

Kyiv National University of Trade and Economics
Department of hotel and restaurant business

FINAL QUALIFYING PAPER

on the topic:

THE ENTRANCE OF THE HOTEL COMPLEX “MYS DOBROI NADII” ON THE MARKET OF HOTEL SERVICES OF GEORGIA

Student of the 2^d year, group 8a,
specialty 241« Hotel and
Restaurant Business »
Specialization “ International Hotel
Business ”

Maryana I. Horobets

Scientific adviser
Candidate of Sciences (Economics)

Dariia V. Sai

Manager of the educational program
Doctor of Sciences (Economics),
Professor of hotel and restaurant
business department

Margarita H. Boyko

Kyiv 2018

Kyiv National University of Trade and Economics

Faculty of	Restaurant, hotel and tourism business
Department of	Hotel and restaurant business
Specialty	241 «Hotel and Restaurant Business»
Specialization	International Hotel Business

Approved by

Head of the Department _____
(Margarita H. Boyko)
on _____, _____, 2018

**Task
for a final qualifying paper****Maryana Ivanivna Horobets****1. Topic of a final qualifying paper:**

«The entrance of the hotel complex “Mys Dobroi Nadii” on the market of hotel services of Georgia».

Approved by the Rector’s order from October 17, 2017 № 3328

2. Term of submitting by a student her terminated paper: 01.11.2018**3. Initial data of the final qualifying paper:**

Purpose of the final qualifying paper is to find a better strategy for entering of the international market.

The object of the research is the theoretical and methodological aspects of the strategy of entering the international market.

The subject of the research is an entry mode to the hotel complex “Mys Dobroi Nadii” on the international marketing of Georgia.

4. Illustrative material: Figures: 22, Tables - 12, appendices - 8, references - 66.**5. Contents of a final qualifying paper** (list of all the sections and subsections)

INTRODUCTION

PART1. THEORETICAL FEATURES OF INTERNATIONAL HOTEL BUSINESS

- 1.1. Globalization of hotel business
- 1.2. Entry modes to the international hotel business
- 1.3. The main trends in the international hotel business

Conclusion to the 1st part

PART 2. ESTIMATION OF THE PREREQUISITES FOR THE ENTRANCE OF HOTEL COMPANY “MYS DOBROI NADII” TO THE HOTEL MARKET IN GEORGIA

- 2.1. Organisational economical characteristics of the hotel “Mys Dobroi Nadii”
- 2.2. Estimation of the tourists attractiveness of Georgia for the development of hotel business
- 2.3. Factors influencing foreign markets entry mode of hotel “Mys Dobroi Nadii”

Conclusion to the 2nd part

PART 3. THE METHODS OF ENSURING THE ACCESS TO THE HOSPITALITY MARKET OF GEORGIA OF HOTEL COMPLEX “MYS DOBROI NADII”

- 3.1. Strategic plan of entrance of hotel “Mys Dobroi Nadii” to the market of Georgia
- 3.2. Advisability of entrance mode of the hotel “Mys Dobroi Nadii”
- 3.3. Estimation of the prospects for further development of the hotel complex “Mys Dobroi Nadii” in the international aspect

Conclusions to 3rd part

CONCLUSIONS AND PROPOSALS

REFERENCES

APPENDICES

6. Time schedule of the paper

No	Stages of the final qualifying paper	Terms of the final qualifying paper	
		de jure	de facto
1.	Choosing and approval of the final qualifying paper topic	01.09.2017-31.10.2017	01.09.2017 - 31.10.2017
2.	Preparation and approval of task for the final qualifying paper	01.11.2017-31.12.2017.	01.11.17-31.12.2017
3.	Writing and defense of the 1 st part of the final qualifying paper in scientific adviser	02.01.2018-11.05.2018	02.01.2018-11.05.2018
4.	Writing and preparation for publication of a scientific article	14.05.2018-18.05.2018	14.05.2018-18.05.2018
5.	Writing and defense of the 2 nd part of the final qualifying paper in scientific adviser	18.05.2018	18.05.2018
6.	Writing and defense of the 3 rd part of the final qualifying paper in scientific adviser	18.05.2018-07.09.2018	18.05.2018-07.09.2018
7.	Registration of the final qualifying work and abstract for preliminary protection in commissions	07.09.2018-10.09.2018	07.09.2018-10.09.2018
8.	Presentation of final qualifying paper and abstract on the department	11.09.2018-28.10.2018	11.09.2018-28.10.2018
9.	Presentation of the final qualification work to the Dean's Office for receiving a referral for an external review	29.10.2018-31.10.2018	29.10.2018-31.10.2018
10.	Preparation of final qualifying paper to defense in the Examination Board	01.11.2018	01.11.2018
11.	Defending of the final qualifying paper in the Examination Board	According to the schedule	According to the schedule

7. Date of receiving the task: 01.09.2017

8. Scientific adviser of the final qualifying paper

Dariia V. Sai

9. Manager of the educational program

Margarita H. Boyko

10. The task received by the studentMaryana I. Horobets

11. Resume of a scientific adviser of a final qualifying paper

Throughout the final qualifying paper «The entrance of the hotel complex “Mys Dobroi Nadii”» on the market of hotel services of Georgia» the student Maryana Horobets attained all the aims listed on introduction page. In the chapter one the student investigated theoretical features of international hotel business emphasizing the urgency of globalization processes and modern trends in internationalization processes of leading hotel chains.

Regarding the second chapter, the comprehensive assessment of the capabilities of the researched enterprise was performed together with Georgian market opportunities and threats evaluation with respect to the methodological instruments of international business environment analysis. As a result, the most appropriate market entry mode was chosen among others.

The proposals concerning strategic plan and advisability of the entry mode are justified and supported by qualitative data in the third chapter. In addition, estimation of the perspectives for further development of the hotel complex “Mys Dobroi Nadii” in the international aspect adds a considerable value to this work. All things considered, this final qualifying paper deserves endorsement and a good score.

Reviewer:

Department of international economic relations,

Candidate of Sciences (Economic),

Associate professor

Driia V. Sai**12. Resume about a final qualifying paper research:**

A final qualifying paper of student Maryana Horobets can be admitted to defense to the Examination Commission

Manager of the educational program _____

Margarita H. Boyko

Head of the Department _____

Margarita H. Boyko

_____, _____, 2018

CONTENTS

INTRODUCTION	7
PART 1 . TEORETICAL FEATURES OF INTERNATIONAL HOTEL BUSINESS	9
1.1. Globalization of hotel business	9
1.2. Entry modes to the international hotel business	17
1.3. The main trends in the international hotel business	28
Conclusion of Part 1	35
PART 2 . ESTIMATION OF THE PREREQUISITES FOR THE ENTRANCE OF HOTEL COMPANY “MYS DOBROI NADII” TO THE HOTEL MARKET IN GEORGIA	37
2.1. Organisation and economic characteristics of the hotel “Mys Dobroi Nadii”	37
2.2. Estimation of the tourists attractiveness of Georgia for the development of hotel business	49
2.3. Factors influencing foreign markets entry mode of hotel complex “Mys Dobroi Nadii”	59
Conclusion of the Part 2	67
PART 3 . THE METHODS OF ENSURING THE ACEESS TO THE HOSPITALITY MARKET OF GEORGIA OF HOTEL COMPLEX “MYS DOBROI NADII”	68
3.1. Strategic plan of entrance of hotel “Mys Dobroi Nadii” to the market of Georgia	68
3.2. Advisability of entrance mode of the hotel “Mys Dobroi Nadii”	76
3.3 Estimation of the prospects for further development of the hotel complex “Mys Dobroi Nadii”	83
Conclusion of the Part 3	91
CONCLUSION	92
REFERENCES	94

INTRODUCTION

The active development of the hotel industry is associated with internal socio-economic and institutional changes, with the spread of processes of globalization and internationalization, they are gaining momentum in the contemporary world space.

Today, globalization has become an objective reality, and therefore the question of entering or not joining its structures of hotel enterprises is extremely relevant.

Hotel economy is an integral part of the tourism industry. It represents thousands of companies around the world, united by the common goal: to provide tourists with the necessary and desirable services. In these conditions, the problem of finding and creating new ways of development, the constant updating of its own policy taking into account the dynamic development of the hotel and tourist services market is acute.

The final quality reveals the directions of the entry of the hotel complex "Mys Dobroi Nadii" to the international market of Georgia. Analyzed the main factors and risks that can influence the further entry of the hotel business. An analysis of the methods of entering the hotel industry into the international market of Georgia is underway.

In the scientific literature there are publications of recent researches connected with the entrance of hotel complexes to the international market, analysis of the activity and development trends of hotel enterprises has been researched in scientific works such as O.L. Gorina, A.M. Rasulova, A.G. Okhrimenko, V.G. Gerasimchuk, G.O. Kravchuk, O.M. Garanin, scientists: V.O. Vasilenko.

The object of investigation the theoretical and methodological aspects of the strategy of entering the international market.

The subject of investigation is an entry mode the hotel complex "Mys Dobroi Nadii" on the international market of Georgia

Enterprise that is a basis for writing master diploma work is hotel complex "Mys Dobroi Nadii".

The purpose of final qualifying work is to find a forward strategy for entering the international market.

Task: to study the influence and essence of globalization on hotel business, to offer strategies for entering the international market.

Providing analysis of financial and economic activity of the hotel complex "Mys Dobroi Nadii", analysis of macroeconomic indicators of Georgia. The proposed of the most advantageous entry mode strategy for the complex "Mys Dobroi Nadii" on the international market of Georgia.

Methods of investigation: axiomatic (based on existing general theoretical positions); analysis and synthesis (research methodological approaches to assess the effectiveness of the strategy of entering the international market); method of comparison and generalization (analysis of financial and economic activity of the hotel complex); expert assessment (determination of the best strategy of entry mode)

Practical value. The results of the analysis of entry mode of the hotel complex "Mys Dobroi Nadii" into the international market of Georgia and proposals can be used in hotel practice, including systematic sociological research and expert interviews to monitor and prevent the problems associated with entering of the international market.

The results of the study were published in the Scientific Journal "International Hotel Business and Tourism" (Appendice A).

PART 1.

THEORETICAL FEATURES OF INTERNATIONAL HOTEL BUSINESS

1.1. Globalization of hotel business

With the deepening of globalization and global integration processes, modern hotel business, being under the influence of external and internal changes, is forced to seek new tools and management methods based on systematic and integrated approaches. Successful functioning and ensuring the continuity of the development of the hotel business is paramount in a market economy. For any state, it is necessary to have an adequate level of development of the hotel industry, as it promotes the revival of all related economic contacts and ties, enhances the economic potential of the regions and raises the country's rating in the world community, which contributes to the growth of national income, employment and the development of local infrastructure, characterized by a high level of efficiency and rapid return on investment.

The term globalization refers to a trend towards a more integrated global economic system. It is a continuous process in business that crosses into the economic, political, legal, technological, and cultural spheres. Focusing on the hospitality industry in particular, the impacts of globalization have had far reaching consequences, which have been both positive and negative.

With the process of comprehensive globalization, the development of socioeconomic systems, in particular hotel enterprises, depends not so much on their internal real and potential opportunities, but from the influences and fluctuations of a dynamically changing market environment, are the sources of the emergence of a spectrum of various contradictions, which determine the behavior of enterprises in the present and in the future. Several defining characteristics of globalization emerge.

Four are highlighted here:

- growth in capitalist market economies worldwide, reducing barriers to trade and investment;
- growing interconnectedness between firms, governments and individuals worldwide;
- advances in information and communications technology and transport;
- qualitative changes in organizations and societies as a consequence of new global interactions. [13]

On the Appendice B schematically shows the processes of globalization in the World and on the Table 1.1., we can shown the impact of globalization on business and other spheres.

Aspect	Businesses	Societies	Governments
Markets	Targeting consumers in all markets.	Access to products from across the globe.	Lowering barriers to imports; encouraging domestic exporters.
Production	Worldwide scanning for production capacity.	Benefits in employment and technology from FDI.	Incentives to attract FDI.
IT	Intra-firm and inter - firm IT networks.	Integration into global communications networks.	Investment in infrastructure, education, R&D.
Finance	Seeking sources of capital worldwide.	Openness to outside capital, integration into global capital markets.	Interdependence with regional and global financial systems.
Qualitative changes	Internationalized corporate structure and culture.	Culture changes associated with industrialization and urbanization.	Co-operation with other governments in dealing with global issues.

Table 1.1. Impact of Globalization on Business, Societies and Government [13]

Bringing these elements together, we can define globalization as processes of increasing and deepening interactions between individuals and organizations across the globe, facilitated by advancing communications technology and the opening of markets to trade and investment.

This definition reflects the primacy of extended interactions between countries and continents, and also highlights the importance of technological innovation in transforming communications. It notes deepening interactions, implying that qualitative changes are taking place, but it does not go so far as to suggest convergence among societies in terms of economic, social and cultural spheres.

To reveal the deep essence of the development of globalization in the hotel business, it is useful to first clearly define such a concept, "globalization".

"The emergence of the concept of "globalization" is associated with the name of T. Levitt, who in the article "Globalization of Markets", published in the journal "Harvard Business Review" in 1983, marked the phenomenon of the merger of This concept should be extended to R. Robertson, who in 1985 presented his interpretation, and in 1992.

The concept of "globalization" began to be used in active use since 1996, and a kind of signal to this was served by the XXV session of the World Economic Forum in Davos.

Globalization as a complex political, economic, socio-cultural phenomenon affects all aspects of the life of the involved social community. "The theory of globalization," says S.O. Sherin - puts forward the task of studying the structure of the hotel base, which determines the processes of social development in the country. In the context of the theory of globalization, the main task of researchers is to find out the existing types of local communities, identify their boundaries, parameters and social relationships with other communities. Researchers usually analyze the processes of structuring social communities within the global international space and reconstruct the model of "their interaction with the outside world." [4]

Hotel economy is an integral part of the tourism industry. It represents thousands of companies around the world, united by the common goal: to provide

tourists with the necessary and desirable services. In these conditions, the problem of finding and creating new ways of development, the constant updating of its own policy taking into account the dynamic development of the hotel and tourist services market is acute.

The solution of the development path is considered in the writings of such authors as V. Danilchuk, T. Dvorova, I. Kurochenko, V. Fedorchenko, V. Tsybukh. Some aspects are considered by domestic and foreign authors: V.A. Azar, R.A. Braimer, O.P. Durovich, M.I. Kabushkin, V.I. Karsekin, V.O. Kvartalnov, N.M. Kuznetsova, G.A. Papirian, T.I. Tkachenko, D. Walker, I.V. Zorin, O.D. Chudnovskye, Ye.A. Dzandzhugazova, P.P. Puststenylo, etc.

The urgency of the study is due to the fact that the rapid development of tourism, qualitative changes in tourist demand and supply determine the emergence of new trends in the hospitality industry, according to which there is a further development of

Today in the world there is a powerful system of accommodation and service of guests, which formed the material and technical basis of the tourism industry - hotel industry.

In the broad sense, the hospitality industry includes accommodation, food and other additional services provided by hotel enterprises. In the narrow sense of the word hotel industry - it's just a residence.

According to the goal, the author considers it expedient to consider the hotel industry in the context of the hospitality industry.

Which today is a hospitality industry with a growing level of specialization, an increase in the processes of concentration of production and the transition to new technologies.

The main trends in the development of the hotel industry, modern authors and scientists include the following (Table 1.2.).

Table 1.2.

The main features in the development of the hotel industry

P.P. Puccaneilo [7]	<ul style="list-style-type: none"> - Deepening of the specialization of hotel and restaurant establishments; - formation of international hotel and restaurant chains; - development of a network of small enterprises; - expansion of the sphere of interests of the hotel business to products and services previously provided by enterprises in other sectors (for example, catering); - the growing democratization of the hotel industry, which greatly contributes to improving the accessibility of hotel services to the mass consumer;
E.A.Jandzhugazova [6]	<p>improving the accessibility of hotel services to the mass consumer;</p> <ul style="list-style-type: none"> - strengthening the specialization of the hotel business, which allows more precisely to focus on certain segments <p style="text-align: right;"><i>Continue Table 1.2.</i></p>
E.A.Jandzhugazova [6]	<ul style="list-style-type: none"> - of consumers, taking into account different characteristics; - globalization and concentration of hotel business; - deep personalization of service and full concentration on the requests and needs of clients; - wide introduction of new means of communication and information technologies.

Thus, the mentioned above main current trends in the hospitality industry are ultimately aimed at solving the main tasks:

- search own competitive advantages;
- search and creation of new ways of development, constant updating of own policy taking into account dynamic development of the market of hotel and tourist services. [6]

The formation of these trends takes place under the influence of the general requirements of the processes of globalization and integration.

Accordingly, the defining directions of development main current trends in the hospitality industry are:

- formation of hotel chains, associations, unions. This approach allows the hotel enterprises to regroup and attract additional resources for the development of their business. Hotel enterprises are concentrated through the creation of unions or associations that do not violate their legal and economic independence, but allow to conduct joint marketing programs, conduct research activities, form a unified system of training and retraining of personnel;

- widespread use of the Internet to promote hotel products and services. New technologies reduce costs and provide consumers with increased comfort. These technologies expand opportunities for attracting new customers and allow them to expand their market segments;

- providing hotels with modern information technologies for deep and systematic economic diagnostics. The results of the diagnostics provide an opportunity to carry out a complete self-analysis and analysis of competitors in the area of applied price and marketing strategies, analyze the degree of activity on the market, identify the profitability of the development segments, coordinate the demand and supply of hotel services. All this contributes to solving the problems of the loading of hotel enterprises [6].

Consequently, the general globalization tendencies are realized in hotel industry, first of all, in new forms of partnership between enterprises. It is a joint work that is crucial because no service provider can take individual tourists and provide integrated development. The unifying tendency is usually realized through mergers and acquisitions, which is the most popular method used by hotel companies to strengthen their position on the global market; there is an increase in the number of franchise contracts and foreign investment [8].

The process of globalization of hotel services leads to a serious increase in the amount of information that needs to be collected, updated, structured. In this case, the

widespread use of the Internet is of particular importance, which in turn can be considered both as a distribution channel and as an additional information resource of the distribution system. The greatest achievement of the Internet is the ability to provide global access to hotel services at a much lower cost compared to traditional distribution systems.

The term «globalization» refers to a trend towards a more integrated global economic system. It is a continuous process in business that crosses into the economic, political, legal, technological, and cultural spheres.

Focusing on the hospitality industry in particular, the impacts of globalization have had far reaching consequences, which have been both positive and negative.

The globalization of trade and the economy has had a direct impact on the price of travel. A larger pool of competition has led to more competitive pricing and given rise to the low-cost carrier model within aviation.

The low-cost carrier model provides a no frills service for a reduced cost, meaning that more people can now fly around the world for a reasonable price. This has made it easier for travellers to experience new cultures.

Advancement of technology. If needed to attract the most tourists, hospitality organizations must work hard to keep up with advancing technology. It is important for hotels, tourist attractions, and restaurants to continually improve their products and services with the most progressive gaining an edge over the competition.

Globalization is a very debatable topic, because it has goods and services that badly affect people. Increasing and deepening interactions between individuals and organizations around the globe also affects globalization. As in all other areas, it depends on whether the globalization is good or bad or has positive effects and negative consequences.

Positive effects of Globalization on the hotel business:

- Exposure to different cultures: Due to Globalization the managers of the hotel industry are able to learn about different cultures as they get to mingle with people from various walks of life and thus, increase their knowledge. Different

peoples regarding to different cultures visited others countries, then we have to know about their culture to provide best in services.

- Larger Market: Due to Globalization the customer base has increased greatly. People travel not only for holidays, but business, health and various other purposes too. Thus, this has increased the market for the hospitality industry, which gets its major income is from international visitors. Which result in increase the market or to expand the market as well.
- Boosts the economy: Visitors come in and spend money multiplier effect and foreign exchange increases. Thus it is of great value to the economy as Globalization helps to pump in money into the country.
- Technology Advancement: Since one wants to attract as many tourists as possible, hospitality organizations constantly need to upgrade and improve their products and services Example: Singapore Flyer, using faster and newer technology in hotels to so that the customer is satisfied. And it is possible due to globalization.
- Boosts the Travel Industry: Due to globalization more people move around, to facilitate this, the travel industry needs to grow as well.

Negative effects of Globalization on the hotel business :

- Language Barriers: Due to Globalization in the hotel Industry we can employ people from different countries as it is usually different language they may sometimes have problems in communicating with the customers. Many customers get quite irritate as a result of this. So Language is a big barrier of globalization. Due to globalization we have to meet with different cultures and different language peoples that we really don't know and result in miscommunication.
- Cultural Barriers: Same as discuss in language barrier as there are people from various cultures, one needs to be careful not to offend them. For example, a Muslim will not eat pork or alcohol one needs to make sure not serve food which contains pork/alcohol. What acceptable by one culture may be frowned upon by another. Any hotel starting its business in any new country or location

they should first have deep research about that place like, religion, type of cuisine, and standard of living.

- As people are employed from all over the world, they should be trained efficiently, such that we can solve language problem.
- Use of a new technology. As world is changing fast every type of industry should be modernize or should be updated otherwise there can be threat to face heavy loss and be out of market. Developing countries: These countries attracts foreign business in them developed countries help these countries in getting modern technology and making them successful. [14]

1.2. Entry modes to the international hotel business

For doing business in foreign countries, the main issue and the most important issue of the strategy of entry into the international market is the choice of the appropriate entry mode. The choice of a mode of entry to the international market is interpreted as the best way for enterprises to enter the external markets to manage their international business, using their advantages.

There are many options for entering the market abroad, for example: franchising, licensing agreement, turnkey contract and a management contract - the choice depends on a number of factors that can often contradict each other.

Different input strategies provide different levels of control, risk, profitability and flexibility. [14]

Charles Hill in his study emphasizes that the decision on the input regime affects three different variables:

- strategic variables,
- environment variables,
- transaction-specific variables [15].

Practical decisions about choosing the best alternative of entry strategy should take into account all of the above factors. In each case, some of them have a greater significance, while others are less important.

Therefore, in practice, it is advisable to use a hierarchy of factors that meet the specifics of each industry and each company.

The method of selecting a strategic alternative for entering foreign markets involves the following steps:

1. Assess the importance of each factor for a particular company by expert assessments and assign weight.
2. Evaluate the score of each factor for a particular company by expert estimates.
3. Calculate the integral index for each of the two groups of factors (Index of Attractiveness and Index of Capacities Icap).
4. Place two integrated indexes at two axes of the matrix to select the strategy of entering the foreign market (Fig.1.1.).

High
Average
Country
Low

Low

Average

High

Enterprise capacities (possibilities).

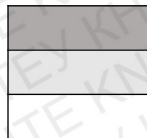


Figure
1.1.
Matrix
selection
strategy
entering
foreign
market
[16]

	Production or sales joint venture	Direct investment (purchase of local company)	Direct investment (“green field investment”)
Direct export: trade representative or direct delivery to the customers	Joint ventures or production by contract	Direct investment (renting or purchasing local company)	
Indirect export	Direct export: independent distributors in the country of buyer	Licensing /franchising	

The company's entrance to an external market, where international competition prevails, is possible only with the use of modern management methods.

The international market is an extremely complex formation. It is characterized by considerable capacity, which creates significant prospects for enterprises, but also introduces additional marketing requirements.

In modern market conditions, the main goal of the company is to achieve competitive advantage in the long run, which will ensure a high rate of return and stable economic growth. To ensure effective foreign economic activity, the company needs a single strategic direction of development, according to which it will be able to achieve long-term competitive advantages.

It is precisely to create competitive advantage that enterprises use marketing tools consisting of price, communication, commodity and marketing policies.

