

**Kyiv National University of Trade and Economics
Hotel and Restaurant Business Department**

FINAL QUALIFYING PAPER

on the topic:

**«INTEGRATION GROWTH TECHNOLOGIES IN THE
«INTERCONTINENTAL HOTELS GROUP» HOTEL
CHAIN»**

Student of the 2th year, group 10am,

Field of study 241

«Hotel and Restaurant Business»

Specialization

«International Hotel Business»

Anton O. Bolotenko

Scientific adviser

Candidate of Sciences
(Economics), Associate Professor
of hotel and restaurant business
department

Maria V. Kulyk

Head of educational
and professional program

Doctor of Sciences (Economics),
Professor

Margarita H. Boyko

Kyiv 2020

Kyiv National University of Trade and Economics

Faculty of Restaurant, hotel and tourism 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 _____, _____, 2019

Task for a final qualifying paper

Anton O Bolotenko

(last name, initials)

1. Topic of a final qualifying paper: «Integration growth technologies in the «Intercontinental Hotels Group» hotel chain». Approved by the Rector's order from 04.11.2019 № 3772.
2. Term of submitting by a student his/her terminated paper: 16.11.2020
3. Term of submitting by a student his/her terminated paper:

Purpose of research is to develop theoretical and methodological regulations, methods of effectiveness estimation, guidelines and suggestions for the integration growth technologies implementation in the «Intercontinental Hotels Group» hotel chain, and new principals in overall operation of the hotel based on the study of new conceptual framework and methodological approaches to improve the assessment of the development of theoretical basis and creation of practical recommendations for system of integration growth technologies.

The object of research is corporate hotel system of integration growth technologies.

The subject of research is exploration of the theoretical positions, methodical basis and practical recommendations of forming system of integration growth technologies in the «Intercontinental Hotels Group» hotel chain.

4. Contents of a final qualifying paper (list of all the sections and subsections)

INTRODUCTION

PART 1. THEORETICAL BACKGROUND INTRODUCTION OF INTEGRATION GROWTH TECHNOLOGIES IN THE HOTEL INDUSTRY

1.1 Literature review

1.2 Modern integration growth technologies

PART 2 ANALYSIS OF INTEGRATION GROWTH TECHNOLOGIES IN THE «INTERCONTINENTAL HOTELS GROUP» HOTEL CHAIN

2.1. Organizational and economic assessment of the hotel

2.2 Main features of integration growth directions

2.3 The forming system of integration growth in the «Intercontinental Hotels Group» hotel chain

PART 3. THE DIRECTIONS OF INTEGRATION GROWTH TECHNOLOGIES IN THE «INTERCONTINENTAL HOTELS GROUP» HOTEL CHAIN

3.1. Propositions for system of integration growth improvement in «Intercontinental Hotels Group» hotel chain

3.2. Confirmation of improvement measures integration growth technologies in «Intercontinental Hotels Group» hotel chain

CONCLUSIONS

REFERENCES

APPENDECIES

5. Time schedule of the paper:

№	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	01.09.2019 p.- 31.10. 2019 p.	01.09.2019 p.- 31.10. 2019 p.
2	Preparation and approval of task for the final qualifying paper	01.11.2019 p.- 31.12.2019 p.	01.11.2019 p.- 31.12.2019 p.
3	Writing of the 1 st part of the final qualifying paper	02.01.2020 p.- 11.05.2020 p.	02.01.2020 p.- 11.05.2020 p.
4	Defense of the 1 st part of the final qualifying paper in scientific adviser	14.05.2020 p.- 18.05.2020 p.	14.05.2020 p.- 18.05.2020 p.
5	Writing and preparation for publication of a scientific article	Before 18.05.2020 p.	Before 18.05.2020 p.
6	Writing and defense of the 2 nd part of the final qualifying paper in scientific adviser	18.05.2019 p.- 07. 09. 2020 p.	18.05.2019 p.- 07. 09. 2020 p.
7	Defense of the 2 nd part of the final qualifying paper in scientific adviser	07.09.2019 p.- 10. 09. 2020p.	07.09.2019 p.- 10. 09. 2020p.
8	Writing and defense of the 3 rd part of the final qualifying paper in scientific adviser	11.09.2020 p. - 28.10.2020 p.	11.09.2020 p. - 28.10.2020 p.
9	Registration of the final qualifying work and abstract for preliminary protection in commissions	29.10.2020 p.- 31.10.2020 p.	29.10.2020 p.- 31.10.2020 p.
10	Presentation of final qualifying paper and abstract on the department	20.11.2020 p	20.11.2020 p
11	Presentation of the final qualification work to the Dean's Office for receiving a referral for an external review	16.11.2020 p. 18.11.2020 p	16.11.2020 p. 18.11.2020 p
12	Preparation of final qualifying paper to defense in the Examination Board	18.11.2020 p.- 01.12.2020 p.	18.11.2020 p.- 01.12.2020 p.
13	Defending of the final qualifying paper in the Examination Board	According to the schedule	According to the schedule

6. Date of receiving the task: 28.12.2019

7. Scientific adviser of the final qualifying paper _____

Mariia V. Kulyk

8. Manager of the educational program _____

Margarita H. Boyko

9. The task received by the student _____

Anton O Bolotenko

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

Student Anton Bolotenko executed the final qualifying paper full-scale in the set terms in obedience to the time schedule of the paper.

