurant industry makes it possible to form directions for its development, considering changes that occur in the external environment of functioning. Ensuring the effective functioning of the hotel and restaurant industry requires a detailed study of the main trends in its development in modern conditions, changes in the needs of consumers of the hotel product, the latest approaches to sales and marketing activities, and the specifics of their application. A promising area of research is the development of practical recommendations for adapting the activities of the hotel and restaurant industry to the realities of war and post-war times.



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