Important direction of foreign economic activity is development of marketing strategy. This issue was dealt with by many authors who interpret the definition of a marketing strategy differently.

For the conditions that have arisen in the modern world, the most expedient and deployed is the definition of a marketing strategy, such as the formation and implementation of the goals and objectives of the enterprise - the manufacturer and the exporter for each individual product for a certain period of time for the realization of industrial and commercial activities in full accordance with the market situation and enterprise capabilities.

Marketing strategy is to interlink the marketing objectives of the firm with its capabilities, requirements of consumers, use of weak competitors and their competitive advantages.

Strategic marketing is characterized by a functional device and is able to predict and predict the future, it is at the present time one of the most important elements of the competition, namely, the marketing strategy is its main tool, the development of which the company should pay considerable attention when entering the foreign market

In case of hotel industry export is possible only if the company does not export hotel services, but rather management services.

This option is called “management by contract”. In this case the company should have qualified managers, which can be used more profitably in the foreign market.

Another possible option for a hotel chain to enter foreign market is to open an office (agency) in the host country, which will attract foreign clients in hotels that are located in home country or other countries. So, for hotel industry it’s better to use terms “own agencies” and “management by contract” instead of “direct export”, and “independent agencies” instead of “indirect export” (Fig. 1.2). [17]

Joint ventures	Direct investment (purchase of local company)	Direct investment (“green field investment” / “hub – and - spoke”)
----------------	---	--

Own agencies in the host country	Joint ventures	Direct investment (renting or purchasing local company)
Independent agencies	Management by contract	Licensing / franchising
Low	Average	High

High
Low

Enterprise capacities (possibilities).

Figure 1.2. Matrix for selection the strategy of entering the foreign market in hotel industry [17]

Average

Joint ventures. A joint venture is different from other forms of strategic alliances or relationships in that it is “a partnership of two or more participating companies that have joined forces to create a separate legal entity”.

In a joint venture, a foreign company invites an outside partner to share stock ownership in the new unit.

A joint venture acknowledges the intent of the partners to share in the management of the joint ventures.

These partnerships are made between legally incorporated entities like companies; licensed organizations and governments, not with individuals and each party have invested to some extent in the venture.

In recent years joint ventures have become popular as more firms recognize the benefits of cooperating in the business world. Reasons for entering into a joint venture.

Joint ventures are common because they have proved that they present some huge advantages to the foreign firm. Firstly both companies can share the risk with a new venture. The joint venture company may bring new skills, core competencies, production methods and key contacts to the international firm, for example suppliers in local markets or an important customer who will increase business.

Disadvantages of Joint Ventures. There are a number of disadvantages and challenges facing companies when entering into a joint venture and it is essential that both companies recognize the need to establish guidelines and procedures for dealing with these problems.

Such problems with regard to the amount of money invested into the venture and the value of assets being used are often areas where both organizations disagree.

Management of joint ventures often have issues in relation to the protection of the venture from parent company's interference and indeed the issue of the ownership structure is a very sensitive one as companies become anxious that they may lose control to the parent company. [18]

In the context of the globalization of international hotel business, particular attention is paid to investment strategies for the development of an international hotel network. Below four are three options for investment strategies that are suitable for entering international hotel market.



Figure 1.3. Main directions of hotel entrance to the international market

Licensing is an arrangement where in the licensor gives something of value to the licensee in exchange for certain performance and payments from the licensee.

Turnkey contract a contract in which a company is given full responsibility to plan and build something that the client must be able to use as soon as it is finished without needing to do any further work on it themselves. The international hotel industry is increasingly appointing general contractors to manage hotel renovations and oversee the odernisation, coordination and implementation of all reconstruction and odernisation projects.

This includes coordinating all parties involved, as well as ensuring compliance with all relevant official regulations.

Hotel refurbishment and redesign projects. Investors and operators appreciate the benefits of ‘one-stop shopping’, which offer reliable scheduling and budget planning coupled with excellent quality.

Professional clients attach particular importance to the pooling of specific engineering disciplines as by having a single point of contact, clients can hedge the risks that commonly occur through relying on individual contracts.

It also enables fixed prices and contractually specified deadlines to be agreed in advance.

Through the integration of technical building systems in turnkey services, the client gains several benefits:

- only one contact person for the entire project;
- simplified coordination and project implementation;
- optimized interfaces and processes by offering a total management service.

Franchising is a form of cooperation between legally and financially independent parties, in which one party (franchisor) with a successful business, a well-known trademark, know-how, trade secrets, reputation and other intangible assets, allows the other party (franchisee) to use this system under certain conditions.

The basic principle of cooperation with franchising is that the franchisor is the owner of a trademark, know-how.

The franchisor has a proven and successful business idea and the franchisee runs a business under the franchisor's name as an independent entrepreneur. Franchising is a licensing agreement, a sales method, in which a franchisee-company (hotel) is given the right to provide services under the management of the marketing model developed by the hotel-franchisor.

The franchisor allows the franchisee to use his trademark, name and advertising. The main difference between franchising and other contractual systems is that it is usually based either on a unique proposal or on business practices, or on a trademark, patent or copyright law.

An agreement between a franchisor and a franchisee provides:

- use of the franchisor of the trademark of the franchisor;
- application of the franchisor of technology and standards of franchisor service;
- application of methods, control systems, reporting systems;
- use of recruiting and training methods developed by the franchisor, including internships and training programs for staff;
- inclusion of the franchisor in the general system of advertising and marketing franchisor.

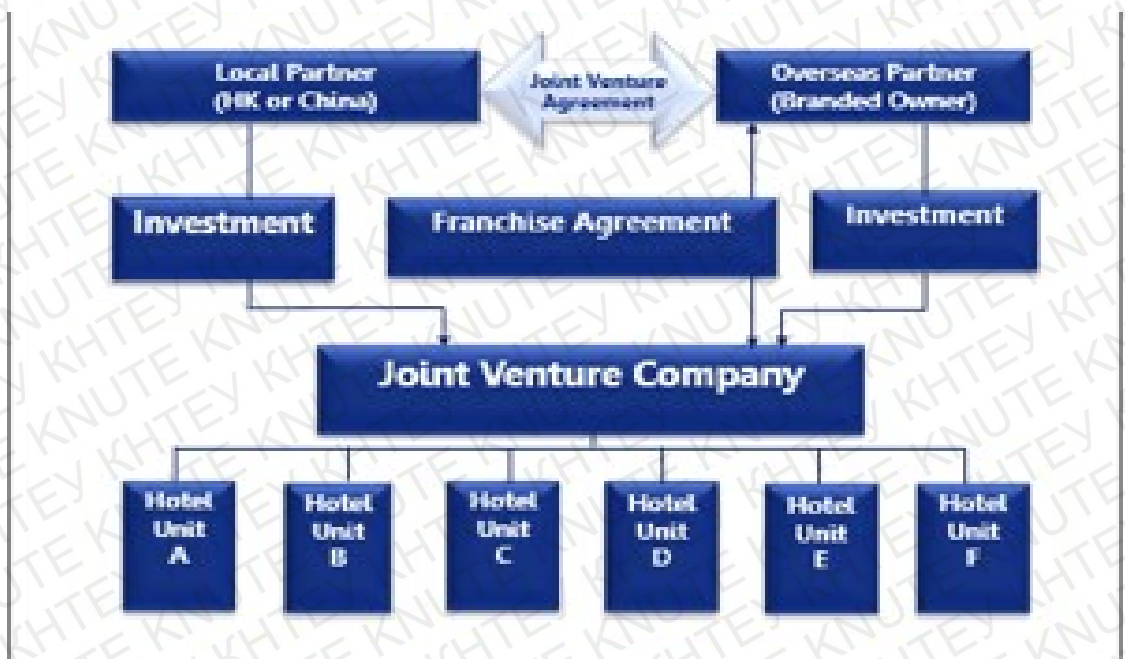


Figure 1.4. The scheme of International Franchising in hotel business

A management contract represents an arrangement that permits the company with experience in hotel business areas to manage foreign activities on behalf of another company. A management contract can involve a wide range of functions, such as technical operation and of a production facility, management of personnel, accounting, marketing services and training.

Typically, the management contract includes management of all functional areas of business (marketing, finance, operations, HR). This type of contract does not allow managing foreign firm to make investments. The selection of a market entry mode is a critical decision, since the nature of the firm's operations in the country

affects the choice and depends on it. This affects future decisions, as each model entails an accompanying resource.

From one mode of entry to another it is difficult to change without significant loss of time and money. As can be seen, this may be due to exports, franchises, joint ventures or strategic alliances.

Entry to the market, however, is not limited to the foregoing, it extends even more to licensing, marketing divisions and operations that are entirely owned.

Franchise companies are increasingly seen expansion into foreign markets as a key strategy in their quest for growth, profit, and stock price creation.

The main trend of international expansion of franchising firms is the large potential of customers available abroad.

Expansion a multi-factor phenomenon, aimed at capturing something or expanding the influence of the expansionist in the hotel sector.

Thus, expansion can be parasitic and creative, but only for the development of civilization is the expansion that, through the use of other people's resources, creates new productive forces.

Expansion does not always end with a concrete result, often this process decays and stops at some intermediate stage if the ruling class can not find ways to restore the expansionist arsenal according to the time demands.

Expansion in foreign markets can significantly increase the number of potential customers for affiliates.

However, this increased market opportunity does not come at risk. External markets are generally much more risky than domestic ones for franchising firms, with a greater chance of losing and failing.

After reviewing academic and business literature on international and franchising policies, supplemented by surveys and discussions with a large number of franchise managers with extensive international experience.

Aliouche and Schlenrich (2009) have developed a comprehensive three-section model of international development assessment that shown on the figure 1.5. International Expansion Assesment model.[19]

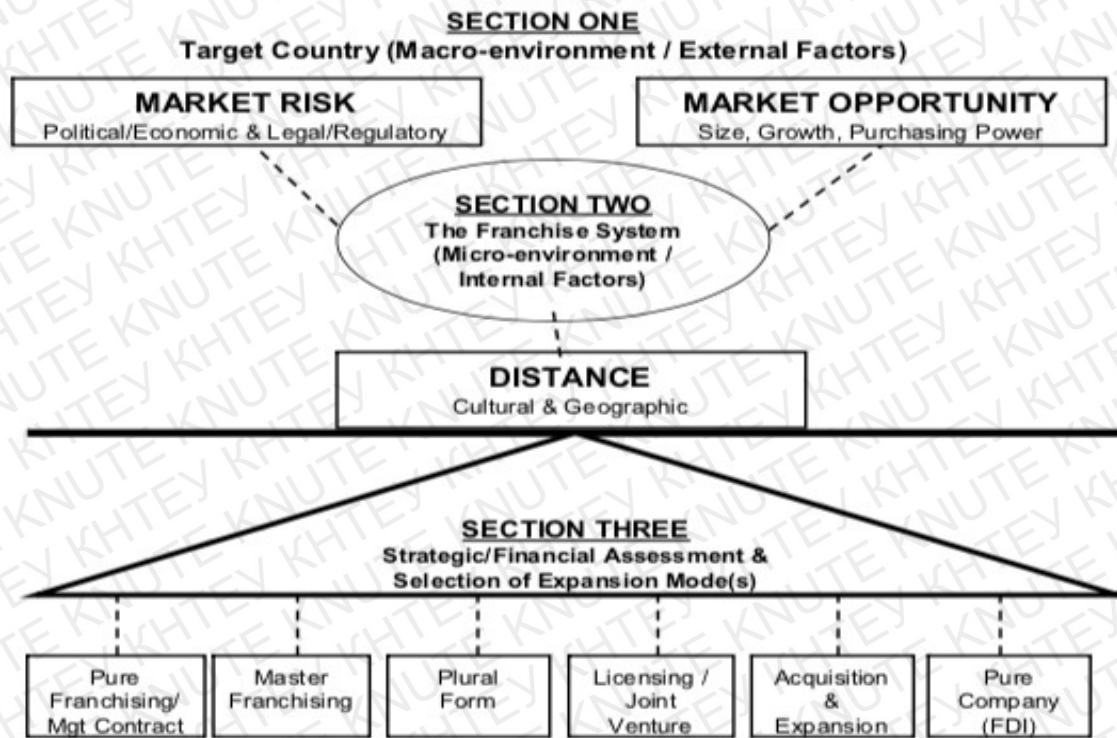


Figure 1.5. International Expansion Assessment Model [19]

International Expansion Assessment The model is a strategic approach to international expansion, this model explicitly takes into account the major elements needed to develop an optimal international expansion initiative.

These are:

1. Macro - environmental assessment (Section One)
2. Micro - environmental assessment (Section Two)
3. Optimal market entry mode (Section Three)

These sections are summarized below.

1. Macro – environmental assessment. (section 1). There are a lot of potential countries or markets that can become expansion objects for a firm that plans to expand its operations abroad. Even the most resource-rich franchise firms do not have the financial and human resources needed to enter a large number of international markets at the same time. Franchising companies must strategically choose the markets of priority countries where they can focus their efforts and resources on expansion.

The selection of countries with high potential market opportunities and low market risks initially increases the potential for high incomes, profits and equity, and reduces the risk of failures and losses.

Macroecological assessment helps identify and evaluate all potential target countries according to their capabilities and risk profiles. [19]

With regard to (section 2), the company's expansion into the external market should ultimately increase its long-term share value.

It is expanding through participation in value-added projects and initiatives measured at a positive net present value. The value created by the enterprise of international expansion is a function of:

- the more future cash flows, the more value will be created (this is recorded by the term OCF);
- the earlier the cash flows will be received, the more value will be created (through time money);
- the more bright future cash flows, the greater the value is created (this is recorded by the cost of capital k_A); and
- the value of initial investment is necessary for the deployment of a new venture: everything else is equal, the lower the initial value, the greater value is created.

Optimal market entry mode (section 3). When firms define a country that seeks to enter the international market, they must determine which organizational structure and management strategy will best help them to maintain their competitive advantage and maximize their value.

There will be a number of factors that will influence your choice of strategy, including, but not limited to, tariff rates, the degree of adaptation of your product required, marketing and transportation costs. While these factors may well increase your costs it is expected the increase in sales will offset these costs.

There is a large number of possible modes of access to the international market, they are listed in the section above.

In own projects the owner of the property manages them independently. On the other hand, franchise and management contracts do not require ownership of the property to generate income. The main difference between management and franchise contracts is that the managing company manages the hotel itself, while the franchise company manages the owner of an independent franchisee.

The macro and microfacies discussed above largely determine the mode of admission that is optimal for a particular firm in a given country.

Using a managerial approach, this study has attempted to develop and illustrate a process that can assist managers in the formulation of their international expansion strategies and plans.

The comprehensive model of international expansion outlined here explicitly takes into account a large number of variables that are critical in international expansion decisions, and provides managers with a time-efficient and cost-effective way of identifying their optimal expansion targets when faced with a large number of potential target markets.[19]

1.3. The main trends in the international hotel business

The hospitality industry is ever changing and the global scene is changing faster than ever before. As a whole, the industry continues to grow and consumers are traveling more than ever.

Every year, we take a look at what we think will affect independent properties and the hospitality industry as a whole. We have a lot to look forward to as new technology enters the market and existing players become more innovative.

Overall, the hospitality industry had a solid 2017 with the ninth consecutive year of positive growth. Every year, STR -its a hospitality industry data company, predicts the industry's growth in five categories: supply, demand, occupancy, ADR, and RevPAR. We use their data as a general benchmark for the industry.

STR measures growth in seven segments, including independent properties. The independent segment is expected to come out on top for ADR and RevPAR growth, +2.8% and +2.7% respectively. [21], this shown on the Table 1.3

Table 1.3.

Growth rates of the categories hotel industry

Categories	2017 Forecast	2018 Forecast
Supply	+2.0 %	+2.2%
Demand	+1.7%	+2.0%
Occupancy	-0.3%	-0.2%
ADR	+2.5%	+2.7%
RevPAR	+2.2%	+2.5%

For 2018, STR expects to see nominal growth in every category except occupancy, which will experience a minor decline. Much of the decline in occupancy

is due to increased supply in the market, rather than a decrease in the number of travelers.

The Hospitality industry has specific factors which must be considered as part of strategic M&A plans. As with all deals, structured planning and appropriate preparation will ensure that the planned value is delivered with the minimum of risk.

«A merger is the act of combining two firms to form a single company. Successful mergers and acquisitions (M&A) play a significant role in the growth of business and allow firms to expand more quickly than they could naturally. Growth is generally considered to be critical to the health of a firm. In general, growing companies will attract more customers, higher quality employees, and investors. Through mergers, firms can take advantage.

Chatfield in economies of scale, reduction in average costs, increased revenues, and creating growth opportunities. An M&A is one of many potential investment projects that companies can pursue.

Therefore, M&A decisions should be made based on shareholder wealth maximization. That means a firm should invest in projects that generate positive net present value.

There are many reasons for companies to participate in M&As. Survey evidence shows that CFOs believe achieving operating synergies is the key motivation for M&As (Mukherjee, Kiyimaz, & Baker, 2004). Even though the rationale may vary from one merger or acquisition to another, merger success is commonly measured by the short-term and long-term stock price responses. Studies not only show that returns from M&As vary over time but also that the combined target and bidder response is uncertain.

There are many reasons for firms to be involved in M&As. One is the potential synergy from M&As the benefit from new technology, a new product, and the expansion of market share. Merging companies hope to bring something unique to better their operation, eliminate redundancies and become a more efficient, capable, and profitable company.»[15]

Thus, mergers and acquisitions are inseparable from the strategy. To make a significant purchase, you need to have an investment justification.

But before developing a strong investment justification, one needs to understand how the company is making money today and how it will probably be making money in the future. Companies need to develop a clear vision of how they will grow and grow within their industry to achieve a defined strategy of the state.

This way of thinking will allow the company to ensure business survival and increase its competitiveness in a competitive environment. In addition, one can accumulate vital knowledge, skills and experience through mergers and acquisitions with companies that provide access to new markets or technologies. The mission and vision of long-term prospects help to determine if the merger and acquisition projects have value for the company. In the development of the international hotel business often combines different directional processes of expansion and reduction, that is, differentiated development.

This is largely attributable to the growth strategy. At the same time both expansion and reduction can be carried out by different methods. The reduction may include both a complete rejection of certain hotels and the provision of a lease. Differentiated development can take place both in the scale of one country and simultaneously in several countries.

The development of the world market of tourism and its infrastructure element - the world market of hotel services - is characterized by an increase in the volume of investment. This manifests itself in increasing its importance in the socio-economic improvement of national economies, the creation of additional jobs, and the development of infrastructure. World tourism market - one of the segments of the world economy, which is developing fastest.

In 2015, for the five consecutive year, starting from the post-crisis period of 2010, the growth rate of international profits has exceeded the average level, and this year it increased by 4% or more. In 2015, the growth rate in Europe, the Americas and the Asia-Pacific region amounted to about 5%.

The number of income in the Middle East increased by 3%, while in Africa this figure has been estimated to have fallen by 3%, mainly due to the poor performance of North Africa, which accounts for more than one third of the population in the region [3].

The hotel fund of European countries is about 45% of the world's hotel fund. The size of the hotel base second after Europe is the American continent, whose share in the global hotel industry reaches 37%. The third largest hotel in South West Asia and the Pacific is 15%. The share of hotels in Africa, Australia and Oceania in the global hotel industry is about 3% [11].

Among the individual countries, the world's leading hotel industry leaders are: USA, Japan, Italy, Germany, France, Spain, England, Austria, Canada and Mexico. The highest rates of hotel construction are observed in China, Turkey, Morocco, Germany, Argentina, Singapore, Malaysia.

Today in the world there are almost 360 thousand comfortable hotels of different levels with a number fund of 15 million units. Most of them are in Europe and North America. The number of rooms increases annually by 10-16%. The largest hotel chains of the world in number of rooms in 2017 are presented on (fig.1.6.) .

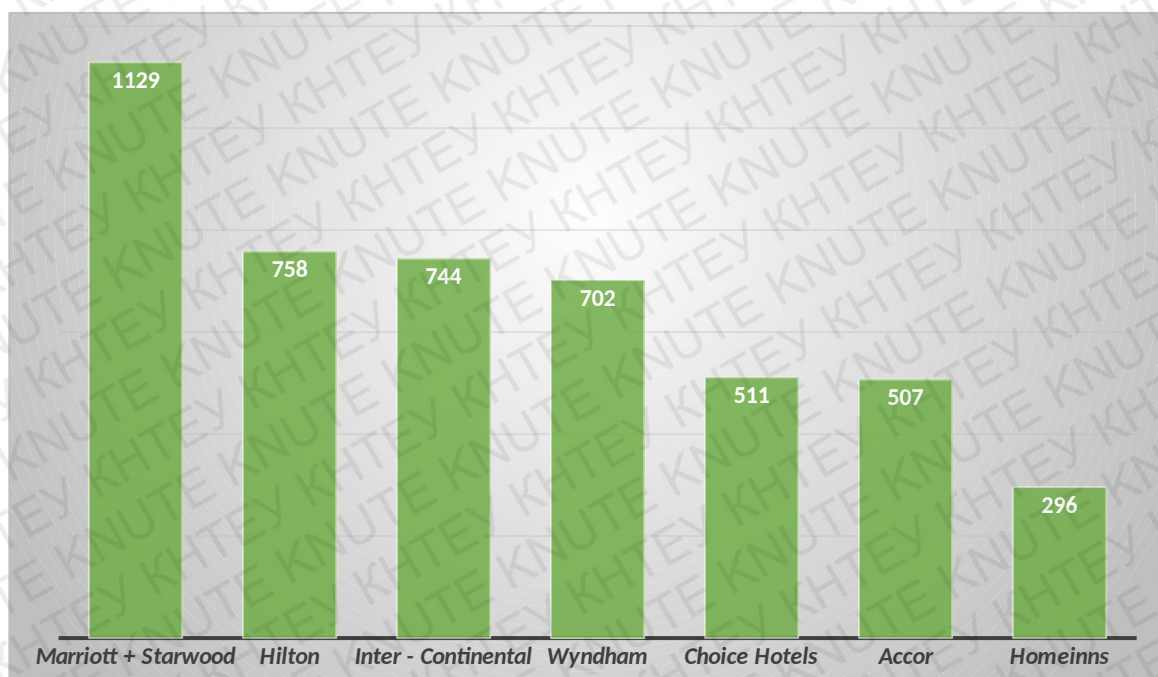


Figure 1.6. The largest hotel chains of the world by the number of rooms in 2017.

Main tendencies of development of the hotel market:

- expansion of the sphere of interests of the hotel business to other products and services previously provided by enterprises of other industries. For example, catering, leisure, entertainment, exhibition activities, etc. Guests today are taking charge of their health; hotels are responding with well-equipped fitness centers, pools and spas. Increasingly, travelers are expecting innovative wellness options. In addition to healthy food options, growing trends include lighting that energizes, air purification, yoga spaces, in-room exercise equipment and even vitamin-infused shower water;
- the growing democratization of the hospitality industry, which contributes significantly to improving the accessibility of hotel services for the mass consumer;
- increasing the specialization of the hotel business, which makes it possible to focus more precisely on certain segments of consumers taking into account different features;
- development of new types of tourism, for example, ecological, adventure, religious, extreme, some thematic directions, allows to take into account the interests of almost all categories of consumers and make the tourist product more attractive;
- the globalization and concentration of the hotel business, which manifests itself in the creation of tourist corporations and hotel chains, also establishes hotel associations, unions, international governmental and non-governmental organizations;
- deep personalization of service and full concentration on the requests and needs of clients;
- wide introduction of new means of communication and information technologies that allows to conduct deep and systematic economic diagnostics;
- introduction of new technologies into the business strategy of hospitality industry enterprises;

- in particular, widespread use of the Internet to promote hotel products and services, as well as the spread of modern computer reservation and reservation systems.