The content, structure and execution of the paper answer requirements of the high school, has a practical value and academic novelty, an actual direction of researches. The final qualifying paper contains the introduction, main text (3 parts), conclusions, references and appendices.

In the first part defined theoretical and methodological basis of modern integration growth technologies in hotel business. The factors of forming the modern integration growth technologies were partly defined.

In the second part analyzed the forming system of integration growth in the «Intercontinental Hotels Group» hotel chain.

In the third part defined the propositions for system of integration growth improvement in «Intercontinental Hotels Group» hotel chain. The expected results from the proposed measures were presented.

A final qualifying paper can be admitted to defense in the Examination Board and deserves a positive estimation.

11. Resume about a final qualifying paper research

A final qualifying paper (project) of the student Anton O Bolotenko
(last name, initials)

can be admitted to defence in the Examination Board.

Manager of the educational program _____

Margarita H. Boyko

Head of the Department _____

Margarita H. Boyko

_____, _____, 2020

CONTENT

INTRODUCTION	7
PART 1. THEORETICAL BACKGROUND INTRODUCTION OF INTEGRATION GROWTH TECHNOLOGIES IN THE HOTEL INDUSTRY	9
1.1 Literature review	9
1.2 Modern integration growth technologies	12
PART 2 ANALYSIS OF INTEGRATION GROWTH TECHNOLOGIES IN THE «INTERCONTINENTAL HOTELS GROUP» HOTEL CHAIN	17
2.1. Organizational and economic assessment of the hotel	17
2.2 Main features of integration growth directions	24
2.3 The forming system of integration growth in the «Intercontinental Hotels Group» hotel chain	32
PART 3. THE DIRECTIONS OF INTEGRATION GROWTH TECHNOLOGIES IN THE «INTERCONTINENTAL HOTELS GROUP» HOTEL CHAIN	36
3.1. Propositions for system of integration growth improvement in «Intercontinental Hotels Group» hotel chain	36
3.2. Confirmation of improvement measures integration growth technologies in «Intercontinental Hotels Group» hotel chain	42
CONCLUSIONS	49
REFERENCES	52
APPENDECIES	57

INTRODUCTION

Innovation in the hotel industry leads to the development of integrated growth technologies. Integration implies a unification, a combination of elements into a single whole. Thus, the introduction of certain types of innovations leads to their integration with existing resources in order to create new technologies or modernize, improve existing technologies to ensure the growth of the hotel industry.

Today, two main trends affect the implementation of integrated growth technologies: strong competition, which promotes personalization for occupying a certain niche and customer retention; rapid development of ICT and process automation, which is precisely the solution to the first problem for the hotel industry as well. Since competition requires the introduction of ICT in hotel operations, integrated growth technologies are developing in the hotel industry as a whole.

In the literature, the subject of the introduction of integrated growth technologies is considered indirectly. In most publications for 2010-2020, scientists consider the consequences of introducing innovations in the hotel industry, applications of Industry 4.0, innovation strategies, types of service innovations in different subsystems of the hotel industry. There is no comprehensive analysis of the metrological aspects of the implementation of integrated growth technologies in the hotel industry.

Purpose of research is to develop theoretical and methodological regulations, methods of effectiveness estimation, guidelines and suggestions for the integration growth technologies implementation in the «Intercontinental Hotels Group» hotel chain, and new principals in overall operation of the hotel based on the study of new conceptual framework and methodological approaches to improve the assessment of the development of theoretical basis and creation of practical recommendations for system of integration growth technologies.

The object of research is corporate hotel system of integration growth technologies.

The subject of research is exploration of the theoretical positions, methodical basis and practical recommendations of forming system of integration growth technologies in the «Intercontinental Hotels Group» hotel chain.

The research methodology consists of in-depth scientific methods and special methods. A secondary analysis of publications for 2000-2020 was carried out using a Science Direct [34] database to assess changes in the subject of research.

Scientific novelty. For the first time, concepts of integration growth technologies in the hotel industry are defined in the study. For the first time, an assessment methodology for effectiveness estimation, guidelines and suggestions for the integration growth technologies implementation is formed.

PART 1

THEORETICAL BACKGROUND INTRODUCTION OF INTEGRATION GROWTH TECHNOLOGIES IN THE HOTEL INDUSTRY

1.1 Literature review

The impact of economic globalization and information technologies is a huge challenge to the hotel industry. People are more demanding in the service industry. In order to meet the needs of consumers and satisfy the requirements of modern life, companies must make improvements in their technology [35].