These main modern trends in the hospitality industry are aimed at solving the main tasks:

- definition of new ways of development, constant updating of its own policy, invariably taking into account the dynamic development of the market for hotel and tourist services;
- search for your own competitive advantages;
- ability to create a stable clientele, due to the ability to find its client.

The hospitality and tourism sectors have emerged as key value drivers and differentiators in a competitive economy, including in emerging economies, where growth has shifted away from goods and products toward services, with tourism and hospitality accounting for a significant portion.

For a destination, it is not enough to just show promise — to capitalize on the global expansion of hospitality and tourism markets and attract investors. Thanks to their transparency and responsiveness, they have reduced hesitation in the capital markets and shown that tourism is an important economic differentiator.

Features of analytics trends in the hotel market. Data analytics is transforming how leading hospitality companies do business as they are increasingly using larger amounts of data and more advanced analytic techniques to make better decisions across functions.

In this dynamic evolution, analytic tools are being used to measure and improve business performance, with a focus on the areas of revenue growth, customer relationship management and the guest experience.

Analytics is also transforming the way hospitality companies approach transactions, including supporting the creation of a market outlook, assisting with target identification and enhancing the approach to evaluating a transaction.

Analytics in hotel management. The use of analytics often has a direct impact on revenue for hotel management companies.

In the revenue management department, companies can now leverage data from a multitude of sources, including online search behavior, air traffic, competitor sales and future reservations to better forecast demand and optimize pricing.

For example, RCI, a leading US timeshare broker, developed an analytics system for a timeshare exchange valuation that generated hoteliers are developing a more granular understanding of guest buying preferences.

With predictive models, they are now able to Analytics also significantly improves the overall guest experience.

For and the algorithms behind the booking procedure by understanding US\$11.0m in revenue in the first year. [22]

In the marketing department, behavior and expectations to identify customer segments and their reveal guests' likelihood to respond to promotions.

Analytics also significantly improves the overall guest experience. For instance, booking app developers are able to improve the user interface and the algorithms behind the booking procedure by understanding the customer journey.

This allows them to provide a personalized user experience and custom-made recommendations. [23]

In addition, Ritz-Carlton's customer relationship management system, Mystique, incorporates analytics to understand individual customers' behavior and to create a customized guest experience during subsequent visits. [24]

Conclusion of the Part 1

The hospitality and tourism sector have emerged as the main factors and differentiations in a competitive economy, including those in developed economies where growth has led to the abandonment of goods and services to services, with tourism and hospitality being a large part.

Proceeding from this diploma part 1, the basis of globalization is the growing role of tourism in the global economy, the internationalization of production, the institutional form of transnational corporations.

Modern features of the process of globalization of the hotel industry are:

- strengthening the role of international tourism as a form of cooperation between countries, an expression of globalization, the highest level of tourism, high growth rates among all spheres of the economy;
- an important component of international tourism - the international hotel industry, which is formed as a result of the approval of the importance of hotel chains in many countries of the world;
- focus on issues of choice of ownership forms and management practices of the hotel industry;

- socio-cultural differences and language problems in foreign markets that need to be taken into account when developing internal and external marketing strategies.

So, as the study showed, the establishment and approval of international hotel chains is due to the development of the world market for hotel services and reflects the general tendency towards globalization and transnationalization of the economy. Today, the global hotel industry is characterized by the following development trends:

- deepening specialization and diversification of hotel services;
- formation of large-size corporate forms - hotel chains, which become multinational companies;
- widespread use in hospitality of information management systems, technology provision, marketing;
- integration of capital of hotel enterprises with the capital of financial, insurance, construction, transport and other spheres of economy;
- wide use of scientific guidance in the organization and management of hotel business;
- development of a network of small hotel companies focused on a specific segment of the market.

Tourism and hospitality industry is the largest industry in the world. Some suggest that one third of the world's population works directly or indirectly through tourism.

Given the increasing demand for travel services, tourism has become a significant sector for the world economy and hotel business development in recent years.

PART 2 .

**ESTIMATION OF THE PREREQUISITES FOR THE ENTRANCE OF
HOTEL COMPANY “MYS DOBROI NADII” TO THE HOTEL MARKET IN
GEORGIA**

**2.1. Organisation and economic characteristics of the hotel “Mys Dobroi
Nadii”**

The hotel complex «Mys Dobroi Nadii» is located in a picturesque corner, lying on the banks of the Vorskla River.

On the left bank is a hotel, cottages and restaurant on the right side there is a beach with deck chairs and comfortable gazebo, bar, barbecue area and all the fun (rope park, sports fields for team games and a unique playground).

The base is very close to the millennial historic city of Poltava.

This luxury hotel complex is designed in a loft style, it has different room categories: two-room and three-room cottages, first-class standard, "lux.", "twin".

The structure room in the complex "Mys Dobroi Nadii" is presented on Figure 2.1 and presented in the Table 2.1.

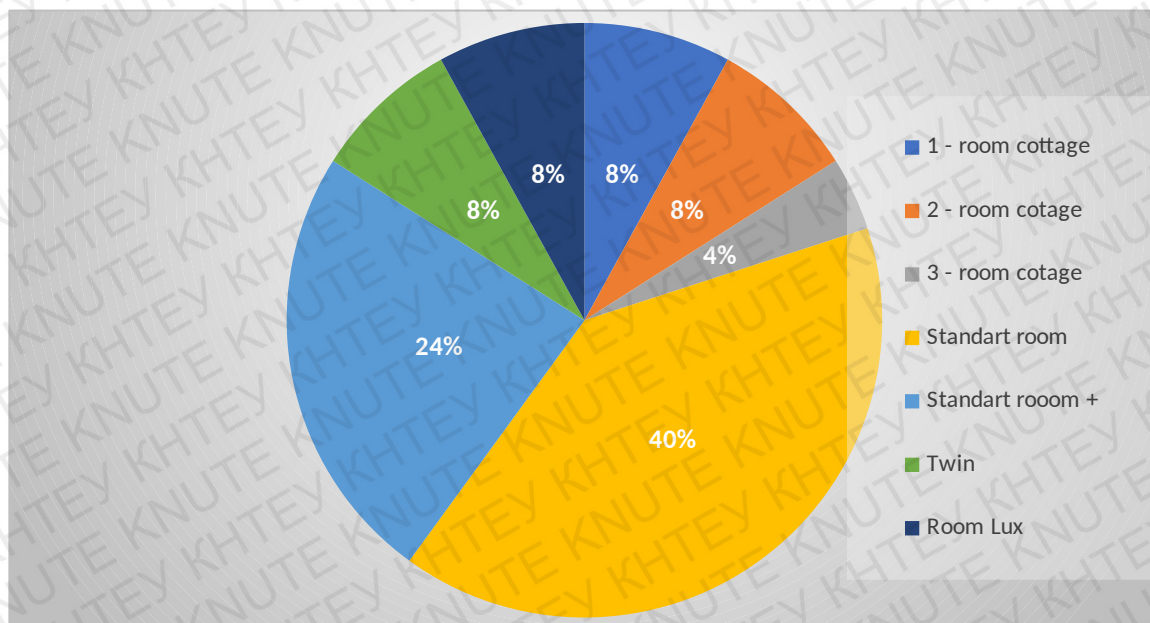


Figure 2.1 Share of the types of accommodation of the hotel complex "Mys Dobroi Nadii"

Table 2.1.

Hotel room fund

№	Category of room	Number of rooms
1	Single room	2
2	Double room	2
3	Triple room	1
4	Standart room	10
5	Standart room +	6
6	Twin	2
7	Lux	2

The hotel rooms are equipped with a TV, fridge, hairdryer, telephone, high-speed, wireless internet (Wifi). The interior of the rooms is made in a soft natural palette, are

in the room, you as if merging with nature. The average area of rooms is from 17 to 25 square meters.

The cottages are located on the banks of the Vorskla River, very comfortable for living with families and small children. The interior is dominated by wooden decoration and built-in kitchen. The average area is 34 square meters.

The cottage has all the necessary barbecue facilities, and some cottages have a private sauna. Photos of an incredibly beautiful complex, and cottages are listed in Appendice C.

Travelers will appreciate the comfort of the hotel:

- sports complex;
- cable car;
- wakeboarding;
- SPA salon.

Guests can enjoy dinner at the restaurant, which is also located not far from the banks of the river. Tables and seats are divided into two sections, each with its own entrance to provide an atmosphere of closeness. Exquisite and traditional dishes under the pressure of the Poltava spirit.

Lovers of alcoholic beverages, in particular, Ukrainian dance, will surely find inspiration in the Ukrainian collections of tinctures in the restaurant.

The hotel complex is also designed for business conferences, so in the main building on the ground floor there is a large conference room with a built-in projector for broadcasting video and presentation material.

The summer terrace is ideally connected and perfect for celebrations. There you can relax the wedding, order a party, celebrate an anniversary or celebrate any other holiday. Experienced chefs guarantee quality and delicious Ukrainian, European and home cuisine.

When visiting the hotel complex “Mys Dobroi Nadii”, guests will surely be satisfied and they will want to return to the hotel. Accommodation is available 24 hours on the basis of prior reservations and free accommodation with rooms.

"Mys Dobroi Nadii" is located on the river Vorskla, but no right property on the beach, which is located in the hotel, so access to the territory allowed everyone, but for a fee.

This hotel complex has a certain seasonality, as, many visitors are attracted by the summer season for outdoor recreation, the price policy in the summer is different from the winter.

Also in the velvet season, there are discounts up to -50% for staying in the hotel complex or visiting the spa zone.

The 2018 pricing policy in the amount is for one person for one night is presented on the Appendice D.

The organizational structure hotel complex "Mys Dobroi Nadii".

For the implementation of a closed service cycle, guests are provided with basic services, the essay is shown on the Figure 2.2.:

- booking;
- service;
- reception and settlement part;
- operation of the numbering fund;
- security.

Figure 2.2. Technological cycle of service guests of hotel complex “Mys Dobroi Nadii”

The functions of the reservation service include:

1. Applications are accepted and processed.
2. Preparation of necessary documentation: schedules of arrival on a daily basis (week, month, quarter, year), maps of movement of the number fund.

Applications are accepted by phone, fax, telex, mail, using computer reservation systems. Each application must contain the following information:

- date and time of arrival;
- date and time of departure;
- number of guests;
- category of the room (suite, apartment, economy class);
- services in the room (bath, shower, TV, refrigerator, safe, mini-bar, etc.);
- meals (breakfast only, half board, full board);
- the price (at the indicated price it is necessary to determine exactly what the guest pays for: for all the time of stay, for one day of stay, for each living, only for placement, for accommodation and meals, for accommodation and breakfast, etc.);
- the name of the one who will pay the bill (or company name);
- type of payment (available, non-cash, using a credit card);
- special wishes (advance reservation in the restaurant, transfer, possibility to keep in the room of animals, etc.).

After the respective processing of the application, a member of the reservation service sends a confirmation or refusal.

Reception and settlement unit :

- the reception service is located at the entrance to the hotel;
- the registration desk is clean, with no papers and unnecessary items;
- reception staff have an impeccable appearance and behave accordingly with the guests.

In the hotel complex "Mys Dobroi Nadii" to the functions of reception and settlement are also the division of numbers and the registration of vacancies in the hotel, billing and settlements with customers.

Immediately after placing the guests in the hotel, the settlement unit opens the account in his name. Of course, the visitor uses the services of various hotel services, presenting a business card or naming a room number.

These services provide information on the cost of guests in the calculation part, which includes them in the total bill. At the end of the guest's stay, the estimated amount is calculated with it and informs all hotel services.

The organizational structure of the hotel complex "Mys Dobroi Nadii" is shown schematically in the Appendix E and the description of the organizational structure of the hotel complex is described below.

Description of the organizational structure hotel complex "Mys Dobroi Nadii". Engineering and technical service. The value of this service at the hotel as it is saturated with modern high-tech equipment is growing more and more.

The engineering and operational service at the hotels provides the necessary conditions for the functioning of the building and equipment in accordance with the established standards.

In order to effectively carry out its functions, the personnel of the service must carry out regular, in accordance with approved instructions, a survey of the sanitary and technical condition of the hotel and the territory adjacent to it, objects of communal purpose and improvement of territory served by this service.

The function of the service includes the development and implementation of resource-saving technologies and equipment, which can significantly reduce the overall consumption of resources, primarily energy resources, water, etc.

Modern hotel companies manage engineering systems through the use of automated control systems that provide interconnected work of all hotel services and systems.

In the management structure, the chief engineer is headed by the engineering and operational service; he is subordinated to the engineer-engineer-programmer, master.

In the functional structure of the service there are two departments - the next technical service and repair service. In the management communications system, the chief engineer is subordinated to the general director, in major hotels as deputy director general, technical director.

The chief engineer adjusts the work of the technical staff and controls the results of his work, in particular: ensures the distribution of daily orders received from the services and personnel of the hotel for the execution of works and their completion in time, makes schedules of work on prevention and repair, distributes in accordance with the schedule of functions in the execution of works, is responsible for the use in accordance with the operational requirements of technical equipment - heating systems, water supply, communication facilities, etc.

The Deputy Chief engineer provides coordination, control over the work of the service personnel, assists the Chief Engineer in the performance of his duties in accordance with the operation of the service.

In particular, it provides: scheduling of alternation and organizes shift work of technical staff, labor discipline of the personnel of the service, accounting for the recruitment of staff and makes a payment note, staff training, distribution of production tasks and provides control over their implementation, control of the state and safety of the functioning of the main engineering and technical systems, controls the use of utilities to save and control costs. Electrician provides: uninterrupted work according to the technical instruction of power and plumbing equipment, electric and heating networks, air ducts, water supply and sewage, supervision of maintenance of electric equipment and electric networks, responsibility for observance of fire safety norms.

An electrician provides: uninterrupted operation of the hotel's electrical equipment, eliminates electric lighting accidents and restores functions of light and power points, restoration of internal wiring, switches, television installations, lighting fittings, chandeliers, electric lamps, repair of electric heating equipment, informing the Chief Engineer regarding the necessity of conducting repairs or changes in the

electricity system, studies the measures of fire safety of the accommodation facilities caused by electrical equipment.

The sanitary technician controls the sanitary equipment, water supply and supply systems of the hot water, heating systems, sewage systems, household appliances, performs preventive repair of sanitary equipment.

The carpenter provides the serviceability of joinery equipment doors, windows, wooden flooring, repairs and replaces door locks, etc.

Room Management Service. In the activity of the service of the numbering fund, a significant role belongs to the moral qualities of the staff - honesty, restlessness to other people's things.

Heads up the service room manager, at. The manager of the service is subordinated to the regular on the floors, the elder maid, the head of the underwear, the maids, the castellans, the supervisor, the steward, the seamstress, the cleaners.

Room Service Manager. Functional duties of the head of the service are connected with:

- control of the quality of service, the state of equipment and comfort in rooms, public and office premises;
- necessary measures aimed at maximizing the income from payment for accommodation in the hotel, increasing the number of hotel rooms;
- monitoring of the tariff system for services in rooms, in cooperation with the economic department and the commercial service of the optimal tariff. The senior maid delegates the production tasks of the head of the service, coordinates the work of the group of maids, controls the condition of the premises.

The responsibilities of the senior maid include:

- distribution of production tasks in accordance with professional requirements;
- organization of cleaning rooms, common areas and offices, keeping them clean and in order;
- reception of rooms at departure of the client; - control over the intactness of property and equipment in the rooms and public premises assigned to it; by keeping

the laundry, its condition, technical condition of the equipment in rooms and office premises.

Hotel safety service

- provide protection and safety of guests and their personal property while staying at the hotel;
- maintain public order and ensure proper treatment at all locations of the hotel;
- to provide guests with peace of mind and privacy during their stay in the hotel;
- provide an opportunity for immediate and effective response in the event of any event requiring interference by hotel staff or representatives of outside departments (police, ambulance, etc.);
- to guarantee the integrity and integrity of all hotel staff.

The commercial department is a group of managers involved in marketing, sales of rooms, organization of banquets, advertising.

The catering department provides guests with the restaurant's services, cafe-bar and hotel bar, solves the issue of organizing and serving banquets, presentations, and so on. The catering units, which include a restaurant, a cafe bar, a bar, a banquet service, as well as a kitchen, provide guests with meals. The kitchen is a production center. Cooks prepare the necessary dishes, and the main responsibility of management in this sector is only to control the price and quality of the final product.

The instruction is drawn up for each profession, taking into account the variety of equipment and technological operations assigned to the employee, taking into account current legislation on occupational safety and health. The manual contains only those requirements that an employee can perform. The provisions of the instructions are organized in a consistent manner in accordance with the established operation process.

The hotel complex “Mys Dobroi Nadii” conducts a policy of unsecured reservation, that is, it assumes the responsibility for maintaining the guest's room before the stated withdrawal time. This type of booking does not guarantee that the hotel will be able to receive a fee for a non-affiliate customer. If the guest does not arrive by the agreed time, the hotel has the right to place this room for sale. In case of

a guest arriving after the stated hour of cancellation, the hotel may provide accommodation services if there are free rooms available.

Analysis of the dynamics, composition and structure of assets of the enterprise hotel industry. In analyzing the dynamics of the composition and structure of assets of an enterprise, the data of the asset of the balance sheet are used.

Table 2.2.

Analysis of the dynamics, composition and structure the assets of hotel complex “Mys Dobroi Nadii”

Indexes	at the beginning of the year	at the end of the year	Changes per year
1	2	3	4
Total assets	92400	91987,7	- 412,3
Non-current assets	79110	77441,1	- 1668,9
in% of total assets	856,2	841,9	- 14,3
Current asset	13260	14502,2	1241,2
in% of total assets	143,5	157,7	14,2
Production stocks	2970	3731,3	761,3
in% to current assets	2244	2573,7	329,7
Funds in the calculations	142,3	232,3	90
in% to current assets	840	844	4,5
in% to current assets	633,7	582,5	- 51,2
Expenses of future periods	29,0	44,4	15
in% to the balance currency	0,3	0,5	0,2

Thus, in the reporting year, the property of the company decreased by 412,3 thousand UAH. This was due to a decrease in non-current assets by UAH 1668.9 ths. or 14,3. Future expenses have not changed much and their share in total assets has increased by 0.2%.

During the reporting period, the structure of current assets also changed, so the funds in the calculations increased by 90 thousand UAH, and their share in the total amount of current assets increased by 1.79%, the production reserves increased by 76.1 thousand UAH. and their share increased by 3.33%,%, cash and cash equivalents increased by UAH 4.5 thousand, and their share decreased by 51,2%.

We conclude that during the reporting period, the sources of assets of the analyzed company decreased by 412.3 thousand UAH. This decrease was due to a reduction of equity capital by 42 thousand UAH, as well as long-term liabilities of 3.3 thousand UAH. At the same time, the share of equity in all sources of assets decreased by 0.4%, while the share of long-term liabilities decreased accordingly by 0.48%.

It is worth noting that in the reporting year, the obligations of the enterprise as a whole increased by only UAH 0.6 thousand. and their share in the total volume of sources of assets of the company increased by 0.5%.

The value of the indicator "Availability of own working capital" indicates that the company has enough own working capital, and by the end of the year their number has increased by 125.1 thousand UAH. and amounted to 8.79% of equity.

Analysis of financial stability and liquidity of the hotel complex "Mys Dobroi Nadii"

The financial condition of the enterprise, its stability largely depends on the optimal structure of capital sources (the ratio of own and borrowed funds), the optimal structure of assets of the enterprise and, first of all, the ratio of fixed and working capital, as well as the balance of assets and liabilities of the enterprise for functional feature.

The analysis of financial stability is based mainly on relative indicators, that absolute indicators of balance in the conditions of inflation is very difficult to lead to a comparative view.

Relative indicators of the analyzed company can be compared with:

Generally accepted "norms" to assess the risk level and predict the possibility of bankruptcy;

Similar data from other companies, which makes it possible to identify the strengths and weaknesses of the enterprise and its capabilities;

Similar data for previous years to study the tendencies of improvement or deterioration of the financial condition of the enterprise.

We will analyze the financial stability for the hotel complex "Mys Dobroi Nadii" on the shown on Table 2.3.

Table 2.3.

Analysis of the financial stability of the hotel complex "Mys Dobroi Nadii" for 2017.

Indexes	at the beginning of the year	at the end of the year	Changes per year	The normative value
Who coverage ratio	0,83	0,83	0	1
The ratio of financial independence	12,057	11,99	0,067	1
The ratio of autonomy	0,923	0,923	0	0,5
Equity ratio	0,066	0,064	-0,002	0,15
Coverage ratio	1,88	2,05	0,17	0,7

The analysis of financial sustainability of an enterprise at the moment reflects its sufficient level, since the absolute majority of indicators correspond to normative values. It should be noted that the value of the coefficient of maneuverability of equity is much lower than the normative, which indicates its lack of mobility.

The coefficient of financial independence is very high, which indicates that the company is able to cover its liabilities with equity capital.

One of the indicators of the financial condition of an enterprise is its solvency, that is, the ability to timely pay its payment obligations with available cash resources. It is the coefficients of the company's liquidity assessment that helps assess the ability of an enterprise to fulfill its short-term obligations, using easily realized assets for that purpose. The liquidity ratios characterize the ability of the enterprise to timely settle their current liabilities at the expense of working assets of different levels of liquidity.

Table 2.4.

Analysis of indicators of liquidity of the hotel complex “Mys Dobroi Nadii” for 2017

Indexes	at the beginning of the year	at the end of the year	Changes per year	The normative value
A	1	2	3	4
Coefficient of coverage, or the ratio of current liquidity	2,178	2,367	0,189	1 - 2
Quick liquidity ratio	1,690	1,758	0,068	0,7 – 0,8
The absolute liquidity ratio	1,380	1,379	-0,001	0,2 – 0,3

Assessment of the “Mys Dobroi Nadii” liquidity shows a high level of solvency of the company, since the coverage ratio is in line with the normative value and shows that at the beginning of the year, the hotel could settle its liabilities by working capital by 217.8%, and by the end of the year - by 236, 7%.

The indicator of the quick liquidity ratio indicates that at the end of the year, the company could settle its current liabilities at the expense of funds in settlements and cash funds by 175.8%.

The absolute liquidity ratio is also higher than the normative indicator, and indicates that at the end of the reporting year, the enterprise could cover its current liabilities at the expense of funds by 137.9%.

2.2. Estimation of the tourists attractiveness of Georgia for the development of hotel business

Georgia is a state in the Transcaucasia. Boundaries in the north with Russia, in the east - with Azerbaijan, in the south - with Armenia and Turkey. The total area of the Republic of Georgia is 69.7 thousand km. including Abkhazia (an area of 8.6 thousand km²) and South Ossetia (an area of 3.9 thousand km²), which unilaterally declared their independence and separation from Georgia. Map of Georgia is shown in Appendice E.

Differing from the world's nations with the richest biological diversity, Georgia boasts rich natural and cultural resources, as well as more than 12 thousand historical and cultural monuments, four of which are included in the list of places of world heritage of UNESCO.[41]

Georgia is a regional center located on the shortest route between Europe and Asia. International visitors have easy access to three international airports (Tbilisi, Batumi and Kutaisi), a modern system of passenger and visa liberalization. Georgia has a visa-free regime with citizens of many countries, and this leads to the influx of tourists to the country.

The economy in the country today is almost completely liberalized and is the owner of the most favorable conditions for foreign investment. According to statistical data, the inflow of foreign investments has recently been steadily increasing in Georgia, and in other Caucasian countries they are only decreasing every year.

The economy of Georgia is in 9th place in the ranking of countries in terms of the ease of doing business. Such information is available in the “Report on the business activities of the countries of the world in 2018”, which compiled the World Bank. This figure is much higher compared with last year, when the country ranked 16th.

The flow of investments into the economy of Georgia during 2016 reached \$ 1.661 billion, while the outflow amounted to \$ 232 million over the same period in accordance with the 2017 World Investment Report.

Investments in the economy of Georgia are focused on transport, infrastructure, tourism hotel business and finance.

In the table 2.5 contains data illustrating the dynamics of investment in the Georgian economy over three years (2015-2017), as well as indicators related to this value. The information is presented in accordance with the latest available data of the UN General Assembly body UNCTAD (United Nations Conference on Trade and Development). [36]

Table 2.5.

Dynamics of investment in the economy of Georgia 2015 – 2017 years

Investment in economy of Georgia	2015	2016	2017
Internal flow of foreign direct investment (mln. USD)	1576	1661	1763
Foreign direct investment reserves (mln. USD)	12850	12854	14109
Foreign direct investment reserves (in % from GDP)	77,8	91,8	99,2

From Table 2.5, we shown that foreign investment in the Georgian economy has been steadily increasing in recent years.

The index of domestic investment efficiency reflects the relative success of the country in the interest of investors to make their investments in the economy of Georgia.

Investments in the economy of Georgia. Level of investor protection in the country.

The level of legislative protection of investment assets in Georgia has several parameters, ranging from the transparency of transactions and ending with the protection of investors rights.

The greater the value of any index (0-10), the higher the level of transparency of the conditions for conducting transactions, the personal responsibility of those who manage investments, the easier it will be for shareholders to take legal measures and the higher the level of legal protection for investors and assets invested by them (respectively for each column).

The levels of these and other indicators related to the safety of investments in the economy of Georgia are given in Table 2.6 and for clarity compared with the existing level in other countries. This data is taken from the “Doing Business report of the World Bank”. [34]

Table 2.6.

Index of security parameters for doing business in Georgia for investors

Index security parameters for investors	Georgia	Eastern Europe and Central Asia	USA	Germany
Transaction Transparency Index	9,0	7,0	7,0	5,0
Executive Liability Index	6,0	5,0	9,0	5,0
Shareholder Legal Opportunity Index	7,0	6,0	4,0	8,0
Investor Protection Index	7,7	6,4	6,5	6,0

As we can see, according to almost all data, the country surpassed even Germany, yielding to it only in the index of shareholders' legal opportunities. Not much behind the United States, where the index of investment managers is higher. And its separation from the countries of Eastern Europe and Central Asia confirms once again the leadership in the region and the advantageous opportunity to make investments in the economy of Georgia.

Economy of Georgia in 2017-2018 represents an actively developing field of activity with annual GDP growth of 5%. This is reflected in the volume of wages of the local population, which has recently been approaching \$ 400. By this indicator, Georgia is ahead of neighboring Azerbaijan and Armenia.

According to the report of the National Statistical Committee, the Georgian economy in recent years has been characterized by a tendency towards sustainable growth: from 2015 to 2017 its GDP increased by 10%. Forecasts of economists speak of its further growth of 4-5% per year. This is due to the following factors:

- structural economic reforms of the Georgian government;
- rapprochement with the European Union;
- increase in turnover (mainly due to exports);

- development of entrepreneurship, small and medium business;
- the growth of international tourism;
- favorable investment policies, etc.

Against the background of a growing economy, there is an improvement in the standard of living of the population. Georgia is in 84th place in this indicator, ahead of Belarus, Russia and Armenia. However, the average per capita income remains quite low: \$130-150 per month for each citizen of the country, including pensioners and children.

In the figures 2.3. show the comparative data of Georgia's GDP with other countries per capita per year.



Figure 2.3. GDP of Georgia and neighboring countries per capita

As we can see, according to almost all data, the country surpassed even Germany, yielding to it only in the index of shareholders' legal opportunities. Not much behind the United States, where the index of investment managers is higher. And its separation from the countries of Eastern Europe and Central Asia confirms once again the leadership in the region and the advantageous opportunity to make investments in the economy of Georgia.

Real Estate and Hospitality are one of the fastest growing sectors of Georgian Economy. Over the recent years Georgia has seen a dynamic growth of international visitors, in 2015 the number of international visitors reached 5.9 million while the population of Georgia is 3.7 million people. Number of international tourists' arrivals is expected to grow by 8-10% during the next five years (Source: Colliers International Georgia, Hospitality & Real Estate Sector Research 2015). [26]

Georgia was a very desirable place for the hospitality sector, and several factors contributed to this:

- preservation of historical heritage, nature and culture;
- different types of resorts and investment opportunities;
- visa-free regime with 94 countries of the world;
- climatic conditions favorable for a comfortable stay in the country;
- 16th most secured country in the world (Source: Global Competitiveness Index -2015/2016). [27]

From the development of tourism and hotel industry in the country, in 2017, more than 5 different national minorities and visitors from different countries visited Georgia. Armenia visitors – 25 %, Azerbaijan – 24%, Turkey – 24 %, Russia – 16%, Ukraine – 7%, other – 10% these figures are shown in Figure 2.4 [25]

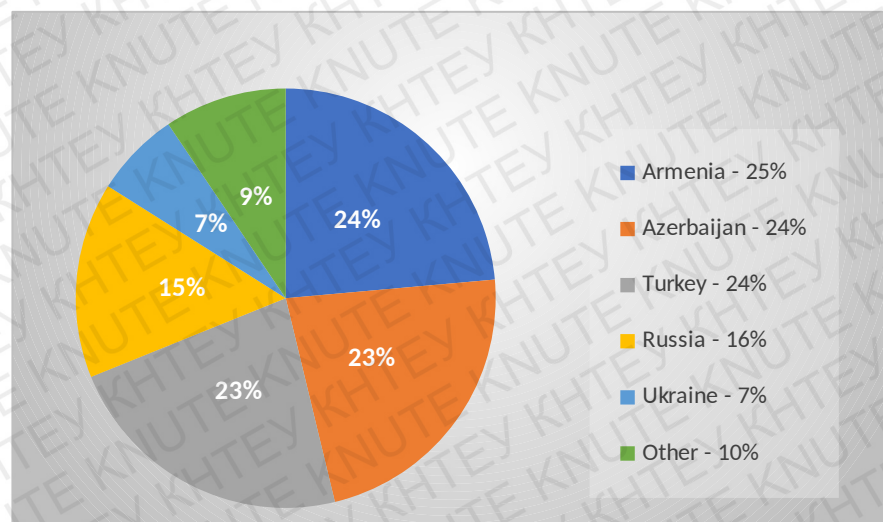


Figure 2.4. Geographic destinations of tourists visiting Georgia in 2017

The world has already restored Georgia as a popular tourist destination. The number of tourists is already close to the population of the country - 3.7 million. The total number of foreign tourists (tourists, transit and one-day arrivals together) increased from 21.7% in the period from 2008 to 17 years and reached a record 7.5 million people in 2017 year Of the 3.5 million tourists in 2017 is expected to 2018 Another bumper year with projections for the arrival of tourists will be a new record of about 4.2 million - above the local population of Georgia. This country has

managed to attract tourists from non-traditional markets. Traditionally, visitors to Georgia more often visited the country of the CIS and Turkey. However, the most ambitious diversification of the profit mix is evident, and the share of the four main sources - from 88.1% in 2012 to 80.1% in 2017, as profits have grown significantly from the Middle East and Iran.

Tourism is the most prosperous part of the Georgian economy, which otherwise suffered from regional economic shocks for 2015-2016. Income from the tourism sector at 2.78 billion dollars.

The United States (18.1% of GDP) in 2017 helped significantly reduce the current account deficit of the country, when it fell to a single digit of 8.7% of GDP per year. It is important that Georgia has never seen a decrease in tourist revenues - even in 2009 and 2015, having beaten up peers who had suffered a decline in tourist income in those years. Georgia generates much less than peers for the cost of arrival. This is due to the fact that:

- 1) the domination of neighboring countries in its profitable combination;
- 2) a low proportion of "real tourists" compared with their peers. The number of tourists has doubled during 2012-2017.

Growth of visits contributed to the consistent growth of the placement segment. In 2017 more than 3 thousand new hotel rooms were added to the housing stock of Georgia. Without success in attracting high-income visitors, along with a large pipeline of high-class hotels, the country expects pressure on prices and employment in this segment.

The growth in travel and tourism in Georgia outstripped the world economy for the seventh consecutive year in 2017.

Despite rising and unpredictable shocks from terrorist attacks and political instability as well as natural disasters, Georgia continued to evolve in the hotel and tourism sector, encouraging investment from other countries to show its resilience.

The hospitality sector of Georgia has been expanding steadily over the last five years. 19.0% CAGR (Compound Annual Growth Rate), registered in the hotel rooms for 2012-2017, matches the level of attendance of the country. In 2017 more than

3000 additional rooms (+ 13.3% per annum) were added to the total number of dwellings, and the total number of hotel rooms by the end of 2019 will reach 40,000 from approximately 28,000.

Given the expected increase in profits, the increase in the number of residential premises has to continue to continue, as the passage per bed per thousand tourists lags behind the peers (by 21.8 in Georgia, compared with 57.3 on average) since 2016.

Domestic tourism also stimulates the demand for housing, these data are shown in the figure 2.5.

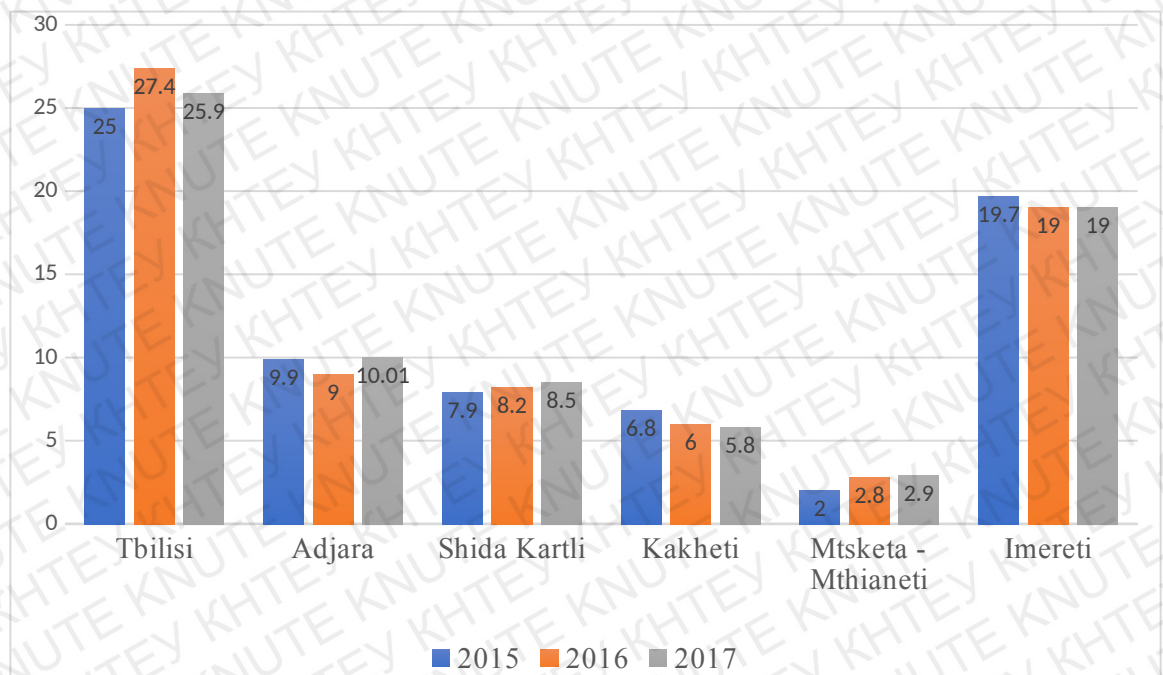


Figure 2.5. Geographical structure of domestic tourism

Domestic tourism is an important contributor to tourism sector as incomes rise and lifestyles change. Georgian citizens took a total of 12.6mn trips in 2017, down 2.5%. Notably, this excludes regular trips taken by citizens that do not count towards domestic tourism, as per the UNWTO (United Nations World Tourism Organization) methodology. Tbilisi residents accounted for the biggest share (27.4%) of domestic visits, which is explained by the concentration of the country's high-income population in the capital, in addition to its population size.

The most popular destinations for domestic travel were Tbilisi, Imereti, and Adjara, which together accounted for 56.8% of domestic travel, and we can show this statistic information on the figure 2.6. [26]. Tbilisi accounts for majority of

existing and planned international branded hotels. Currently, there are four five-star international branded hotels (10.4% of total room stock) in Tbilisi and nine others, they are shown in Appendix D.

Currently, the upscale segment is benefitting from the growing number of tourists visiting the country for leisure purposes.

Tbilisi has been the most active place for investment in the hotel in recent years. As of 2017, Georgia registered 1,963 registered residential units with 27,907 rooms and 67,660 beds. The capital has the largest number of hotel rooms (28.9% of the total) in the country with Ajaria (19.7%) and Samtskhe-Javakheti (13.0%), as well as other points for the development of hotels.

However, interest in investors seems to be shifted in other regions of Georgia, given that the growth in indoor services over the 2018-2020 period will be evenly distributed between Tbilisi and regional destinations. This statistic information shown on figure 2.6.

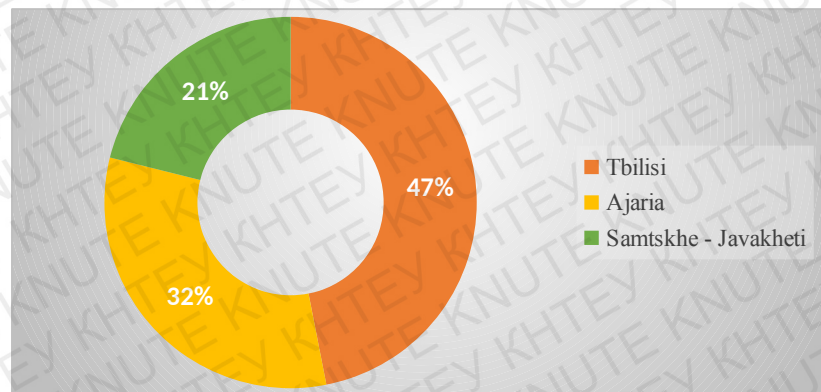


Figure 2.6. The quantity of hotel room in different cities in Georgia

Georgia is a multifaceted country, so visitors from different cultures are choosing this country for a variety of purposes, such as health, business, travel, leisure, and more. In 2017, statistics were collected on the purposes of visits to Georgia, foreign tourists.

Foreign tourists visit Georgia with the purpose:

- 1) Recreation/ Leisure – 69%;
- 2) Business/Professional – 20%;
- 3) Health – 2%;

4) Other – 9%.

This statistics are in the figure 2.7 Hotel guests by purpose of visit 2016.

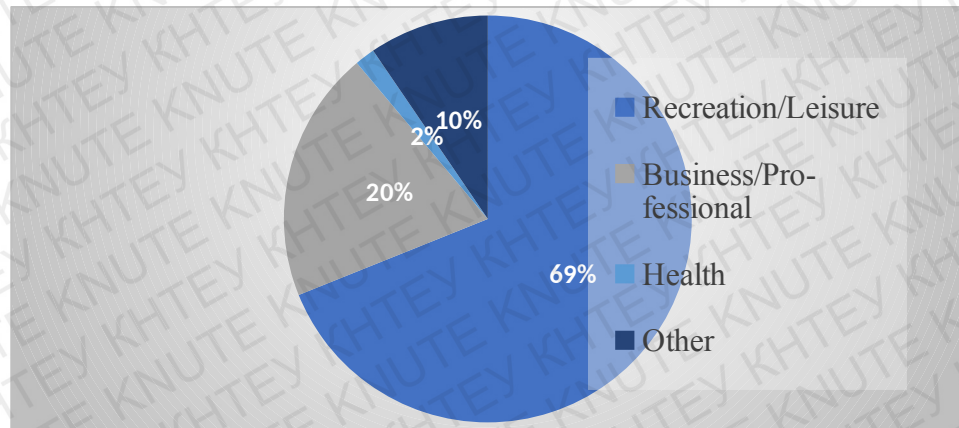


Figure 2.7. Hotel guests the purpose of visit, 2016 [33]

The hotel business in Georgia is a popular choice for foreign investors.

In 2017 - 2018, the hotel sector in the country amounted to 716.1 million dollars. The USA, which makes 5.4% of the total volume of direct foreign investments.

Turnover in hotel business grew by 27.5% compared to 2008-2017, reaching 1.4 billion UAH. in 2017 This sector is one of the largest employers of the Georgian economy, but its low average wage means that its total remuneration is equivalent to 3.7% of the total salary in the hotel business sector.

Over the past decade, the Georgian economy has grown by an average of 5% per year. This was in spite of numerous shocks, including the global financial crisis of 2007-2008, the Conflict with Russia in 2008, and regional expectations in 2014. It is projected that economic growth will increase to an average of 4.5% per year in average duration , but the risks for growth remain unchanged.

Georgia estimated the population at 3,701 million in 2016 and is expected to reach 3,678 million by 2022, a decrease of 0.16 percent in the CAGR.

Georgia's real gross domestic product (GDP) in 2016 amounted to 14.498 billion Larkov, while the nominal GDP amounted to 33.664 billion Lars.

This led to a GDP deflator of 232,205. GDP per capita was estimated at 3842.43 dollars. While purchasing power parity (PPP) per capita was estimated at US \$ 1,000.003.77.

Before entering the international market of a particular country, it is necessary to analyze all the risk factors for entering the international market, using Pestel's analysis.

With the help of PEST analysis, we will shown: the political environment, the socio-cultural environment, the economic environment, the technological environment of Georgia.

Political environment of Georgia. Political factors play an important role in identifying factors that may affect the further development of hotel business.

Political factors play an important role in identifying factors that may affect the further development of the hotel business.

At present, Georgia's political stability and security in the economy, the level of corruption has decreased - especially the level of regulation in the business sector, the legal framework for executing contracts with international partners has strengthened, and the protection of intellectual property has increased. Therefore, from a political point of view, Georgia is well suited for investing business.

Social – cultural environment. The culture and way of life of the society influence the culture of the organization in the business environment. Georgia, a western country, which has its own traditions and cultural characteristics, but in spite of this, Georgia is close to the European mintale, therefore there will be no problems for the hotel complex to enter the international market of Georgia.

Economic environment.

Macroeconomic factors such as inflation, accumulation, interest rate, exchange rate, and economic cycle determine aggregate demand and aggregate investment in the economy. In Georgia, economic factors are used, such as growth rates, inflation and economic indicators, over the past years, thanks to the government, the country has raised its economy and is doing everything possible for the development of the hotel, tourist and other industries in the business.

Technological environment. Compared to other countries, Georgia has a weaker technological infrastructure, as well as investments, but efforts are being

made to establish technology centers throughout the country, and investors are being taken to develop the IT industry in Georgia

2.3. Factors influencing foreign markets entry mode of hotel complex “Mys Dobroi Nadii”

There are many options for entering the market abroad - the choice for a company depends on a number of factors that can often contradict each other. Different input strategies provide different levels of control, risk, profitability and flexibility.

In particular, different entry modes represent different levels of asset and risk liabilities. Therefore, the login mode should be highly correlated with the complexity of the local environment, the company's experience, and its ability to manage.

Hotel managers can adopt a high-level entry mode, such as creating a branch, subsidiary or engaging in mergers and acquisitions, with sufficient international experience and ability to manage foreign affiliates. On the contrary, if the management of the hotel complex is planning to enter a less familiar environment, one can take into account the mode of entry with a lower level of control, such as representation, in order to avoid the operational risks associated with the new market

Decision concerning the entry strategy into the foreign market is one of the important elements of international marketing strategy. Service industries are different from manufacturing and need to have specific approach to formulating and choosing entry strategies

An advisable to analyze the impact of additional factors relating to market attractiveness and company capacity that are specific for hotel industry. Also promising research may concern the factors that determine the need to adapt hotel services to the market of a particular country.

For example, by choosing export strategies, the company will have the lowest risk, but also low profit and low level of marketing control, strategy. When choosing

an investment strategy, profit and control can be much higher, but the risk increases significantly and flexibility decreases.

The choice will include the level of control the company wants and the resources it can carry out, which is often a compromise between different strategic alternatives.

For our election making the study emphasizes three types the decision on the input regime and affects three different variables can be chosen (shown at the figure 2.8)

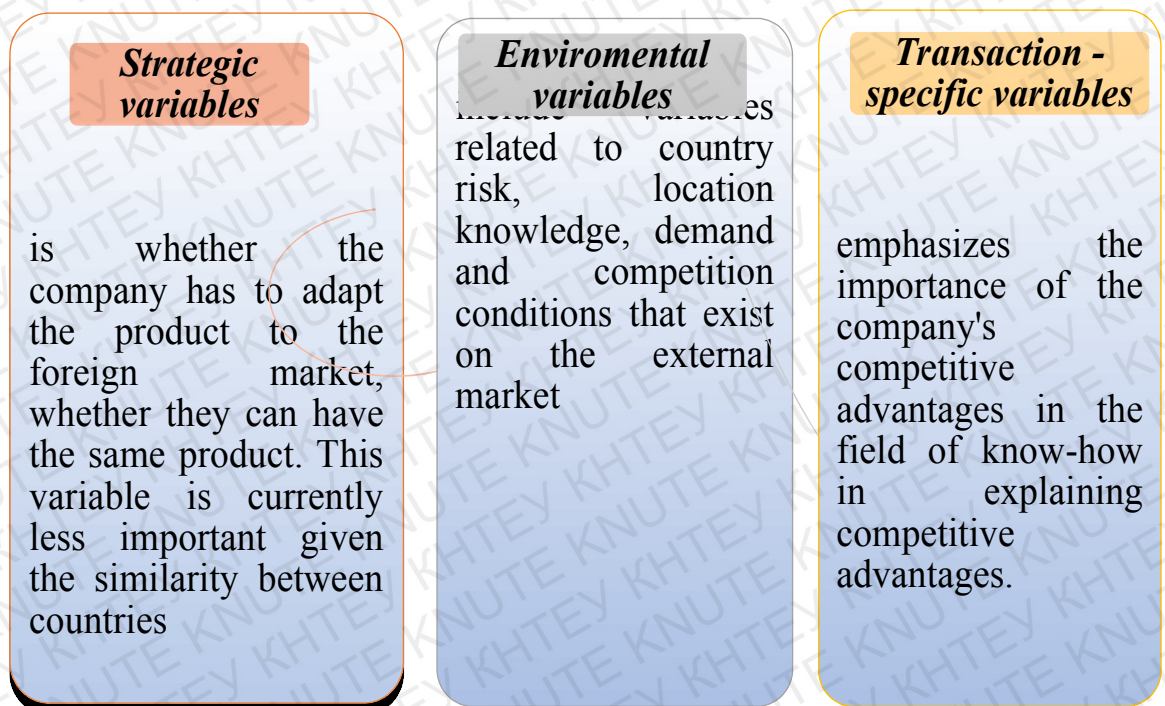


Figure 2.8. Three types variables that affect choice the entry mode of the hotel complex “Mys Dobroi Nadii”

According to Johanson & Vahlne [21], the decision that the implementation method is implemented relates to the current state of the companies, companies with experience, stability, access to resources and the structure of the target market.