If earlier the hotel industry was focused mainly on tourists who “dictated” the working conditions to hotels, today the focus is often on business representatives: organizing congresses, providing halls for press conferences or organizing negotiations with clients and partners, for whom, as new options, they offer the services of fitness centers, spa-salons, pools with different temperatures, diet menus in restaurants, resettlement of clients according to nationality, temperature conditions of rooms, features of furniture, the presence of certain interior items that correspond to the guest’s culture, choice dishes from the menu, corresponding to or very close to the national cuisine of the guest. An absolute highlight in the hotel business is the emergence of hotels with a focus on exclusivity, which have many surprising features: the rooms are not numbered randomly, the furniture is grouped by color, the rooms have their own attendants working only for a particular guest (Sri Lanka, Malaysia, Goa province, Dominican Republic, etc.). In addition, in recent years, innovative RFID technology has been used to create unified payment systems (when a tourist identifies himself and pays for the services provided) and can determine the location of a hotel guest [8].

In the hotel industry, several key trends can be identified that determine the development of integrated technologies in order to ensure growth:

1. Personification in connection with more demanding consumers. Now, consumer demand requires special attention in connection with increased competition, the integration of technologies allows satisfying demand.

2. Disruptive innovations that affect the industry (for example, Uber and other similar companies that allow tourists to travel with different goals more often and at lower cost). This leads to the development of a shared consumption economy.
3. Development of integrated platforms (for example, Booking allows a tourist to simultaneously book a hotel room, book a taxi or rent a car, while ensuring safety, ease of use of services and consumer confidence that the services will be provided).
4. Implementation of integrated operational business models, which is a consequence of previous trends. Hotels can lose consumers if they do not use integrated platforms, as a resource or platform, a market place for advertising and marketing. Therefore, new operational business models are being introduced.
5. There is an integration of the corporate brand strategy, organizational culture development strategy, differentiation, management and social responsibility strategies, sustainable development [12] strategies taking into account the environmental component of hotel growth. As a result, integration models of the hotel industry's brand orientation [12] are formed, which are based on integrated technologies to ensure business growth.

“Hotel businesses should be protagonists of sustainable tourism development” [4]. Integrated business model based on technology must take into account environmental, sociocultural, economic and political criteria for a sustainable hotel development and growth. Due to the potential negative environmental, cultural, and social impacts of tourism, hotels have a responsibility to act in a sustainable manner. Environmental, social, cultural, economic, and political criteria will allow hotel managers to develop more holistic, integrated, systemic, and participatory strategies and to play an active role in building economically profitable, culturally compatible, socially just, and environmentally responsible societies.

In revising their business models to cope with the new competitive challenges posed by sharing platforms, hotel chains can leverage their superior capacity to deal with three key features of transactions drawn from TCT (frequency, uncertainty and asset specificity) and develop ‘integrated platforms’ [43]. The ‘sharing economy’ is in

the process of transforming numerous industries. The hotel sector is especially vulnerable to the strategic disruption that sharing platforms present [43].

An analysis of the literature for 2010–2020 indicates the absence of theoretical and methodological methods for assessing the implementation of integration technologies for growth in the hotel industry. Some works [30] discuss modern innovative trends in hotel behavior, which include four types of innovations: management, external communication, service scope and back-office. Industry 4.0 technologies assessment is provided in order to evaluate sustainability perspective in hotel industry, because Industry 4.0 “have the potential to dramatically influence social and environmental sustainable development” [7].

The types of service innovations in the hotel industry are considered, among which service concept [12], new methods for customer interaction, new value system and new business partnership implementations, new revenue model, new organizational system; personnel, organization, culture, appropriate, new service delivery system; numerous service innovations.

Current hotel ICT solutions based on the key smart technologies (Stankov et al., 2018 [36]) include smartphones, wearables, biometric and audio-visual technology, as well as the supporting components, including intelligent software agents and geolocation systems.

An analysis of success factors and challenges in hospitality innovation strategies was provided [27]. As a result, “hospitality is the least innovative service activity” and “total sales turnover in hospitality is positively related only to complex innovation strategies” [27].

The organizational view of sustainability in hotel industry mostly focuses on innovation. There is no research that analyze an integrated growth technologies in hotel industry. It is because the growth of the firms depends on the penetration of new product and services in the market, which mean innovation integration in hotel industry. Growth strategies in hospitality depend on combination of new product, service and market preferences. The change in sales in recent 4 years can be a measurement factor for the growth rate (Kalevi et al., 2011) [23]. The indicated combination of different

types of innovations, which is based on the introduction of new technologies in the hotel industry, is an integrated growth technology, which can be quantified using an assessment of revenue and sales growth.

Thus, a review of the literature allowed us to define a new concept in the scientific community – integrated growth technologies in the hotel industry, which are based on a combination of innovations.

1.2 Modern integration growth technologies

Hotel industry shows service innovations rather than product innovations. Hertog et al. (2010) defined the six subdimensions of service innovation, as they are shown below [12]:

The service concept; in other words the perceived value of the service for the customer a solution to satisfy a need of a customer that has not been met or remarked before.