Another study conducted by Pivakovskaya T.V. gives a methodology for choosing the best entry strategy based on two groups of factors. [22]

The first group characterizes the attractiveness of host country market and includes:

- investment climate;
- tariff and non-tariff barriers for export;
- market growth;
- availability and cost of raw materials;
- labor costs and skills;
- the country's attitude to intellectual property rights protection;
- the country's attitude to environmental protection;
- membership in integration associations (like free trade zones, custom unions, and common markets);
- risks of doing business in the country.

The second group of factors determines the capacity of the enterprise:

- the size of the company;
- the experience in internationalization;
- the availability of financial resources;
- company image abroad;
- the uniqueness of the company's products;
- the stage of the product life cycle;
- capacity utilization;
- willingness of managers to risk, and the desire of managers to have complete control over the activities.

In general, practical solutions to the choice of the best alternative to the accession strategy should take into account all of the above factors. In each case, some of them have greater significance, while others are less important. Therefore, in practice it is expedient to use a hierarchy of factors that correspond to the specifics of each industry and each company.[23]

The method of choosing a strategic alternative to enter external markets involves the following steps:

1. Evaluate the importance of each factor for a particular company with the help of expert assessments;

2. estimation of each factor of a specific company according to expert assessments;
3. select a strategic alternative that matches the calculated index of attractiveness and power index.

In general, the choice of entry mode should be based on the expected contribution to profit. This may be easier said than done, especially for those foreign markets where there is no relevant data. Most of the selection criteria are qualitative in nature, and quantification is very difficult. [24]

As shown in Figure 2.9, four groups of factors are believed to influence the entry mode decision for hotel complex “Mys Dobroi Nadii”:

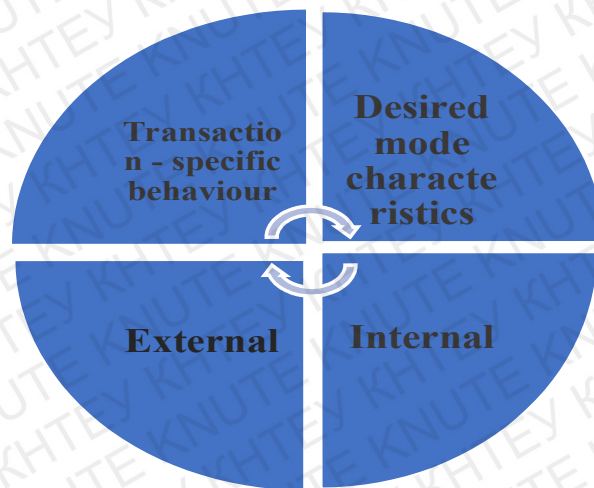


Figure 2.9. Four groups of factors that influence the decision are in the entry mode of hotel complex “Mys Dobroi Nadii”

1. Internal factors of the hotel complex “Mys Dobroi Nadii”

1) The size of the hotel complex.

Size is an indicator of the availability of hotel resources; increasing the availability of resources creates the basis for increasing international participation.

The hotel complex is quite large in size, has a hotel building with rooms, and individually cottage buildings. Therefore, this hotel can strive for a high level of control over international operations while employing heavy resources in foreign markets.

2) International experience

This is another specific factor for a hotel company that influences the choice of image - this is an international experience of managers and, consequently, hotel complex.

In 2013, the management of the hotel complex invited a renowned European expert who was involved in well-known hotel chains marketing activities and developed strategies for entering the international market. In the same year, the management of the "Mys Dobroi Nadii" and the European expert built a strategy for entering the international market, but at the same time failed to implement the project on destabilization in Ukraine and the increase in the exchange rate.

3) Product and service

The hotel complex "Mys Dobroi Nadii", is a unique, uniquely contributes to advantages over other hotel complexes, therefore it can allow the firm to deepen the big expenses for staying on the foreign market. The benefits of differentiation give the hotel a certain number of impulses in raising prices that exceed the cost of more than ordinary income. They also allow the hotel to limit competition by developing barriers to entry, which are fundamental to the company's competitive strategy, and also better serve the needs of the client and thus enhance the hotel's competitive position.

2. External factors of the hotel complex "Mys Dobroi Nadii"

1) Sociocultural distance from the nearest city.

Socio-cultural similar countries are those who have a similar business and industrial practice, a common or close language and a comparable level of education and cultural characteristics.

The sociocultural differences between the home country of the hotel complex "Mys Dobroi Nadii" and the host country, in this case, Georgia, do not create internal uncertainty of the company, and will not affect the readiness of the hotel complex to enter the international market, as Ukraine and Georgia have similar business and industrial practices, the general Russian language, the same level of education.

2) Direct and indirect trade barriers

Regulation and standards also affect the way of making decisions about entry and operation. Setting up local suppliers or the "buy national" tendency often encourages the company to consider a joint venture or other contractual relationships with a local company (interim regimes).

The local partner helps to develop local contacts, negotiate sales, set up distribution channels, and distribute foreign images. Thus, the net effect of both direct and indirect trade barriers is likely to be the transition to performing a variety of functions, such as the search, production and development of marketing methods in the local market.

3) Intensity of competition

When the intensity of competition in a country, in particular Georgia, the hotel can avoid internalization, because such markets are usually less profitable and therefore do not justify heavy resource commitments.

Consequently, under other equal conditions, the greater the intensity of competition on the market of the owner, the more the hotel complex will contribute to the entry regime, which involves low resource commitments (export regimes).

3. Desired mode characteristics of the hotel complex

“Mys Dobroi Nadii”.

1) Control

The management of the hotel complex "Mys Dobroi Nadii" takes into account the degree of control of decision-making, which requires management of operations in international markets. Control is often closely linked to the level of responsibility for resources. Entry regimes with minimum resource commitments, such as indirect exports, almost do not provide or control the conditions under which the service is sold abroad.

2) Flexibility

The management of the hotel complex also considered the flexibility associated with a particular entry mode. Hierarchical regimes tend to be the most expensive, but the least flexible and most difficult to change in the short term. Intermediate regimes

(contractual agreements and joint ventures) limit the firm's ability to adapt or change its strategy when market conditions change rapidly.

4. Transaction – specific factors of the hotel complex

“Mys Dobroi Nadii”.

1) *Tacit nature of know - how*

When the nature of the firm-specific know-how transferred is tacitly it is by definition difficult to codify and patent, and therefore it is more difficult to transfer through contracts with external partners.

- The difficulty in understanding the related skills and knowledge;
 - the difficulty in transferring skills and knowledge;
 - the difficulty in valuing a priori the exact price of a product / service;
- the difficulty in copying skills and knowledge.

Tacit know-how makes the drafting of a contract very difficult to transfer. By using a hierarchical mode, the hotel can use human resource.

Decision concerning the entry strategy into the foreign market is one of the important elements of international marketing strategy. Service industries are different from manufacturing and need to have specific approach to formulating and choosing entry strategies.

The proposal for each factor is formulated: how each factor should influence the choice of the foreign mode of entry of the hotel complex "Mys Dobroi Nadii", shown in Table 2.7. Due to the complexity of the decision about the incoming regime, the proposals are accepted provided that other factors are equal. If a company wants to quantify its decision, it may often be necessary to measure the impact of various factors on internalization / export.

General conclusion on the factors influencing the regime of entry of foreign markets of the hotel complex “Mys Dobroi Nadii” are listed in the table 2.7.

Table 2.7.

Summarising advisable entry mode of the hotel complex

“Mys Dobroi Nadii”

“+” factor in favour of FDI modes

“-” factor in favor of Export & Contractual Modes

Internal factors	
Size as an indicator of the firm's resource availability	-
Important international experience	-
Product differentiation advantage	-
The high complexity	-
External factors	
Socio – cultural distance	+
Country risk	+
Important foreign market size and its growth	-
Severe direct and indirect trade barriers	-
High intensity of competition	+
Small number of export intermediaries	+
<i>Continue Table 2.7.</i>	
Desired mode characteristics	
Company prefer to reduce the risk at maximum	-
The degree of control over operations in international markets is important	-
Company wants to keep the flexibility of its operations on the foreign markets	+
Transaction – specific factors	
Tacit nature of know – how (difficult to explain, difficult to transmit the knowledge)	-
Opportunistic behavior of local companies	-
Transaction costs of know – how is high	-

From the above-mentioned information it can be concluded that there are many contact outputs on the international market, in particular: franchising, turnkey contract and other, that the choice of these factors and regimes will depend on the impact on productivity and development of the hotel complex "Mys Dobroi Nadii" in the future.

Conclusion of the Part 2

On the Part 2, we analyzed the organizational and economic characteristics of the hotel complex, evaluated the market of tourism rehabilitation of Georgia, and examined the factors that influence the output of the hotel complex "Mys Dobroi Nadii" to the international market of Georgia in particular, through franchising..

From the above information, we can conclude that the entry mode hotel complex "Mys Dobroi Nadii" to the international market of Georgia is the finest investment for management of the hotel complex "Mys Dobroi Nadii" and further development and expansion of the complex.

At this stage, the Government of Georgia contributes to the development of the hotel industry and attracts investors for the development of the hotel and tourism industry in the country.

In 2017, the Government of Georgia provides financial and technical assistance to businessmen engaged in the hotel industry in all regions of Georgia:

- the government finances franchising fees during the first 2 years;
- the ceiling of the financing amount is 0.3 million euros annually to co-finance the interest rate on the loan;
- government subsidies - 10% interest on loans in lari and 8% in loans in US dollars / euro; co-financing of interest rates continues for the first 2 years;
- minimum loan amount - EUR 0.5 million (or equivalent in US dollars / Euro);

- in case the company uses the International Franchise Agreement, the maximum loan amount may be 5 million GEL (or equivalent in US dollars / Euro). If not, then the maximum loan amount is 1 million lari (or equivalent in US dollars / euros).

Summing up the assessment of the attractiveness of tourists in Georgia for the development of hotel business in the country, one can conclude that every year Georgia is developing, the government of the country supports the development of tourism at the highest level, but with the development of tourism, the housing shortage has decreased, therefore, it provides significant potential for further development investments in the hotel industry of Georgia.

PART 3.

THE METHODS OF ENSURING THE ACCESS TO THE HOSPITALITY MARKET OF GEORGIA OF HOTEL COMPLEX “MYS DOBROI NADII”

3.1. Strategic plan of entrance of hotel “Mys Dobroi Nadii” to the market of Georgia

When the management of hotel companies are planning to enter the international level, they must define a property strategy, management strategy and exit strategy that will best preserve the competitive advantage of the hotel company. These decisions are made separately from each other and depend on the strengths of the expansion of the company located on the local market. This interaction between the company's strengths and local resources leads to the type of partnership or arrangement that the company uses to enter the external market.

Indeed, in contemplating foreign market entry, a firm should separate ownership decisions from control decisions. The hotel industry has long separated ownership and management in its international locations. However, we note that current industry structure means that the decisions regarding ownership and management involve two steps, that shown on the figure 3.1.

Management control

Facilities management (second step) is to decide whether the chain itself will manage the property, whether the property will be operated by a management company, or whether it will be locally managed.

Facilities ownership entrants must decide whether to own the facilities in which their businesses will operate.

Figure 3.1. Strategic decisions when entering foreign markets

The factor that is especially relevant to international expansion in the hotel industry is the expanding firm's knowledge, which enables the firm to develop a competitive advantage. A firm's knowledge can be classified into two main types, namely, codified knowledge and tacit knowledge.

A firm's codified knowledge is knowledge that can be easily identified, structured, and communicated such as the firm's characteristic design features and signature service offerings.

Its tacit knowledge, on the other hand, is less easily communicated such as the firm's culture, workplace routines, and business processes

In the final qualifying paper we propose, to the entry of the hotel complex "Mys Dobroi Nadii" of Georgian foreign market, to use the strategy: franchising.

Franchising is a generally accepted strategy for entering the hotel industry.

The entry into the international market of Georgia has become a very important aspect in the field of international marketing. The international hotel industry has developed a number of market access modes, as these introductory strategies have great implications for hotel groups.

The Georgian hotel market is one of the key segment of the country's tourism sector. Many large multinational hotel companies are expanding and developing in Georgia through franchising.

Since Georgia is not very different from culture and traditions from the western countries, this means that the output of the hotel complex "Mys Dobroi Nadii" to the international market through franchising will be the best way for a hotel business form, and finally the concept of the studied hotel complex can be rooted in the Georgian hotel industry.

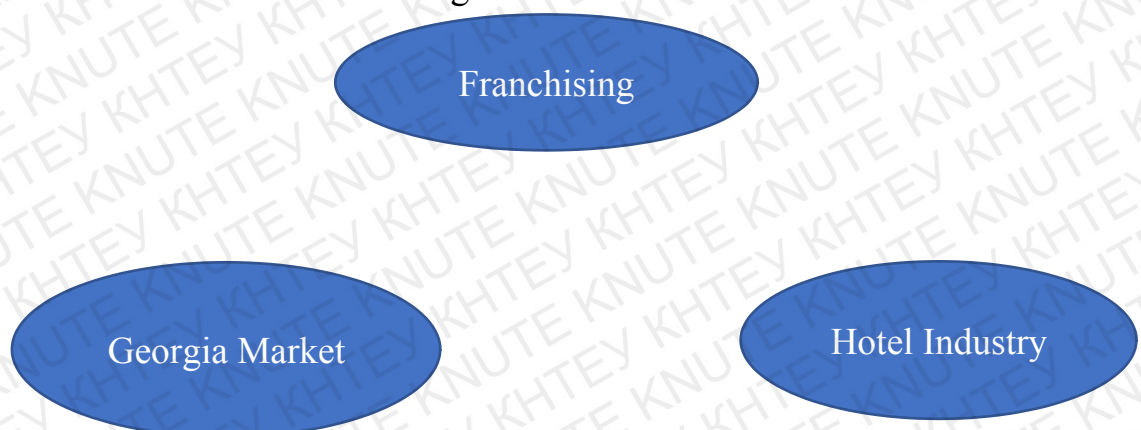
Taking into account the growing domestic Georgian tourism market and the relatively low level of domestic housing industry, it is possible to start with the creation of franchising operations.

Franchising is one of the most successful modes of access to the market in the global hotel industry. The justification for researching the literature of this research is the basis of franchising.

Advantages and disadvantages of franchising are widely used with Hollens (2004), Jeanne and Hennessy (2004), Macauli (2001) and Onkwist and Show (2004). The theory of the development of the global hotel industry and the strategy of entry into the world of the hotel industry is mainly determined by Cunel (2006) and Cruz (1999). []

In general, franchising was developed in the United States and widely used in western countries.

However, Georgia, as a new market for the hotel industry, presented an attractive market for international hotel companies, especially for international economy companies. The use of franchising can be certified in the hotel industry of Georgia. This reseach is shown in Figure 3.2.



Hotel complex
“Mys Dobroi Nadii”

Figure 3.2. Schema of use the franchising strategy on the Georgia market for hotel complex “Mys Dobroi Nadii”

According to Rosenberg (1969), franchising was first appeared in 1863 and changed the way of the world’s business particularly in retailer chains. ‘It is the characteristics of the hospitality industry – large volume of mobility, wide geographic distribution, searching for familiar product, unique travel expectations – which make franchising an appropriate method for expansion.[36]

Definition of franchising. According to Hollensen (2004) and Paliwoda & Thomas (1998), franchising is a marketing method for selling business services, often small, independent investors with working capital but with limited work experience. Moreover, franchising has allowed many businesses and firms to develop large hotel brands around the world.

For example, the well-known Rixos, 4 Seasons, Hilton and others. It is almost as used to refer to any right to use a name in a general business concept [33]

The franchise agreement includes three main elements identified by Jeannet & Hennessey (2004) and McAuley (2001): [34]

- 1) the franchisee must have a common name, the similarity of common premises in the form of presentation, layout, design, etc;
- 2) common knowledge about the knowledge of the hotel complex;
- 3) Franchisor provides constant support in the field of technology and commerce franchisee.

According to Hollensen (2004), there are two types of franchising: products and trademarks, called franchising, which simply contract with the franchise to buy or sell the product or the franchisor's production line. This distribution system is very similar to licensing.

Franchising of the Hilton hotel can be viewed as a classic example of franchising. It has independent hotel companies around the world, including Ukraine and Georgia. At the same time, it retains control over its reputation, advertising, brand management, and so on.

Another type of franchise is the franchising business package "package", which involves the relationship of franchisors and sub franchisees not only to goods and services.

Clive Grant has identified his franchise business, which gives him the right to provide a complete business package, including training, support and a corporate name that allows them to manage their own affairs in exactly the same standards and formats as other franchising chains.

Under the administration of the sub franchisee, all local franchisees, sub franchisees have such advantages as the supply of the franchisor and centrally agreed advertising. As a business package, instead, the franchisor receives a charge in accordance with the annual turnover of the franchisee.

Many authors such as Hollensen (2004), Palivode and Thomas (1998) have identified the advantages and disadvantages of franchising. The analysis of the advantages and disadvantages will be based on their theory.

Advantages for hotel complex "Mys Dobroi Nadii" Franchising has special advantages that allow independent individuals to have investment capital, but no industry management experience belongs to a large organization. Franchising gives business the opportunity to expand in a new market with a level of control, low risk and low cost. Hollensen (2004) argued that franchisees are those who invest in the necessary equipment and know how.

Thus, franchising for the hotel complex "Mys Dobroi Nadii" is a method with a high motivation of the franchisee and the adaptation of knowledge and experience in the local market.

In the hotel industry, the franchisor can measure his income from the franchisee, charging a fixed royalty. The franchisor can expand and internationalize knowledge about the brand of hotels and avoid large financial obligations on the

market. It also allows you to reduce costs, increase sales and marketing activities at the international level in target markets. The franchisor can retain business motivation, as he actively participates, as well as a franchisee.

From the point of view of the franchisees Palivoda and Thomas (1998), they argued that franchising provides a flexible business structure, level of independence. Franchisees have the advantage of having tried and tested their business ideas. They will be motivated to run a business, since they must pay an annual franchise fee and receive more profit. In addition, franchisees receive their knowledge and control technology from franchisors, since franchisors will provide assistance in managing, training, and business knowledge in the know-how.

Franchising reduces the risk of launching a new business for a franchisee, as it receives an operating operating procedure. He also provides the franchisee with an internationally recognized brand.

Franchisee is also connected to the Global Distribution System (GDS) booking with airline companies that helps them attract customers. The franchisor will automatically update and update sales and marketing support for all franchisees, even if only one franchisee has made a mistake. Professional training of staff is also provided by the franchisor. Introduction and application of new technologies is provided by experts.

Franchisees can increase their market base by participating in loyalty programs of large clients. [53]

Quality standards and procedures are guaranteed. Free backup telephone line available. Financial management is provided, from the consumer point of view, the consumer benefits from the same level of fixed price product standard.

Franchisees will also provide knowledge and technology to the host country, in particular Georgia.

Therefore, the franchisor and franchisee play the role of two sides of the credit shoulder. Franchising benefits both franchisor and franchisee.

The franchisor offers a suite of up-to-date know-how, including a successful operating system, so that franchisees can enjoy the benefits of easier access to the

market, scale and mass advertising campaigns, research and development, and the online problem solving mechanism (Hall and Dixon, 1988) [56]

Disadvantages. One of the main problems of franchising is regulation in host countries, which includes money transfers, franchising commissions and franchising agreements.

Foreign investment, as well as the differentiation of the monetary and banking system, caused many problems before the reform of the financial system and the opening of the market to foreign banks.

The bureaucracy of the Georgian government will also be a threat to the international market through franchising.

Franchisees may encounter operational, communication and quality problems through less control over the franchisee. The difference in the quality of services provided to customers of a separate franchisee may negatively reflect the poor image of the low-quality service of the hotel complex "Mys Dobroi Nadii" of the franchisor.

Franchisees enjoy the reputation of the franchisee brand, but do not share their revenues with franchisors.

Franchisees take advantage of the reputation of the brand, which is very important for franchisors, but if reputation is stained, the reputation of other hotels that enter the international market through franchising may suffer.

In the hotel industry, franchising can put the franchisor's reputation at risk, giving the franchisee the opportunity to work accordingly. Noncompliance by the franchisor with the appropriate quality control will damage the image of the franchise mark. Therefore, the franchisor must carry out audits to ensure the quality of the product and services provided to the franchisee.

This also allows for rivalry between franchisor and franchisee. The high costs associated with the early stages of implementing the franchising system can sometimes restrain the potential.

Analyzing the information provided in item 3.1., I proposed one strategy for the exit of the hotel complex "Mys Dobroi Nadii" into the international market of Georgia - franchising.

Franchising in the hotel business is one of the most expensive and hardest strategies to enter the international market, so any franchising strategy has advantages and disadvantages.

Advantages of entering the international market allow independent individuals to have investment capital. Franchising gives the company the opportunity to expand in a new market with a level of control, low risk and low cost.

Disadvantages. In the hotel industry, the franchisee should increase the income for one free room in order to be able to cover the high cost of franchising fees. The franchisee may have to hide a hotel or build a new one to meet the franchisor's standards and requirements before undertaking training for the staff.

The franchisee's investment in turning a hotel into franchise contract standards after the previous one may become a problem for the franchisee. If the franchisor goes bankrupt, the franchisee may be in serious trouble as a franchisor. The franchisee's original face will be lost.

Summarizing, I propose a detailed strategic plan for the exit of the hotel complex to the international market of Georgia with the help of a franchise:

- 1) choose a franchisor;
- 2) choose a form of control of the franchisee. For the hotel complex "Mys Dobroi Nadii" an active form of control was chosen;
- 3) to conclude a detailed agreement, while retaining the right to terminate the contract, to ensure the process of controlling the sources of supply, as well as to make the requirements for the exclusive deriplization;
- 4) ensuring the payment of royalties to your franchisee;
- 5) drafting and signing a written agreement, which will contain a detailed description of the obligations of the franchisee, as well as the consequences of violation of the agreement on cooperation;
- 6) compliance with other procedures and standards, in accordance with Georgian law.

Despite all the advantages and disadvantages of this strategy, I believe that the output of the hotel complex "Mys Dobroi Nadii" to the international market of

Georgia, will be the best aspect for the development of the hotel complex, and will be an impetus for the creation of a personal hotel network.

3.2. Advisability of entrance mode of the hotel “Mys Dobroi Nadii”

The development of the hotel business, which has been characterized by dynamism, a high degree of internationalization of capital and the international character of operations over the last decade, is a catalyst for economic growth, as it serves as a channel for redistribution of profits between countries.

At present, the output of the hotel complex "Mys Dobroi Nadii" on the Georgian hotel market and on the international market in general can be considered as bilateral cooperation in order to strengthen the development of a competitive hotel industry in the country, as a generator of economic growth and stimulation of the economy and employment and foreign exchange earnings.

The entry of the hotel complex "Mys Dobroi Nadii" into the international market of Georgia should lead to cooperation in the field of tourism and hotel business and should take place in the following areas:

- exchange of information, best achievements, experience and transfer of know-how, in particular innovative technologies;
- establishment of strategic partnership between private and public interests in order to ensure sustainable development of hotel business;
- training of specialists in the hotel industry, as well as building capacity in the field of hotel business in order to increase the standards of quality of service provision.

Given the importance of scientific results, it should be noted that there are unresolved issues related to the specifics of hotel networks operating directly under contractual management, as the development and expansion of these forms of management is not a well-established phenomenon in the hotel market and needs to be studied in more detail.

The entry of the hotel complex "Mys Dobroi Nadii" into the international market is due to the following factors:

- development and saturation of the Georgian market;
- availability of necessary material and intangible resources;
- the need for new markets for hotel services.