Using some new methods for customer interaction; behind the traditional methods to realize service attraction in a more efficient ways for both ways creating mutual value. For example, saving the commissions paid to the travel agencies by making hotel reservations via internet decreasing time and monetary cost for being more cost effective.

New value system and new business partnership implementations; coalition of partners, like hotel acquisitions or mergers.

New revenue model; new revenue management models in hotels distributing costs and revenues appropriately between departments like food & beverage, house-keeping, sales, accounting, banquet, or technical support departments.

New organizational system; personnel, organization, culture, appropriate management and organization structure to allow service providers to new jobs properly and to develop innovative services such as, new sales-call techniques in sales departments or creation of new recipes for food & beverage department.

New service delivery system; numerous service innovations ranging from electronic business to e-tourism with advanced multi-channel management,

customization of services, introduction of self-service concept and so on. For example, different reservation and special gift services for customers might be a good example for customization. The multi-channel management comes with outsourcing of new employees, food delivery or transportation service for customers like airport transportation.

Service innovations in hotels depend directly on the totality of applications that are implemented and integrated to improve the quality of hotel services. In the hospitality industry, information and communication technologies are integrated into different areas of the hotel's activities and subsystems, which ultimately transform the previously listed types of service innovations. It is applications that grow into modern integrated technologies that contribute to the growth of the industry.

To analyze current hotel ICT solutions from the viewpoint of their suitability for calm ICT design, a smart technology paradigm has been utilized. The categorization of current ICT solutions as applied in hotels is based on the key smart technologies (Stankov et al., 2018 [36-37]) and will encompass: smartphones, wearables, biometric and audio-visual technology, as well as the supporting components, including intelligent software agents and geolocation systems.

In their seminal work, Weiser and Brown (1995) [41] divided technologies into calm and disturbing. The differentiation was made on the grounds of how technologies engage with the user's central and peripheral attention. Calm technology should engage with both and, while it focuses on central attention, peripheral attention is naturally attuned [36].

Smartphones have changed the communication landscape in the hospitality sector as they have become ubiquitous, providing a key medium for information delivery and exchange (Kim and Law, 2015) [25]. The growing number of consumers nowadays own multiple devices and use them consecutively when searching travel information and booking; however, compared to other devices, smartphones are the most portable, versatile and accessible from virtually anywhere (Murphy et al., 2016) [29] including almost all possible scenarios of hotel experience. Hoteliers have begun responding to this trend by developing corporate mobile phone use strategies and accompanying

applications (Chen et al., 2016) [9]. For example, Radisson RED (Brussels, Belgium) uses all-in-one hotel application to deliver services through the hotel guests' smartphones. Room reservation and seamless control over hotel stay with keyless technologies are enabled by a dedicated app. Everything a guest might need before, during and after their stay is centralized on a single, easy-to-use digital platform (Assa Abloy, 2016) [1].

Wearables encompass various technological solutions that stand for the different forms of body mounted technology (Atembe, 2015) [5]. They represent an emerging ICT trend which finds purpose during travel and hotel stay by facilitating communication, navigation, information search or health monitoring (Ortiz Rincon et al., 2017) [31]. For example, Palladium Hotel Group (Ibiza, Spain) introduced the VIB (Very Important Bracelet). With its smart bracelets, the hotel guests can access rooms and other hotel facilities, pay for products and take advantage of exclusive discounts. The bracelets are programmed to ensure that guests' personal information is safely protected (Palladium Hotel Group, 2018) [32]. Drawing upon this example, wearables will become an important ICT solution to be used in the context of all-inclusive holidays where they can replace traditional paper bracelets by offering not only a fashionable hi-tech device, but also a device with integrated functionality.

Biometric technology encompasses various forms – fingerprint and iris scanning, facial, voice, hand geometry or signature recognition – and offer multiple opportunities for hotels (Mills et al., 2010) [28]. Biometrics have long been around and the hospitality industry has recently started embracing them to enhance its management and improve quality service delivery, such as providing seamless access for hotel guests to control and payment, time and attendance systems (Kang et al., 2007) [24]. Therefore, biometrics are gradually becoming a common in-room technological solution for hotels. For example, Waldorf Towers Hotel (New York, USA) uses the Elsafe biometric safe with fingerprint recognition which enables the hotel guests to securely store their personal belongings by applying little effort (Assa Abloy, 2003) [1].

Audio-visual technology is a traditional hotel ICT category that encompasses various video display systems, self service automated machines or innovative voice-

controlled systems. For example, Wynn (Las Vegas, USA) was among the first hotels in the world to commercially introduce the Amazon Echo smart speakers as room equipment. Guests can verbally control many aspects of lighting, temperature and the audio-visual components of a hotel room using commands via a voice-activated assistant Alexa service (Raz, 2016) [33].

Many ICT solutions presented above are usually underpinned by robust intelligent software agents. Intelligent software agents are an important asset for calm ICT design as they can bridge the gap between computers and specific applications. Most examples of current use of artificial intelligence (AI) in the hospitality sector are related to the back office operations, such as revenue management, marketing or advertising, while there are many other possible applications in daily operation activities that directly affect guests, such as housekeeping, check-in or check-out procedures, prediction of room maintenance work, and food procurement, to mention a few (Alsetoohy and Ayoun, 2018) [3].

The advantage of calm ICT design in hotels lies in the fact that it is an attention and focus-based approach that is predominately related to the “calm” state of a guest that should not shift to the “disturbed” state when consuming hotel services delivered by ICT. Essentially, calm ICT design should help the guest to deal with the shortcomings of the ICT uptake in hotels. Consequently, by removing the ICT-induced friction in guest experience, no additional mental cost is required which could then increase guest satisfaction. Below we propose the functional strategies that stress the advantages of calm ICT design for hotels.

ICT supported communication is an integral element of hotel experience (Ting, 2017 [38]). From the calm ICT design perspective, it can encompass various contexts of the use of ICT solutions to interact with hotel guests [36].

The main advantage of calm ICT transactions for guests is the convenience of use, which leaves enough space to enjoy the basic hotel experience, as no additional mental cost is needed to conduct practical operations [36].

Calm ICT design can aid in the development of new business models; it can further make some traditional hotel services to disappear while some new services to

emerge. For example, so-called “digital detox” facilities and silent retreats (LippeMcGraw, 2017) [26] or other “niche” types of the hotel industry’s offers, such as spa & wellness, rural hotels or “slow” hotels that are underpinned by the idea of technological disconnection, and where the overuse of ICT can detrimentally affect the core hotel experience, can benefit from adopting calm ICT design. Similarly, the old-fashioned inroom control devices can be replaced with smart, hyper-personalized hotel experiences controlled with consumer smartphones.

PART 2

ANALYSIS OF INTEGRATION GROWTH TECHNOLOGIES IN THE «INTERCONTINENTAL HOTELS GROUP» HOTEL CHAIN

2.1. Organizational and economic assessment of the hotel

InterContinental Hotels Group (IHG) is a British hotel chain operator [21]. IHG differentiates its portfolio of brands to meet the needs of consumers around the world. IHG have “the right hotel brand for both our guests and owners, whatever their needs” [14]. IHG “execute an asset-light strategy with a focus on the most attractive, high-growth markets and industry segments” [22].

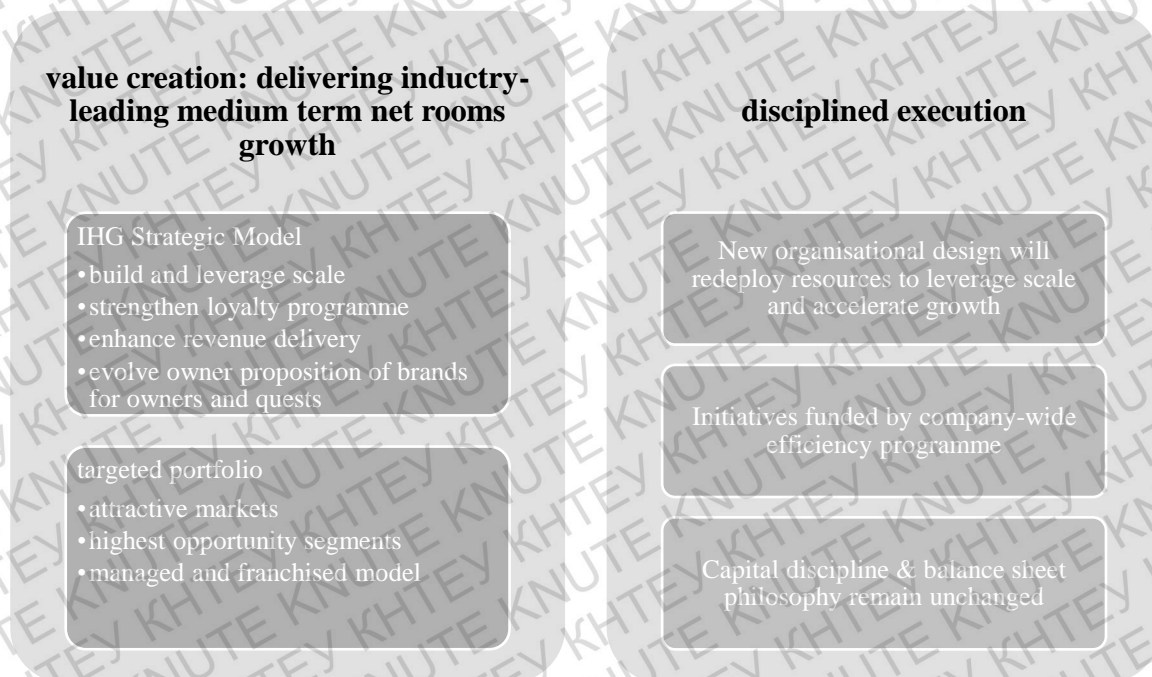


Figure 2.1. Value creation and IHG Strategic Model [IHG reports, 15-18]

IHG is focused on optimizing ways to quickly execute an integrated, established, successful strategy to accelerate growth. IHG's strategic model defines the way we do business, which is a key element of commitment and delivering high-quality, long-term and sustainable growth in profit and cash flow.