The monitoring of the selected market includes the following elements:

- target market analysis;
- demand analysis, legal framework, political factors; socio-economic analysis of the country;
- the study of the genesis of competitors in the selected market.

In Ukraine, the hotel complex "Mys Dobroi Nadii" is located on the coast of the Vorskla River, so for entering the international market of Georgia with the help of franchising, it is necessary that the area responded to this concept, therefore, we will expand the Black Sea coast of Georgia as a place for the exit of the hotel complex.

The Black Sea coast of Georgia covers the cities of Kobuleti, Gonio, Kvaiati, Sarpi, Chakvi, Anakla, Ureki, Shekweitili and Grigoleti. Tourists visit these seaside resort towns in the summer months from June to September, arriving mainly from Ukraine, Turkey, Armenia and Azerbaijan. Locals also visit more; during 2017, 12% more local residents visited the regions of Adjara and Guria compared to 2016.

Batumi Kobuleti is the second most popular resort on the Black Sea coast, as well as a popular summer destination for Georgian families and tourists visiting neighboring Armenia. Kobuleti and Chakva are the most occupied seaside resorts. Gonio, Kvaiati, and Sarpi are located near Batumi along the Georgian-Turkish border.

These resort towns attract visitors who are looking for a flight from urban life, while they remain pretty close to the bright Batumi so they can enjoy a variety of entertainment options. Gonio is well known for its clear waters and bright buildings, as well as the ancient fortress of Gonio, a Roman fortress dating back to the 1st century AD.

Ureki is a climatic resort in the region of Guria. Unlike many areas on the Black Sea, the beaches of Ureki are sandy, not pebbled, making it a popular place to relax. The sand in Urek has magnetic properties that are believed to have therapeutic power for cardiovascular disease, as well as disorders of the locomotive and nervous system.

Ureki is between northern Grigolette and the southern Shecqua. Although coastal, sandy resorts such as Ureki, Grigoleti and Shekvetli are more relaxed and relaxing tourist destinations.

Shackvetli Beach is bordered by rich pine forests, which makes the resort climate unique.

Demand. The recently constructed "Chernomorska arena" concert hall for 10,000 places is located in the Shecvetilya. In this popular place, many events were held during the summer season of 2017, and in July 2018 a concert by Elton John will take place.

The Tsitsynetalla Amusement Park in Shecqua Valley offers a unique excursion to slides and family events. In the period from June to September, Tsitsinatnala attracts more than 300,000 seasonal visitors coming from different seaside resorts.

Anaclia is a relatively new seaside resort that hosts the international GEM fest music, festival, making it an ideal place for electronic music lovers. In addition to vacation guests, hotels in Anaclia hold a large number of corporate events.

In 2016, 91% of the hotel guests were tourists, and 7% - visited coastal resorts for business purposes, this show on the figure 3.3



Figure 3.3 Breakdown of hotel type visits 2014 - 2017

From 2014, the number of hotel rooms in the Georgian seaside resorts increased by 40% (to 1220). The summer resort market is dominated by hotels of the local budget/economy class, and only 17% of the cost of the room falls into the upscale segment. In 2017, hotels in international markets worked at seaside resorts. Nevertheless, the internationally renowned collection of car makers, a luxury hotel chain owned by Marriott International, will open the spa resort and spa in Shekweety in the spring of 2018. The section will offer 220 rooms (accommodating over 500 guests) including a spa and wellness center, restaurants, conference rooms and other facilities that are usually provided by high class hotels.

The lack of international and medium-sized hotels in the seaside resort is an opportunity. It is expected that the Shackveti hotel market will evolve in the next few years.

Performance Indicators. As most seaside resorts are highly seasonal, annual employment rates are generally relatively low (ranging from 23% to 30%), but in the summer, the drop is 75%. Borderlands near the villages of Turkey, Sarpi and Gonio have the potential to strengthen the shoulder season, attracting a large number of Turkish visitors.

Kobuleti and Chakvi recorded the highest ADR (average daily rate) among seaside resorts that reached \$ 59 (from 2016 - by 9% in 2017), shown on the figure 3.4.

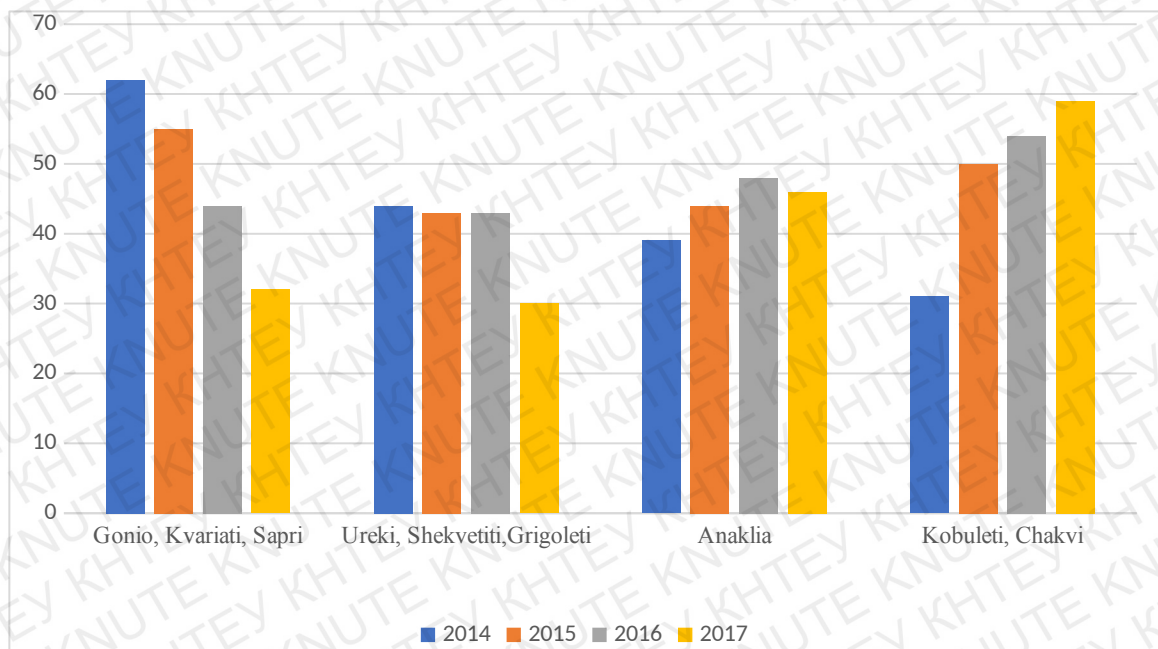


Figure 3.4. ADR in the sea resorts 2014 – 2017

The reduction of ADR and RevPAR in 2017 was deeply caused by the weakening of the Georgian Lari against the US dollar.

Despite currency devaluation, ADR remained stable in Anaklia. Despite the fact that coastal resorts are experiencing a significant increase in demand, a large supply of residential and hotel hotels put pressure on the hotel market.

However, as a result of active marketing campaigns targeting the Adjara region and the development of infrastructure in Ureki and Shekvetiti, improvements are expected this is shown on the figure 3.5

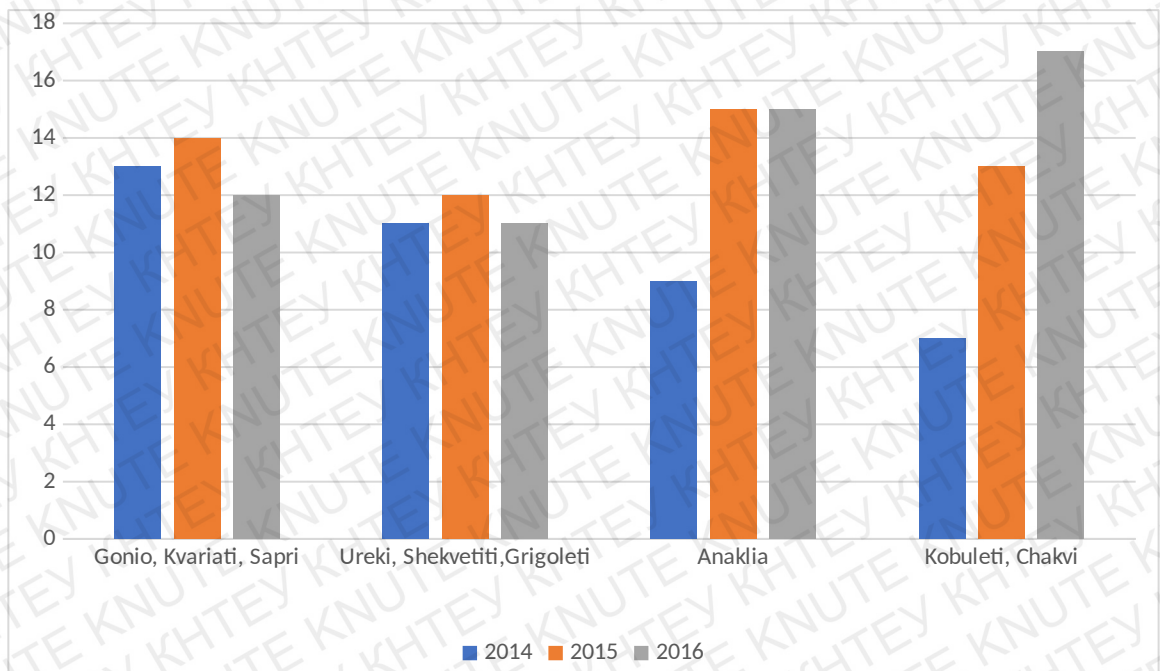


Figure 3.5 RevPar in seaside resorts 2014 – 2017

From the above information, one can conclude that Georgia and its regions are a politically and sociologically developed country. In recent years, hotel and other spheres are invested by foreign investors.

For the sequence of access to the international market of the hotel complex “Mys Dobroi Nadii”, we propose to consider a step-by-step strategic plan for cooperation with the franchisee.

Master franchisee is like a franchisor and franchisee in one person. By the way, buying a franchise master for a franchisee is always associated with investing a significant amount of capital.

Nevertheless, the main goal of master franchising is to expand business by entering international markets.

Negotiations on the sale of the franchise master usually take a long time, since it is necessary to coordinate a lot of questions regarding all the nuances of future cooperation, contracts signed by the parties are also different. For example, often the contract includes a plan for the opening of the objects owned by the master franchisee (preferably) and a plan for the number of franchise points opening, the opening of the first experimental object in the territory where the master franchisees are planned is planned.

This discovery is becoming the first major test for the master franchisee and should help predict the parties an approximate strategy for future business development. In the future, this object is necessary for a visual presentation of business by a potential franchisee. Describing manufacturing and hotel franchises, very often in the first stage there is a need for the purchase of certain goods from suppliers, with which the franchisor co-operates.

And this, as we recall, is a different country, suppliers are foreign companies, therefore, an important question emerges, the answer to which sometimes it is necessary to start looking before the beginning of cooperation - the process of purchasing and delivery of goods to Georgia.

All terms and obligations of the parties are determined by the contract of master franchising. Before signing, the parties must think about everything in detail: areas of responsibility, financial flows (for example, it is necessary to separate franchise payments from future partners), procurement, marketing, control of the franchisee, corporate website, social networks and much more. But it must be borne in mind that the development and support of activities in Georgia is a direct function of the master franchisee.

The franchisor gives the partner the right to receive a certain percentage from: total royalty, ranchise fees, in turn, the master franchisees are obliged, select, teach and fully support the franchise.

Master franchising allows the brand owner to expand business rapidly with much less investment. In addition, the franchisor, in addition to business scaling, can spend more time, for example, improving service quality, and improving business processes.

Such a system of business expansion is convenient and beneficial both for franchisor and franchisee. The franchisor, in turn, minimizes the risks associated with access to international markets, and the franchisee is interested in expanding the network in order to get more profit.

If the master of the franchisee does not fulfill the terms of the contract, the contract is torn and the territory is returned to the franchisor.

For a franchisor in this case, the most important and most difficult thing is to find a reliable partner who can be entrusted with representing his or her own business in Georgia.

For a successful construction of a franchise network and its further development, a franchisee usually has a number of requirements, for example: availability of resources (financial, human, etc.), necessary for the creation of a large enterprise and its further development, management experience and knowledge of working conditions in a given country, experience in building teams and implementing projects, it is desirable to have experience in the same field (but not necessarily), knowledge of the necessary languages for successful work with the head office of the franchisor, sometimes the list of requirements to potential franchisees because of its size becomes an insurmountable obstacle to the beginning of any cooperation.

In our opinion, the entry mode of the hotel complex "Mys Dobroi Nadii" into the market of Georgia, will be the best inissity in the development of the hotel industry in Georgia.

3.3 Estimation of the prospects for further development of the hotel complex

“Mys Dobroi Nadii”

There several approaches to international entry modes such as franchising, licensing agreement, turnkey contract and a management contract. Reflects the traditional marketing focus on the firm’s core competences combined with opportunities in the foreign environment.

The cost-based view of this tradition suggested that the firm must possess a ‘compensating advantage’ in order to overcome the ‘cost of foreignness’ (Kindleberger, 1969; Hymer, 1976). This led to the identification of technological and marketing skills as the key elements in successful foreign entry. [52]

There are several strategies for assessing the prospects for the further development of the hotel complex “Mys Dobroi Nadii”:

- 1) Life cycle concept;
- 2) The Uppsala Internationalization model.

“Life cycle” concept for international trade. Sequential modes of internationalization were introduced by Vernon’s ‘product cycle hypothesis’ (1966), in which firms go through an exporting phase before switching first to market-seeking FDI, and then to cost-oriented FDI. Technology and marketing factors combine to explain standardization, which drives location decisions.

Vernon’s hypothesis is that producers in advanced countries (ACs) are ‘closer’ to the markets than producers elsewhere; consequently the first production facilities for these products will be in the ACs. As demand expands a certain degree of standardization usually takes place. ‘Economies of scale’, through mass production, become more important. Concern about production cost replaces concern about product adaptations. With standardized products the less developed countries (LDCs) may offer competitive advantages as production locations.

The Uppsala Internationalization model. The Scandinavian ‘stages’ models of entry suggest a sequential pattern of entry into successive foreign markets, coupled with a progressive deepening of commitment to each market. Increasing commitment

is particularly important in the thinking of the Uppsala School (Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977). The main consequence of this Uppsala Internationalization model is that firms tend to intensify their commitment towards foreign markets as their experience grows, this shown on the figure 3.6.

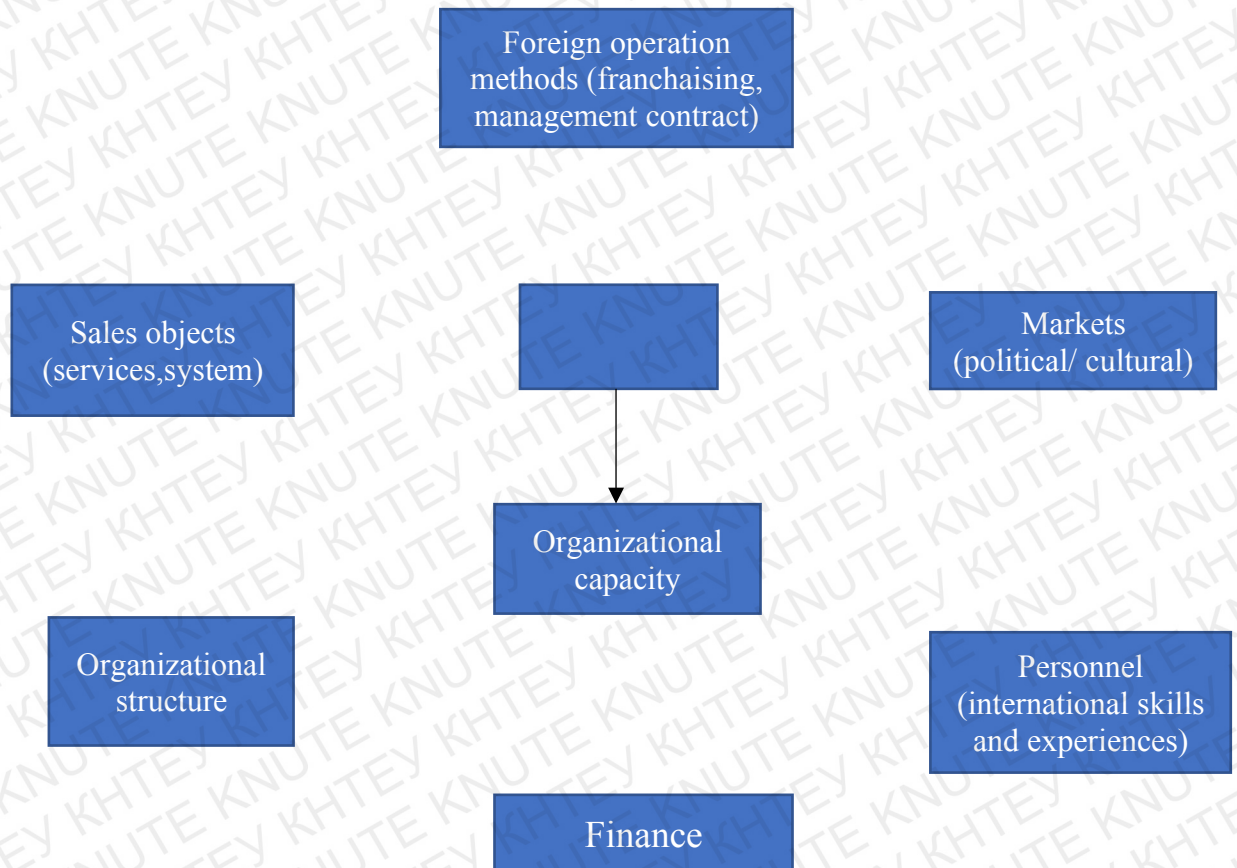


Figure 3.6. Dimensions of investigation

The stage model. During the 1970s a number of Swedish researchers at the University of Uppsala (Johanson and Wiedersheim-Paul, 1975; Johanson and Vahlne, 1977) focused their interest on the internationalization process.

With these basic assumptions in mind, the Uppsala researchers interpreted the patterns in the internationalization process they had observed in manufacturing firms. They had noted, first of all, that companies appeared to begin their operations abroad in fairly nearby markets and only gradually penetrated more far-flung markets.

Second, it appeared that companies entered new markets through exports. It was very rare for companies to enter new markets with sales organizations or manufacturing subsidiaries of their own. Wholly-owned or majority-owned operations were established only after several years of exports to the same market.

Johanson and Wiedersheim-Paul distinguish between four different modes of entering an international market, where the successive stages represent higher degrees of international involvement/market commitment:

1 Stage 1: No regular export activities (sporadic export).

1 Stage 2: Export via independent representatives (export modes).

1 Stage 3: Establishment of a foreign sales subsidiary.

1 Stage 4: Foreign production/manufacturing units.

The assumption that the internationalization of a firm develops step by step was originally supported by evidence from a case study of four Swedish firms.

The sequence of stages was restricted to a specific country market. This market commitment dimension is shown in Figure 3.7. [58]

Country	No regular Export (sporadic export)	Independent representatives (export modes)	FDI
Georgia	Increasing geographic diversification	Increasing internationalization	
Azerbaijan		Increasing market commitment	
Armenia			
Turkey			

*Figure 3.7. Internationalization of the “Mys Dobroi Nadii”
an incremental approach*

The geographical dimension on the Figure 3.7 shows that firms enter new markets with successively greater psychic distance. Psychic distance is defined in terms of factors such as differences in language, culture and political systems, which disturb the flow of information between the firm and the market. Currently, the global hotel industry has about 350 thousand. Comfortable hotels with more than 14 million. Numbers (26 million. Spaces) - indicates L.V. Ovcharenko and A.V. Ovcharenko - At the same time the number of rooms for the last 20 years annually on average

increases by 3-4%, which indicates a significant dynamics in the growth of tourist facilities[44].

Separate indicators of hotel industry development by country are analyzed in the *Table 3.1.* [55]

Table 3.1.

World indicators of hotel industry development

Number of hotels, thousand units	307,7
Number of hotel rooms, mln	11,1
The growth rate of hotel rooms %	10-15
Number of employees of the hotel industry	11,2
Average weight in the world,%	67,7
The average income in the world for the number of dollars. USA	84,4

The urgent issues in strategic thinking are the innovation of the enterprise, in order to increase the level of competitiveness and consolidate the leading positions in the branch segment. It is also reasonable to focus on "cooperation within the framework of competition". According to the specifics of the hotel industry, market participants are competing not only in the middle of the industry, but also with hotel service companies that offer rental services to the private sector.

In Europe, the number of large hotels is 15-25% of the total number of hotels, 75-85% - motels and hotels of the family type. Thus, within the framework of the analysis of the development of the world of hotel business, one can distinguish certain tendencies:

- democratization: hotel managers are trying to get interested not only VIP - clients with high solvency, but also middle-income client;
- intensification of specialization of hotels: the desire to conquer a certain narrowly-specialized category of clients. In this way, it is possible to simplify the work of the marketing and hotel management, focusing on a limited range of potential clients;
- the globalization of the hotel business. Combined hotels in the consortium are easier to keep leading positions in the market;

- the merging of hotel business with other areas of service: hotels are available not only a room suite, but also restaurant, entertainment and sports complexes. Hotels of the highest class continue to maintain their percentage of clients focused on luxury, prestige, hotel image;
- the introduction of new information technologies in the management and training of hotel staff, in the management of financial statements, in the room reservation system;
- actualization of the hotel's ecological orientation.

This trend is not only relevant, it is expected to bring tangible profits in the hotel industry.

On the Table 3.2, we propose to consider the dynamics of hotel industry development in other countries of the world.

Table 3.2.

Dynamics of hotel industry development in the countries of the world

Indicators of hotel industry development	Countries	
Capacity of the hotel fund	3,5 million rooms	USA
	1,65 million rooms	Japan
	0,5 million rooms	France, England, Spain
	Less 0,15 million rooms	Switzerland, Brazil, Argentina
The growth rate of the hotel fund	Turkey, China, Morocco, Spain, Argentina, Germany	
The largest international tourist exchange	more than 3 million hotel places	Italy
	more than 2 million hotel places	Germany, France, Spain, England
	900 thousand places	Austria, Canada, Mexico
	550 thousand places	Greece, the countries of the former Yugoslavia
The highest rates of hotel construction	China, Turkey, Morocco, Singapore, Malaysia	

The concept of market commitment is assumed to contain two factors – the amount of resources committed and the degree of commitment. The amount of resources could be operationalized to the size of investment in the market (marketing, organization, personnel, etc.), while the degree of commitment refers to the difficulty of finding an alternative use for the resources and transferring them to the alternative use.

International activities require both general knowledge and market-specific knowledge. Market-specific knowledge is assumed to be gained mainly through experience in the market, whereas knowledge of the operations can be transferred from one country to another; the latter will thus facilitate the geographic diversification. A direct relation between market knowledge and market commitment is postulated: knowledge can be considered as a dimension of human resources. Consequently, the better knowledge about a market, the more valuable are the resources and the stronger the commitment to the market.

The concept of the development of the hotel complex "Mys Dobroi Nadii" in other countries is a complex of analytical and organizational measures aimed at improving the quality of hotel services, rational and efficient use of the material and technical base, improving the skills of the hotel industry, creating favorable conditions for attracting investment and further development of the industry, taking into account current trends and world experience in the organization of hotel services.

The concept of the entry of the hotel complex "Mys Dobroi Nadii" into the international market of other countries, defines the main priority directions of the development of the hotel sphere, the implementation of which will contribute to the creation of a reputation for high quality service in the hotels of cities, the development of tourist infrastructure, increase of visitors to the cities of the countries, which will be scheduled to exit the hotel complex.