IHG has developed two major business models for branded hotel groups [17]:

1. «Fee-based, asset-light model». In 2018, 77% of revenue, or 1.9 billion in revenue, came from franchise and management fees, with central revenues from:

- Franchised (576,979 numbers in 2018), which is owned and operated by parties other than the brand and who pay IHG fees for using the company's brand.
- Managed (253,566 rooms in 2018, 1.2 billion in revenue) - Managed by non-hotel contractors who pay management fees and, when a hotel uses a third party brand, the fees are collected from a third party.

2. "Owner-operated, asset-heavy model". The number of hotels owned, rented and operated by IHG is 23 as of 31.12.2018 compared to over 180 17 le ago:

- management is owned by the owner who pays expenses and receives income.
- leased - similar to its own, except for the absence of direct ownership of the hotel from the owner-operator, rents the hotel out from the ultimate owner.

Asset-oriented business models allow tight control over hotel operations. By comparison, light asset models provide rapid growth with less capital investment.

As part of the strategic model, IHG focuses on creating ultimate value through creating key preferred brands, scaling up, delivering value propositions to owners and generating revenue at the lowest cost through direct channels. IHG is focused on a targeted portfolio that, together with disciplined strategy and commitment to socially responsible business conduct, will deliver high returns to shareholders.

The Board of Directors guides IHG's strategic direction and long-term goals through IHG's strategic goal setting, analysis and effective oversight, IHG performance monitoring and risk management controls. A number of key issues and decisions of IHG are approved by the Board of Directors, are not transferred to management, for example, issues related to commercial strategy; important investment proposals; providing analysis, supervision, control of operational, investment and financial results; monitoring of the risk management and internal control system, compliance with regulatory requirements and corporate governance (Figure 2.2).



Figure 2.2. Board and Committee governance structure [IHG reports, 20]

In an increasingly competitive and globalized environment, IHG's technology integration has the potential to achieve accelerated growth in its core business, to capitalize on new initiatives such as growing, building and adding new brands to its portfolio.

IHG measures performance using a set of selected Key Performance Indicators (KPIs) that indicate strategy achievement and growth.

IHG manages demand through scaling, brand portfolio, employee reward system, mobile apps and technologies, Food and Beverage, room revenues, reservation systems, management systems, sales system and Fund System (Figure 2.3).



Figure 2.3. The demand growth in IHG [IHG reports, 22]

* Definition: This figure relates to rooms revenue delivered to hotels through bookings made directly with IHG, bookings by IHG Rewards Club members made directly with hotels, and bookings made via Online Travel Agencies and the Global Distribution System.

The global economic backdrop is getting more complex, leading to a slowdown in RevPAR growth, but IHG is increasing room offerings and providing positive industry fundamentals such as disposable income growth, growing interest in branded hotels.

The \$ 535 billion hotel industry is still fragmented. 54% of the numbers belong to the global or regional network [18]. Competition is growing among established industry players, driven by the drive to grow companies through acquisitions, diversified offerings and organic expansion.

Consumer expectations are rising in areas such as luxury and technology, sustainability and individuality. This continues to affect the way the hotel industry operates. During this time, the growth of digital commerce is driving an increased competitive landscape that includes online travel intermediaries, peer-to-peer rental companies and serviced apartments.

2019 Hospitality Performance In terms of key performance indicators, room supply is a measure of the attractiveness of a hotel business, just as investment reflects business attractiveness. RevPAR is an important indicator of the value that guests assign to a particular hotel, market or brand. The rate rises in the case of frequent booking of rooms or payment of rooms with higher rates.

For the tenth year in 2019, the industry has demonstrated consistent growth in RevPAR of + 1% globally [18]. This is slower compared to previous years due to the slow pace of economic growth. Amid a slowdown in RevPAR, an increase in room supply is a significant factor in the formation of value for hotel groups. In 2019, global room supply increased + 2% due to attractive owner returns in certain segments [18].

The hotel industry is cyclical. Long-term fluctuations in RevPAR reflect the interaction between supply, the macroeconomic environment and industry demand. In local markets, political, economic and other factors (the state of the oil market, terrorism, hurricanes) in the short term affect supply and demand [19].

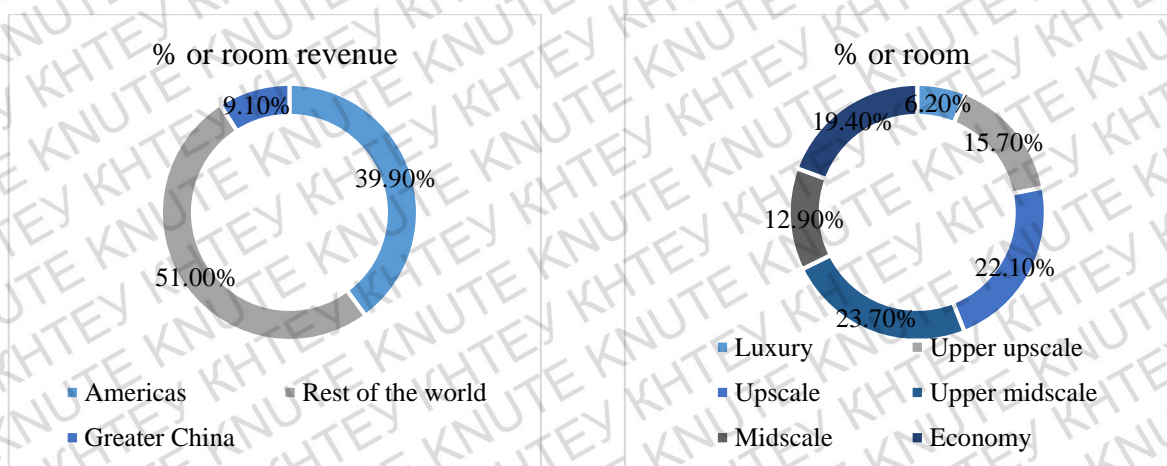


Figure 2.4. Geography and Segments of IHG operation activity [IHG reports, 19]

The United States is the largest hotel market by comparison Greater China continues to grow rapidly (Figure 2.4). The hotel business is divided into segments by price level. The top five hotel groups increased their market share by 5 percent (Figure 2.5). The global hotel industry has a turnover of \$ 525 billion and 18 million rooms. 54% of numbers are linked to global, regional networks (“branded”), compared to 50% in 2012 and 46% are unaffiliated (“independent”). The top five hotel groups, IHG, Hilton, Marriott, Accor and Wyndham, have 25% market share, up from 19% market share in 2012 [19]. These hotel chains account for 58% of the global portfolio of hotel development projects under planning, construction or refurbishment.

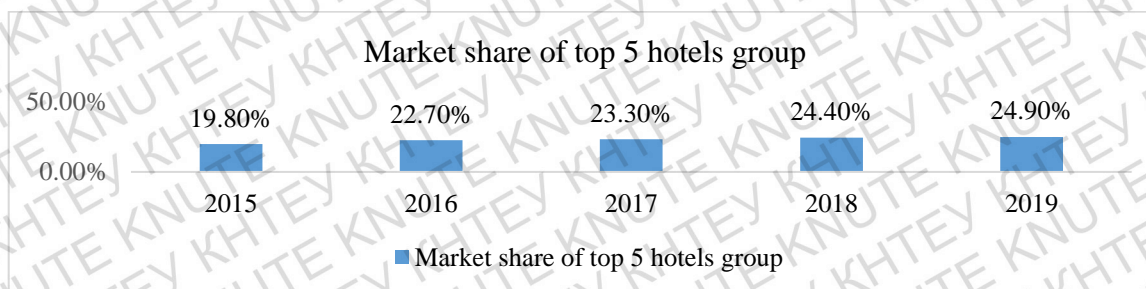


Figure 2.5. Market share of top 5 hotels group, 2015-2019 [IHG reports, 19]

The ten-year annual growth rate (CAGR) of the hospitality industry is driven by GDP or economic growth of + 3.1% (as hotel productivity depends on GDP), +3.0 CAGR growth in tourist travel and consumer spending, supported by cheap air travel, + 6.1 % CAGR of business travel, which continues to grow [19].

Industry performance is determined by several metrics, including RevPAR (Figure 2.6) [17], which increased from 72.8% in 2015 to 79.9% in 2019 [18].

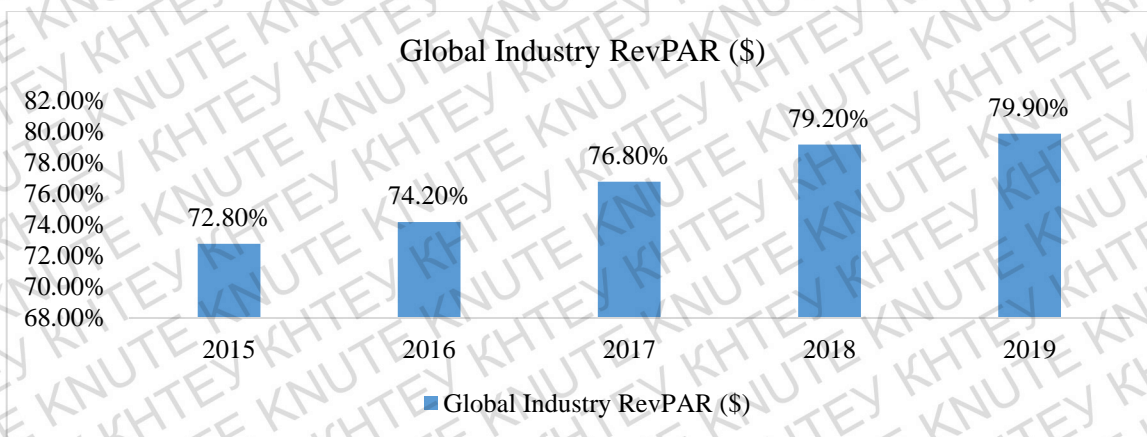


Figure 2.6. Global Industry RevPAR (\$) [IHG reports, 15-19]