The concept is designed for the medium term and is the basis of long-term policy of countries in the field of tourism as a priority area of development of its economy.

The main objective of the Concept for the creation of a highly efficient, dynamically growing and competitive industry, which will stimulate the development of tourism - one of the priority directions of economic development, will increase its investment attractiveness for domestic and foreign investors.

The concept of the hotel industry development involves the following tasks:

- creation of a new policy and image of the hotel industry;
- increase of the level of provision of hotel services and qualifications of hotel staff;
- development of the hotel infrastructure in accordance with the requirements of international standards;
- development of investment activity and competition in the hotel industry;
- intensification of cooperation between the executive bodies of the city council and the subjects of the hotel economy;
- ensuring the efficient functioning of the hotel economy in accordance with the existing regulatory framework, developing and adopting regulatory acts aimed at solving problems in the hotel industry.

In this part, for the further prospect of the exit of the hotel complex "Mys Dobroi Nadii" into the international market, I propose to choose countries, as well as border with Georgia – Azerbaijan.

Azerbaijan, being a unique country with a unique natural climatic potential, in the long run has all the resources to increase the competitiveness of the economy based on the use of its cultural and natural resources. But in order to satisfy all the needs of a tourist, a vacationer, a businessman, it is necessary to ensure the comfort of his residence, high quality of service, that is, to create an atmosphere of hospitality.

This is possible only on the basis of statistical analysis of the development of enterprises of the hotel industry, evaluation of the characteristics of the functioning of hotel enterprises, and determining the trend of their development for the future.

The development of the hotel industry involves the provision of accommodation, catering and service, that is, a set of measures to meet the needs of consumers, while ensuring the comfort of the guests.

The main goal of the enterprises of the hotel industry is to provide impeccable service. To achieve its goal, the hotel industry should set itself the following objectives: strive for excellence by introducing the latest technology in hotel services and hotel activities (including energy conservation);

- create an atmosphere of hospitality, focusing on the needs and comfort of the guests;
- to bring services and activities closer to international standards;
- to adhere to the optimal ratio "price-quality";
- worry about the environment and its conservation, and so on.

To summarize, we can conclude that the prospect of a further exit of the hotel complex "Mys Dobroi Nadii" is the best strategic move for the development of the hotel complex. With the Uppsala strategy, we explored and understood that the neighboring country of Georgia, - Azerbaijan, is the finest international market to reach of the international level, because they are similar to socio-cultural indicators and this is the best way to enter the international market without risks.

Conclusion of the Part 3

On the Part 3 of the main goal was to provide a strategic plan for the entrance of the hotel complex "Mys Dobroi Nadii" into the international market of Georgia. Explain the feasibility of leaving the hotel complex to the international market, and make an assessment of the prospect of access to other international markets.

The hotel market in the world improves tourism, according to statistics, the number of international travelers increased by 18.8% compared to another year.

According to the tourism development strategy in Georgia, the number of visitors to 2025 should be 11 million, this growth continues to be supported by the addition of new hotels at the international level in several places, improved infrastructure and the willingness of the government to invest in a wide range of sports, cultural and international events that attract a significant number of visitors.

Tourism in the world, in particular, hotel business, can and should become a sphere of realization of market mechanisms, a source of replenishment of state and local budgets of all countries, a means of public and full-time recreation and rehabilitation, as well as acquaintance with the historical and cultural property of different states, and for realizing these aspects , it is expedient to leave the hotel complex to the international hotel market.

In the Part 3.3, we propose the entry mode of the hotel complex "Mys Dobroi Nadii" to enter of the international market, using the Uppsala method. This method involves access to the international market in neighboring countries, for the hotel complex, this will be a development and, in the long run, the best way to reach the world level.

CONCLUSION

To expand the geography of activity, international hotel operators have different opportunities to enter the markets of different countries. In doing so, they bring with them the common standards of quality and safety of products, as well as their brand names, as a rule, have world-wide popularity.

On the finaly quality paper on the topic "The entrance of the hotel complex "Mys Dobroi Nadii" on the international market of hotel services of Georgia" provided an analysis of the hotel complex "Mys Dobroi Nadii" detailed analysis of Georgia and offered the preferable strategy for entering the international market.

In the first part of the quality paper, we considered the theoretic features of the international hotel business:

- 1) Globalization in the hotel business.
- 2) Inbound modes for international hotel business.
- 3) The main trends in the international hotel business.

Globalization an important role in the development of the tourism and hospitality sector, this is a very controversial issue, as it has both positive and negative effects in the hotel industry, which are listed below:

Positive effects:

- a) influence of different cultures;
- b) technological perfection.

Negative effects:

- a) Cultural and linguistic bar.

For any business, especially a hotel, for which it is important to enter the international market, it is necessary to examine all outgoing regimes.

In the quality paper, we investigated all the modes of entering the international market, in particular, the franchise, turnkey contract, licensing and management contract and all trends in the international hotel business.

In the second part “Estimation of the prerequisites for the entrance of hotel company “Mys Dobroi Nadii” to the hotel market of Georgia” we described the organizational and economic characteristics of the hotel "Mys Dobroi Nadii", gave an assessment of the attractiveness of tourists in Georgia for the development of the hotel business and identified the factors that will affect the further output of the hotel complex.

For the entry mode of the hotel complex "Mys Dobroi Nadii" to the international market of Georgia, I chose franchising, because this reliable, profitable exit system, which does not involve large investments in construction.

Georgia, over the past two years, has become one of the most attractive countries in terms of foreign investment.

The Government of the country in every way contributes to the development of the hotel sector, while giving loans at lower rates.

In recent years, Georgia has entered a new level of doing business, destroying bureaucratic systems, so at the moment, the introduction of business in this country, is a good prospect for the company.

In the third part we have developed a strategic plan for the entry mode of the hotel complex "Mys Dobroi Nadii", choosing the most favorable model for entering the international market - franchising, explaining the expediency of entering the international market and offering a strategy to enter another market of the neighbor of

Georgia - Azerbaijan. We used the Uppsala method to enter other international markets.

To our opinion, for the hotel complex "Mys Dobroi Nadii" access to the international market of Georgia, will be the first step, to the development of the hotel industry and the development of the franchising company of this hotel, which in the future will lead to the entrance to the world hotel market.

According to international experience, the arrival of such hotels with high professionalism, can significantly increase the profitability of individual hotel enterprises, especially in developing countries.

REFERENCES

1. "Hospitality & Real estate Georgian National Investment Agency 2016" Access mode:
https://www.investinggeorgia.org/en/ajax/downloadFile/851/Investment_Opportunities_in_Hospitality_Real_Estate_2016
2. A.O. Fatenok - Tkachuk Analysis of the factors of influence on the development of foreign economic activity of machine-building enterprises / Scientific works of Kirovograd National Technical University. Economic sciences. - 2010. - 17. - pp. 93-100.
3. Anderson E. and Gatignon, H., 1986. Modes of Foreign Entry: A Transaction Cost Analysis and Proposition. *Journal of International Business Studies*. 17 (3), 1-26.
4. Antonova V.A. Hotel business: the mechanism and efficiency of strategic development management [Text]: monograph / V.A Antonova. - 2011

5. Article from electronic resource – Access mode:
<http://ep00.epimg.net/descargables/2015/05/06/f2c1e517ce56ad1pdfb1da05>.
6. Boyko M.G. Valuably oriented tourism management: monograph – Kyiv: 2010
7. Chen, J. J. and Dimou, I., 2005. Expansion Strategy of International Hotel Firms. *Journal of Business Research*, 58, 1730-1740.
8. Chen, W. (2016), “The model of service-oriented organizational citizenship behavior among international tourist hotels”. *Journal of Hospitality and Tourism Management*, 29, 24-32.
9. Chudnovsky A. D. Tourism and hotel management: a textbook / “YURKNYGA”, 2005 - 448 p.
10. D.V. Sai., International Marketing. Lecture notes / Kyiv, 2017. - 163 p.
11. D.V. Sai., International Marketing. Lecture notes / Kyiv, 2017. - 169 p.
12. D.V. Sai., Strategic Marketing. Lecture notes / Kyiv, 2017. - 132 p.
13. Delen D. Integrated modeling: the key to holistic understanding of the enterprise / D. Delen, N. P. Dalal, P. C. Benjamin // Association for Computing Machinery. Communications of the ACM. – New York. – Vol. 48. – Iss. 4 (Apr 2005). – P. 107–112.
14. Demchenko O.V. Management of the enterprise: the teaching manual Kyiv: 2015
15. Doing Business Measuring Business Regulations. [Electronic resource]. – Retrieved from doingbusiness.org: <http://www.doingbusiness.org/data/exploreeconomies/sweden/starting-a-business>.
16. Driscoll A.M., Paliwoda, S.J. Dimensionalizing international market entry mode choice // *Journal of Marketing Management*. – 2011. – Vol. 13. – No1–3. – Pp. 57–87.
17. Ekeledo and Sivakumar, 2014. International Market Entry Mode Strategies of Manufacturing and Service Firms. *International Marketing Review*, Vol. 21, No. 1, 68-101.

18. Ferreira E.J. Administrative management / E.J. Ferreira, A.W. Erasmus, D. Groenewald. – 2nd ed. – Lansdowne [South Africa]: Juta Academic, 2009 [Electronic resource]. – Access mode: <https://books.google.com.ua/>.
19. G.T. Pyatnitskaya Enterprise Management in the “Age of Globalism” Monograph / G.T. Pyatnitskaya - K.: Logos, 2012.
20. Global market research 2014 // Marketing in Ukraine. - 2014 - № 5. - C 4 - 18.
21. Grabovenska S.P. “Hospitality Development Strategy” / S.P Grabovenska. [Electronic resource]. - Access mode: <http://joomla.spkneu.org/>
22. Harris M. “Some Results on Incentive Contracts with Applications to Education and Employment, Health Insurance and Law Enforcement / M. Harris, A. Raviv // American Economic Review, 2008. – Vol. 68. – P. 20–30.
23. Harvey, M., Myers, M.B. and Novicevic, M.M. (2002) ‘The managerial issues associated with Global Account Management’, *Thunderbird International Business Review*, 44(5), pp. 625–647.
24. Heywood D. Brian J. Outsourcing. In search of competitive advantages / per. from english N. E. Metol, I. S. Polovitsy; ed. I. S. Polovitsy. - M .: Williams, 2010. - 174 pp.
25. Hill C.W.L., Hwang P., Kim W.C. An eclectic theory of choice of international entry mode // *Strategic Management Journal*. - 1990. - Vol. 11. - No.2. - pp 117-128.
26. Hill C.W.L., Hwang P., Kim W.C. An eclectic theory of choice of international entry mode // *Strategic Management Journal*. - 1990. - Vol. 11. - No.2. - pp 117-128.
27. Hofstede G. Cultural dimentions [Electronic resource]. – Retrieved from: <http://geert-hofstede.com/swe-den.html>.
28. Hotel investments: issues & perspectives / edited by Lori E. Raleigh, Rachel J. Roginsky, 5th ed. Lansing, Mich. American Hotel & Lodging Association, Educational Institute, 2012.

29. Hotel News Now, "Best Western acquires Sweden Hotels"; Access mode: <https://bit.ly/2reoOrK>
30. James L. Heskett. *Managing in the Service Economy* / James L. Heskett. - New York : The Free Press, 2006. - 234 p.
31. Johanson J, Vahlne J.-E. The Internationalization Process of the Firm - A Model of Knowledge Development and Increasing the Foreign Market Commitment? // *Journal of International Business Study*. - 1977 - Vol.8. - P.29.
32. Johanson J, Vahlne J.-E. The Internationalization Process of the Firm - a Model of Knowledge Development and Increasing Foreign market Commitment? // *Journal of International Business Study*. - 1977. - Vol.8. - P.29.
33. Jonker J. Systems thinking for the integration of management systems/ J. Jonker, S. Karapetrovic // *Business Process Management Journal*. - Bradford. - Vol. 10. - Iss. 6 (2004) : 608-615
34. Kochubei D. Evaluation of the efficiency of operation of the operating system of hotel enterprises / D. Kochubei // *Bulletin of KNTEU*, 2009. - №4.
35. Leont'eva Y.Yu. Investigation of the Possibilities of Using Existing Competitiveness Assessment Methods for Hospitality Companies / Yu.Yu. Leont'eva, K.A. Rudakova // *Scientific and technical collection*. - 2012.
36. M.P. Mal's'ka, I.G. *Pandjak Hotel business: teoria ta praktyka*. Kyi'v : Centruchbov. l-ry, 2009. 472 p.
37. Marquardt M. *Integrated Performance Improvement: Managing Change Across Process, Technology, and Culture* / M. Marquardt, K. Smith, J. Brooks // *Performance Improvement*. Silver Spring. - Vol. 43. - Iss. 10 (Nov/Dec 2004), P. 23-26.
38. Mazaraki A.A etc. *Tourist Destinations (theory, management, branding): monograph* / A.A Mazaraki, T.I. Tkachenko, SV Melnichenko et al.; per community Ed. A.A Mazarak - K.: Kiev. nats trad.-ekon. un-t, 2013.

39. Merriam-Webster Online Dictionary (Електрон. слов. М. Вебстера) [Електронний ресурс]. – Режим доступу. Access mode <http://www.m-w.com/dictionary/integration> (22.08.2013).
40. Ministry of Education and Science, Youth and Sports of Ukraine. Trade and hotel and restaurant business: innovative development in the conditions of globalization. Abstracts of the reports of the All - Ukrainian scientific - practical conference devoted to the 90th anniversary of the rector of the university (1967-1988) of the candidate of economic sciences, professor, honored worker of the high school of the Ukrainian SSR Berezhnoy Ivan Grigorovich April 20, 2012 Part 1.
41. Ministry of Education and Science, Youth and Sports of Ukraine. Trade and hotel and restaurant business: innovative development in the conditions of globalization. Abstracts of the All - Ukrainian Scientific - Practical Conference devoted to the 90th anniversary of the rector of the University (1967 - 1988) of the candidate of economic sciences, professor, Honored Worker of the High School of the Ukrainian SSR Berezhnoy Ivan Grigorovich April 20, 2012 Part 2.
42. N. Buntova, Candidate of economic sciences, docent of Department hotel-restaurant business, Kyiv University of Tourism, Economics and Law. "Effective economy»
43. Osievsky A.G Using forecasting methods in the sphere of hotel business / A. G. Osievsky // *Visn. international Slavs un-th* – 2008
44. Osipenko, K.V. (2014), Evaluation of regional structure of the world market of tourist services. *Ekonomika Regiona*, 4, 208-215.
45. Ovcharenko L.V Development of the hotel business: modern world trends / L.V. Ovcharenko, A.V Ovcharenko // *Peace of man.* - 2009. - T.9. - №1. - P.120-126.
46. Pine, R., Zhang, H. Q. and Qi, P., 2010. The Challenges and Opportunities of Franchising in China's Hotel Industry. *International Journal of Contemporary Hospitality Management*, 12/5, 300-307.

47. Porter Michael E. Competitive advantage: Creating and sustaining superior performance: with a new introduction/ Michael E. Porter. – New York : Free press, 1998. – 558 p.
48. Prikhodko D., et al. The development of a foreign hotel economy in the context of the development of international transport corridors / D.Pryhodko, I. Malyarchuk // Economy of Ukraine, 2012.
49. Puccataylo P.P. Economy and organization of tourism and hotel business: teaching. manual / P.P. Puccanthila - K. : Center for Educational Studies, 2017. - 344 pp.
50. Root F.R. Entry Strategies for International Markets. - San Francisco, CA: Lexington Books, 1994.
51. S. Melnichenko, T. Kudlay herald of Uzhhorod University 2016 «Hotel operators: Competitiveness on the National market».
52. Saprunova VB Tourism: Evolution, Culture, Marketing / V.B. Sapru-new. - M.: Oh-89, 1997. - 291s.
53. Schlenrich, U. and Aliouche, E. H., 2009. International Franchise Assessment Model: Entry and Expansion in the European Union. *Entrepreneurial Business Law Journal*, Vol 3, No. 2.
54. Shherin S.O. Conceptually-praxeological aspects of globalization development // Globalization and modern international process / Ed. prof. B.I Guy-Menuka and prof. S.O. Shergina - K. : Unt "Ukraine", 2009. - P.1. Nechaik L.I. Hospitality business. Management: educators. / L.I. Nechayuk, N.O. Teles - K.: Center for teaching. L-ry, 2003. - 348s.
55. Sizosenko V. O, et al. Economics and Enterprise Management: Tutorial / V.O Sizonenko, S.A. Tsiganov. - Ternopil: Educational Book-Bogdan, 2012.
56. Spence M. Job Market Signaling. The Quarterly Journal of Economics / M. Job Spence.– 2003. – Vol. 87. – P. 355–374.
57. Spivakovskaya T.V. Formation of marketing strategies of machine-building enterprises in conditions of internationalization of markets: author's abstract. dis

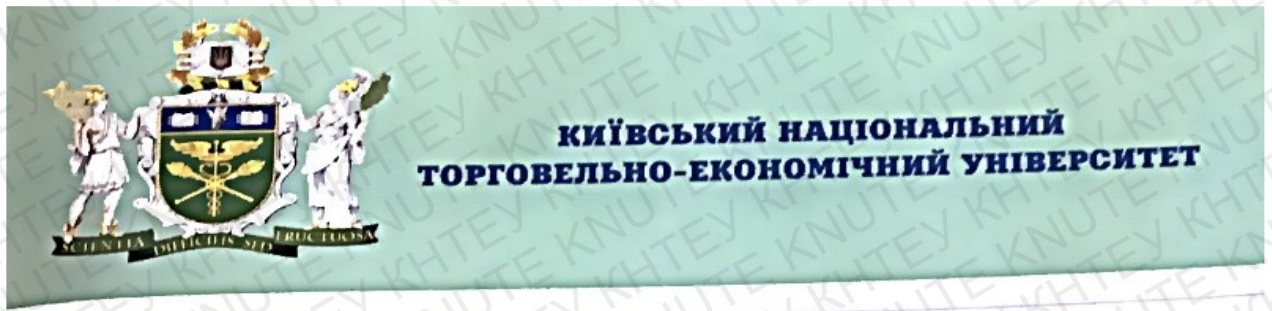
- Cand. econ Sciences: 08.00.04 / T.V. Spivakovskaya / National Technical University of Ukraine "KPI". - K., 2009. - P.13.
58. Stevenson W. J. Operations Management: 9th Edition / W. J. Stevenson. – Rochester Institute of Technology, 2010.
59. Strategic ecommerce systems and tools for competing in the digital marketplace / Mehdi Khosrow Pour, editor, Hershey, PA: Business Science Reference, 2015.
60. Syosenenko V.O, Tsiganov S.A. Economics and Enterprise Management. - T.: Educational book-Bogdan, 2010.
- 61.T.I. Tkachenko Sustainable Tourism Development: Theory, Methodology, Business Realities: Monograph/ T.I. Tkachenko - K.: KNTEU, 2006
- 62.The Global Competitiveness Report 2015–2016 [Electronic resource]. – Retrieved from: <http://reports.weforum.org/global-competitiveness-report-2015-2016/economies/#economy=SWE>
- 63.The official website of the World Tourism Organization. - [Electronic resource]. - Access mode: <http://www2.unwto.org/en>. - Title from the screen.
64. The Wall Street Journal, “U.S. Economy Adds 164,000 Jobs in April”; <https://on.wsj.com/2KCEWMK>
- 65.Tkachenko T.I., et al. Quality management of hotel services: methodology and practice: monograph / T.I. Tkachenko, SV Melnichenko, MV Bosovskaya MV, O.V. Poltava - Kyiv: Kyiv. nats trad. - ekon. Unt., 2012
- 66.V.I. Azar Economics of the tourist market / V.I Azar, S. Yu. Tumanov - M.: IPS Civil Service, 2009 - 203p.
- 67.V.M. Goloviy, E.Y Kuzkin, O.V. Yarmak, L.V. Piddubna, V.M. Kuznichenko, Fundamentals of scientific research methodology organisation of the results of the study manual. - 2 - edition. - K.: «Tee Press», 2012. - 344 p
- 68.Wallace W. The Dynamics of European Integration / W.Wallace. – London : Pinter, 2000.

69. Wang T.N. Integrated process planning and scheduling/rescheduling an agent-based approach / T.N. Wang, C. W. Leung, K.L. Mak, R.Y. Fung // International Journal of Production Research. – London : Vol. 44. – Iss. 18/19 (Sep 15, 2006). – P. 36
70. World Trade & Tourism Council, 2009. “Travel & Tourism Economic Impact – Executive Summary.”
71. Yu, L. and Huimin, G., 2015. Hotel Reform in China: A SWOT Analysis. *Cornell Hotel and Restaurant Administration Quarterly*. Vol. 46, No. 2, 153-169.
72. Z.I.Tymoshenko, G.B. Munin, VP Dishwash Marketing of hotel and restaurant business. Kyiv Publishing House of European University 2007 - 245 p.
73. Zhu M.; Wang, Z. J. and Quan, H. R., 2009. A Study of Factors Influencing International Franchisors’ Choice of Entry Modes into China. Presented at the 2009 Annual Conference of the International Society of Franchising, San Diego, CA. February.
74. Zubareva M.A Tools for popularizing the hotel in social networks / M.A. Zubareva // Global and national problems of economy, 2015.

APPENDICES

Appendice A

Articles of master programs students



INTERNATIONAL HOTEL BUSINESS AND TOURISM

**Articles of master programs students
Specialty 073 «Management» (specialization «Hotel
and Restaurant Management», «Tourism Management»),
241 «Hotel and Restaurant Business»
(specialization «International Hotel Business»),
242 «Tourism» (specialization «International
Tourism Business»)**

Київ 2018

Continue Appendice A

Main Directions of entry mode of hotel enterprise in the market of Georgia

8. Kiktenko Z.P. Features of the regulation of hotel industry development in Ukraine // Z.P. Kiktenko // Economy and Entrepreneurship, 2015. - No. 3 (84). - P. 50-56
9. Z.P. Kiktenko // Economy and Entrepreneurship, 2009. - №4. - P. 59-66
10. Kuchubei D. Kochubei // Bulletin of KNTEU, 2009. - №4. - P. 188-195
11. Mazaraki A.A., Bear N.I. Operational concept of management of enterprises of the sanatorium-resort area // A. Mazaraki, N. Bear. // Herald of KNTEU, 2014. - №1. - P. 188-195
12. Melnichenko S.V., Bosovskaya M.V., Yesipova K.O. Formation of quality systems in the hotel industry. // Innovative approach to the development of enterprises, industries, complexes. In 2 books. To 2: monograph / under common. ed sv Kuprienko; Sworld - Odessa: Kuprienko SV, 2012. - 164 pp.
13. Pyatnitskaya G.T. Enterprise Management in the Age of Globalism [Text]: Monograph / G.T. Pyatnitskaya - K.; Logos, 2012. - 568 p.
14. Shatovskaya T.B., Shatovskaya, N.S., Gerasimova Proceedings of the Odessa Polytechnic University, 2011. - №1 (35). - P. 289-297
15. Strategic e-commerce systems and tools for competing in the digital marketplace / Mehdi Khorrampour, editor. Hershey, PA: Business Science Reference, 2015p.
16. Plachenko T.I. Sustainable Tourism Development: Theory, Methodology, Business Realities. Monograph / T.I. Plachenko - K.: KNTEU, 2006 - 537 p.
17. Plachenko T.I., et al. Quality management of hotel services: methodology and practice. Monograph / T.I. Plachenko, SV Melnichenko, MV Bosovskaya MV, O.V. Poltava - Kyiv: nats. trad.-econ. Unt., 2012. - 798 pp.
18. Topolnik V.G., et al. Modeling the processes of the hotel industry on the example of the hotel «Central» of Donetsk / VG Topolnik, K.V. Cancer // BOOK DonNUET, 2014. - No. 1 (61) - P. 144-162.

The work is executed under scientific guidance of Candidate of Science (Economics), Associate Professor SHEIENKOVA K.

MAIN DIRECTIONS OF ENTRY MODE OF HOTEL ENTERPRISE IN THE MARKET OF GEORGIA

HOROBETS M., 2 course of master FRHTB KNUTE, speciality «INTERNATIONAL HOTEL BUSINESS»

У статті розкрито напрямки виходу українських готелів на міжнародний ринок Грузії. Проаналізовано основні фактори та ризики, які можуть впливати на подальше вихід готельного бізнесу. Здійснюється аналіз методів виходу готельної індустрії на міжнародний ринок Грузії.

Ключові слова: міжнародний ринок, вихід готельного бізнесу, готельна індустрія міжнародний ринок Грузії.

The article describes the directions of entry of Ukrainian hotels to the international market of Georgia. The main factors and risks that may affect the further production of the hotel business are analysed. Executed an analysis of the methods of entering the hotel industry on the international market of Georgia.

Keywords: international market, entry of Ukrainian hotels, hotel industry, international market of Georgia.

The actuality of the article. The area of hotel business in the world, in particular in Georgia, is characterised by dynamic development and becomes the main factor of cultural and economic progress of the country. Trends in the current economic situation in Georgia are characterised by positive dynamics, structural changes in the intensification of hotel services. Therefore, the article proposes entry mode of hotel to the international market of Georgia.

The object of research is development of a strategy of the entry mode of hotel complexes into the market of Georgia.

The subject is theoretical methodological aspects of hotel entrance to the international market of Georgia

The purpose of the article is to develop favorable model the main directions entry mode of hotel complexes in the Georgian market.

Analysis of recent research and publications is connected with the entry of hotel enterprises into the international market, analysis of the activity and development trends of hotel enterprises have been researched in scientific works of such: O.L. Gorina, A.M. Rasulova, A.G Okhrimenko, V.G. Gerasimchuk, G.O. Kravchuk, O.M. Garinin, scientists as: V.O Vasilenko, R.S. Ladyzhenko, in spite of the depth of development, the publications don't sufficiently highlight the complex approach to reaching the international level.

Today, the most attractive markets in the hotel industry are Georgia. The country's governing council has made the development of hotel business a priority way to encourage international investors.

Based on these articles, «EurAsia Dayli» magazine dated September 3, 2018, Georgia ranked 18th in the ranking of countries compiled by the Association of European Chambers of Commerce and Industry.

«Eurochambres» is an independent organisation representing the interests of national and international companies operating in Europe. The organisation's survey includes an assessment of the overall business environment, legislation, state policy, social climate and conditions. The rating covers 46 countries. Each country is rated for a 100-grade school. The highest rating is given to the country with the best business conditions.

The Eurochambres business rating is based on the results of two studies: 2018 World Bank Business Report and Transparency International Corruption Perceptions Index [14].

Main results. Determination of «mode of entrance to the hotel on the international market» is presented in the collections of various scientists and are presented in the table (Table 1).

Table 1

Definition of the concept «The entry mode of hotel on the international markets»		
№	Authors	The content of the concept
1	L.G. Lipich A.O. Fatenok- Thachuk [1]	«The strategy of entry mode of hotel company into foreign markets through the creation of joint ventures is based on a combination of its efforts with the partner country's business enterprises resources in order to create production and marketing capacities.»
2	S. Melnichenko T. Kudlay [8]	«The entry mode of national hotel operators into the European hotel market and the international market in general can be considered as bilateral cooperation in order to strengthen the development of a competitive tourism industry of the country, as a generator of economic growth and stimulating the economy, employment and foreign exchange earnings.»

The content of the concept

№	Authors	The content of the concept
3	N. V. Buntova [7]	«When entering the international market, the hotel company is in a strict international competition. Under these circumstances, you can only successfully work with modern management methods, including marketing.»

In international hotels, the processes of globalisation can best be traced on the example of the classifications of the main modes of entry of foreign markets for hotel complexes

To enter on the international market, a classification has been developed for the inclusion of the main regimes on the external market. Consider it below in the table.

Classification of Major Foreign Market Entry Modes for hotels complex [2]

The main strategic direction of growth	Variations of the main strategy
Export modes	<ul style="list-style-type: none"> Direct exporting Cooperative exporting
Contractual / Intermediate modes	<ul style="list-style-type: none"> Licensing Franchising Strategic alliances Management contract
Foreign direct investment	Wholly owned subsidiaries: <ul style="list-style-type: none"> Merges & Acquisitions (M&A) Green fields

In international hotels, the processes of globalisation are best seen on the example of selection of tourists.

In the context of the globalisation of international hotel business, particular attention is paid to investment strategies for the development of an international hotel network. Below there are three options for investment strategies that are suitable for entering hotel on the international market of Georgia.

Licensing agreement is an arrangement where in the licensor gives something of value to the licensee in exchange for certain performance and payments from the licensee.

Franchising is a licensing agreement, a sales method, in which a franchisee-company (that is given the right to provide services under the management of the marketing model developed by the hotel-franchisor. The franchisor allows the franchisee to use his trademark, name and advertising. The main difference between franchising and other contractual systems is that it is usually based either on a unique proposal or on business practices, or on a trademark, patent or copyright law.

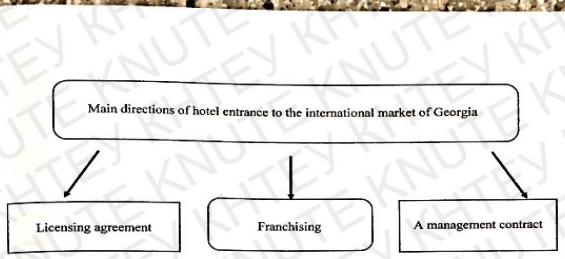


Figure 1. Main directions of hotel entrance to the international market

An agreement between a franchisor and a franchisee provides:

- use of the franchisor of the trademark of the franchisor;
- application of the franchisor of technology and standards of franchisor service;
- application of methods, control systems, reporting systems;
- use of recruiting and training methods developed by the franchisor, including internships and training programs for staff;
- inclusion of the franchisor in the general system of advertising and marketing franchisor.

A management contract represents an arrangement that permits the company with experience in hotel business areas to manage foreign activities on behalf of another company. Typically, the management contract includes management of all functional areas of business (marketing, finance, operations, HR). This type of contract does not allow managing foreign firm to make investments.

The Hospitality industry has specific factors which must be considered as part of strategic M&A plans. However, as with all deals, structured planning and appropriate preparation will ensure that the planned value is delivered with the minimum of risk.

A merger is the act of combining two firms to form a single company. Successful mergers and acquisitions (M&A) play a significant role in the growth of business and allow firms to expand more quickly than they could naturally. Growth is generally considered to be critical to the health of a firm. In general, growing companies will attract more customers, higher quality employees, and investors. Through mergers, firms can take advantage.

Chafield in economics of scale, reduction in average costs, increased revenues, and creating growth opportunities. An M&A is one of many potential investment projects that companies can pursue. Therefore, M&A decisions should be made based on shareholder wealth maximization. That means a firm should invest in projects that generate positive net present value.

There are many reasons for companies to participate in M&As. Survey evidence shows that CFOs believe achieving operating synergies is the key motivation for M&As (Mukherjee, Kiyamaz, & Baker, 2004). Even though the rationale may vary from one merger or acquisition to another, merger success is commonly measured by the short-term and long-term stock price responses. Studies not only show that returns from M&As vary over time but also that the combined target and bidder response is uncertain.

There are many reasons for firms to be involved in M&As. One is the potential synergy from M&As—the benefit from new technology, a new product, and the expansion of market share. Merging companies hope to bring something unique to better their operation, eliminate redundancies and become a more efficient, capable, and profitable company [15].

Continue Appendice A

Main Directions of entry mode of hotel enterprise in the market of Georgia

This, mergers and acquisitions are inseparable from the strategy. To make a strategic purchase, you need to have an investment justification. But before developing a strong investment justification, one needs to understand how the company is making money today and how it probably be making money in the future. Companies need to develop a clear vision of how they will grow and grow within their industry to achieve a defined strategy of the state.

In Table 3, are considered two types of strategies for the development of an international hotel complex.

Features of the development strategies of the international hotel complex [3]

1	Growth strategy	Involves development at the expense of increasing scale of hotel business, amplification and diffusion, requires mobilisation of resources and their special preparation, involves the development of special plans; spatial expansion is accompanied by the modernisation of business processes, requires a significant addition to the entire spectrum of functional strategies that are aimed at making profound changes in the activities of companies; the greatest attention is focused on the investment strategy, while implementing the strategy, different methods of consolidation and expansion of presence in foreign markets (mergers and acquisitions, construction of new hotels, participation in construction, acquisition of part of assets, franchising, contract management) may be used; the strategy implies a significant impact on the external environment (the pressure on competitors), leads to a change in market conditions, therefore characterised by increased risk, but at the same time, allows you to redesign the desired changes in the market (development of the market, overcoming its imperfections), create new demand, form new competitive advantages;
2	Stability strategy	Involves development by maintaining the existing state, by inertia (with the maintenance of the parameters specified in the previous stage), increasing the level of concentration of the international hotel business in the existing spatial framework, deepening its specialisation; the strategy implies an increase in reserves, part of the resources can be directed towards increasing the self-sufficiency of the international hotel business (due to the diversification of services), which should increase the opportunities for stabilisation and consolidate the market position; functional strategies focused on optimising (maximising) profits in the existing spatial limits.

This way of thinking will allow the company to ensure business survival and increase competitiveness in a competitive environment. In addition, one can accumulate vital knowledge, skills and experience through mergers and acquisitions with companies that provide access to markets or technologies. The mission and vision of long-term prospects help to determine if merger and acquisition projects have value for the company. In the development of the international hotel business often combines different directional processes of expansion and reduction, the differentiated development. This is largely attributable to the growth strategy. At the same time

expansion and reduction can be carried out by different methods. The reduction may include both a complete rejection of certain hotels and the provision of a lease. Differentiated development can take place both in the scale of one country and simultaneously in several countries. First of all, it is necessary to determine the type of management of the hotel industry businesses, which will function by their help.

An effective analysis of the opportunities for expanding national hotel chains in the international market can be made using the decision tree method of decision tree, which is a classic analysis tool with a certain number of alternatives and provides an assessment of each individual's effectiveness, taking into account events that may affect the outcome.

To solve the problem of entering the international market of hotel services, one should consider the conditional situation of the hotel complex on the international market with various hotel industry management forms.

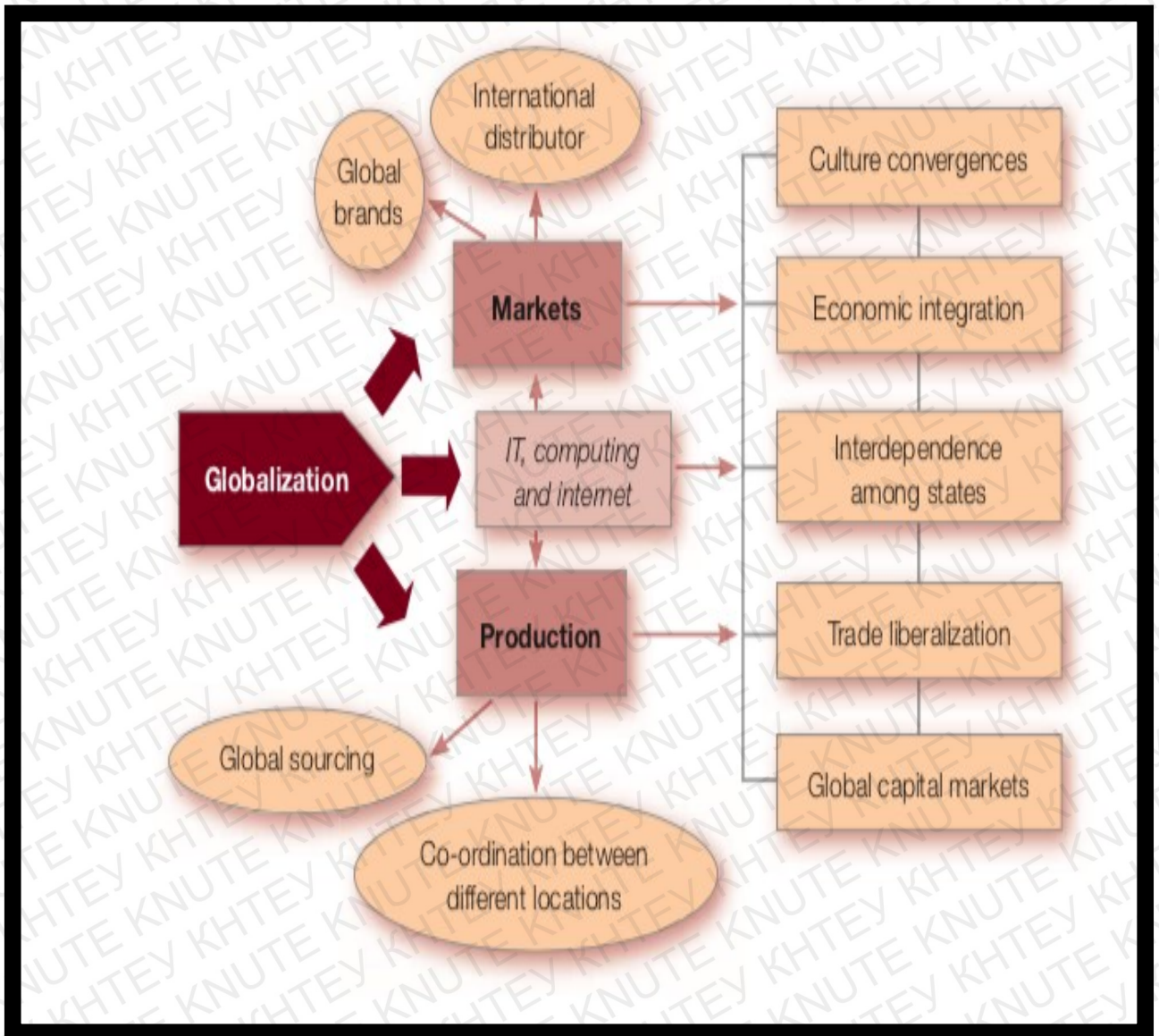
Despite the variety of types and options for expanding international hotel business, there is a need to develop universal models for shaping their development strategy. This is due to the impact of globalisation on the functioning of the international hotel business, the emergence of universal laws. For the exit of the hotel complex on the international market developed a classification of major modes inclusion in the foreign market.

In summary, the Hospitality industry has specific factors which must be considered as part of strategic M&A plans. However, as with all deals, structured planning and appropriate preparation will ensure that the planned value is delivered with the minimum of risk. [13]

Conclusions The results of the study show that the detailed study and understanding of the main aspects of entering the international market influences the further development of the hotel complex in the international market. In general, the mechanism for the formation and implementation of the strategy for the development of international hotel business is complex, consistent, interconnected and at the same time cyclic. In addition, there is a stable feedback and, as a consequence, the reciprocal effect of each stage on the other and on all mechanisms as a whole. The development and implementation of a strategy for the development of international hotel business is a necessary component of a successful and competitive functioning of the constantly changing environment of the economic environment and the globalisation of the hotel business. From the material above, we learned about the main aspects affecting the exit of the hotel business to the international market, in particular Georgia.

References

1. A.O. Fatenok - Tkachuk Analysis of the factors of influence on the development of foreign economic activity of machine-building enterprises / Scientific works of Kirovograd National Technical University. Economic sciences. - 2010. - 17. - pp. 93-100.
2. D.V. Sai., International Marketing. Lecture notes / Kyiv, 2017. - 163 p
3. D.V. Sai., Strategie Marketing. Lecture notes / Kyiv, 2017. - 132 p.
4. G.T. Pyatnitskaya Enterprise Management in the Age of Globalism Monograph / G.T. Pyatnitskaya - K.: Logos, 2012.
5. Global market research 2014 // Marketing in Ukraine. - 2014 - № 5. - C 4 - 18.
6. M.P. Mal's'ka, I.G. Pandjak Hotel business: teoria ta praktyka. Kyi'v : Centrukhov. Iry, 2009. 472 p.
7. N. Buntova, Candidate of economic sciences, docent of Department hotel-restaurant business, Kyiv University of Tourism, Economics and Law. «Effective economy»
8. S. Melnichenko, T. Kudlay herald of Uzhhorod University 2016 «Hotel operators: Competitiveness on the National market».
9. Strategic ecommerce systems and tools for competing in the digital marketplace / Mehdi Khosrow Pour, editor, Hershey, PA: Business Science Reference, 2015.





Infolist.pl.ua
пр-ву Франка, 20 Львівська область

Appendice D

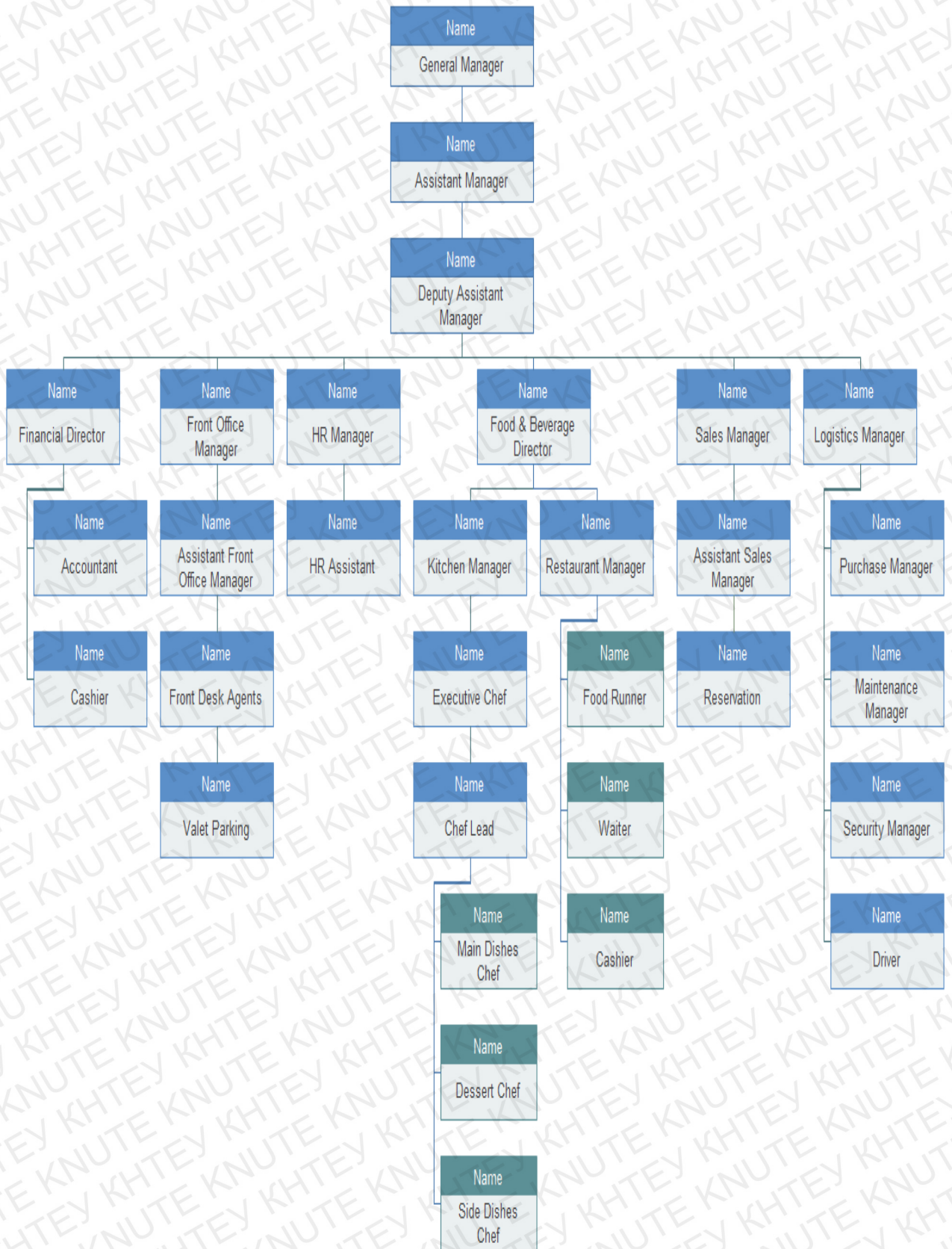
Pricing policy in the amount is for one person for one night

	Month
--	-------

Category of the room	September - November		December - February		March – May		June – August	
	<i>Week-days</i>	<i>Holiday</i>	<i>Week-days</i>	<i>Holiday</i>	<i>Week-days</i>	<i>Holiday</i>	<i>Week-days</i>	<i>Holiday</i>
1 – room cottage	2200 UAH	2500 UAH	1700 UAH	1900 UAH	2100 UAH	2400 UAH	2300 UAH	2600 UAH
2 room cotage	2100 UAH	2400 UAH	1600 UAH	1800 UAH	2000 UAH	2300 UAH	2200 UAH	2500 UAH
3 - room cotage	2500 UAH	2900 UAH	1900 UAH	2200 UAH	2400 UAH	2800 UAH	2600 UAH	3000 UAH
Standart room	1000 UAH	1200 UAH	800 UAH	1000 UAH	900 UAH	1100 UAH	1000 UAH	1200 UAH
Standart room +	1000 UAH	1300 UAH	900 UAH	1150 UAH	900 UAH	1200 UAH	1100 UAH	1300 UAH
Twin	900 UAH	1000 UAH	700 UAH	950 UAH	800 UAH	900 UAH	900 UAH	1000 UAH
Lux	1400 UAH	1500 UAH	1150 UAH	1250 UAH	1300 UAH	1400 UAH	1400 UAH	1500 UAH
Enter on the teretori	60 UAH	80 UAH	-	-	40 UAH	60 UAH	60 UAH	80 UAH

Appendice E

Organisation structure of the hotel complex “Mys Dobroi Nadii”



Name	Developer	Address	Opening Year	Number of Rooms	Number of beds	Stars
Tbilisi Marriott	GMT Group	13 Rustaveli Avenue	2002	127	252	5
Courtyard Marriott	GMT Group	Freedom Square 4	2004	118	234	4
Radisson Blu	Silk Road Group	Rose revolution square 1	2009	249	498	5
Citadines	Amtel Properties Georgia	Freedom Square 4	2009	66	132	4
Primavera**	City Partner	8 Kuchisvili Str.	2010	28	36	4
Holiday Inn	Adjara Group Hospitality	26 May Square 1	2011	270	504	4
Rooms Hotel*	Adjara Group Hospitality	14 Kostava Str.	2014	126	252	No stars
Best Western	Best Western LLC	11 Apakidze Str.	2014	48	75	4
Hotels & Preference Hualing	Hualing Group	Josef Pilsudski Avenue	2015	247	363	5
Mercure Tbilisi Old Town	Maqro Construction	9 Gorgasali Str.	2015	108	194	4
Biltmore Hotel	Dhabi Group Georgia	29 Rustaveli Avenue.	2016	216	428	5
Ibis Styles	Maqro Construction	4 Tabidze Str.	2017	118	250	3
Moxy by Marriott	GMT Group, OPIC	Saarbruken Square	2018	130	260	No stars
Ramada Encore Kazbegi Ave	M ² Real Estate	15 Kazbegi Ave.	2018	152	250	4
Total				2,003	3,728	

Appendice H

Map of Georgia