A room offer that reflects the attractiveness of an investment in the hospitality industry from an owner's point of view and depends on the profitability of the market or brand as a whole (Figure 2.7) [17]. The indicator decreased from 18.7% to 17.2% in 2019.

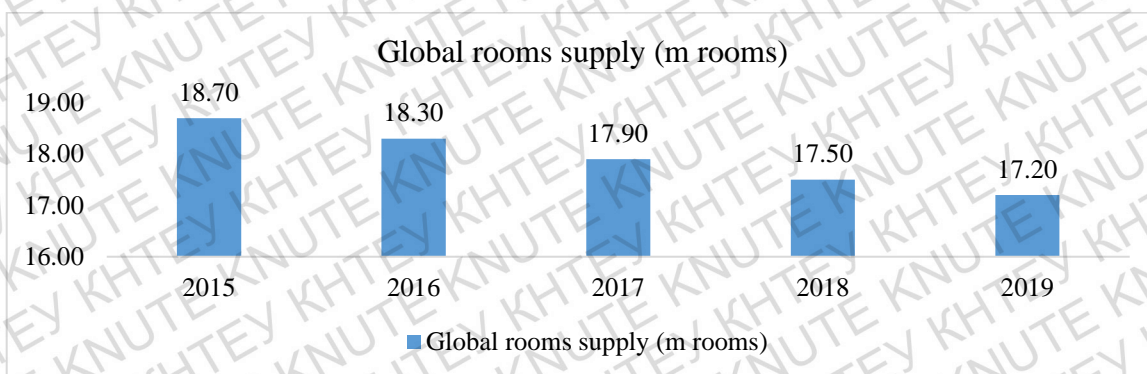


Figure 2.7. Global rooms supply (m rooms) [IHG reports, 15-19]

The growth of RevPAR indicates a strong demand for housing (Figure 2.6). The growth in supply speaks to the attractiveness of the hotel industry (Figure 2.7). Strong economic performance in the global hospitality industry over the past nine (RevPAR growth, room offerings within the larger travel and tourism sector) signals a future upward trend in the industry [17].

Key Performance Indicator of IHG in 2016-2019 (Table 2.1) generally indicate growth in income (+ 18.28%), income from reportable segments (24.96%), operating profit from reportable segments (22.52%) and gross income in IHG's System (13.88%).

At the same time, operating profit decreased by -11.52%, basic EPS by 2.19%, global RevPAR - by 2.10% and dividend per share by 35.59% [15-18].

Table 2.1

Key Performance Indicator of IHG in 2016-2019 [IHG reports]

Indicator	2016	2017	2018	2019	Growth 19/16, %
Total revenue, million	3912	4075	4337	4627	18,28%
Revenue from reportable segments, million	1667	1730	1933	2083	24,96%
Operating profit, million	712	728	582	630	-11,52%
Operating profit from reportable segments, million	706	758	832	865	22,52%
Total gross revenue in IHG's System, billion	24,5	25,7	27,4	27,9	13,88%
Basic EPS	215,1	279,8	183,7	210,4	-2,19%
Global RevPAR	1,80 %	2,70 %	2,50 %	- 0,30%	-2,10%
Dividend per share	195,3	306,7	114,4	125,8	-35,59%

Source. [15-19].

The Key Performance Indicator of IHG (InterContinental) in 2016-2018 speaks of an increase in the group's gross income by 10.87% in 2016-2018, an increase in the number of hotels and rooms by 9.09% and 8.85%, respectively (Table 2.2).

Table 2.2

Key Performance Indicator of IHG (InterContinental) in 2016-2018 [IHG reports]

InterContinental, bn	2016	2017	2018	Growth, %
Group total gross revenue in IHG's System	4,6	4,8	5,1	10,87%
Hotels	187	194	204	9,09%
Rooms	63650	65998	69281	8,85%

Source. [15-19].

Thus, the review of the hotel industry indicators, its growth factors and IHG performance indicators speaks of the significant dependence of the hotel group on economic and technological factors, the positive growth of the company due to the growth of the economy, socially responsible business strategy, mobile and Internet technologies and other significant growth factors.

1.2 Main features of integration growth directions

In the long term, the global growth of the hotel industry is driven by economic, demographic and social factors. In addition, policies and regulations affect hotel operations, including through the development of new legislative initiatives to protect the external environment and preserve the environment. This affects the growth strategies of hotel chains and the directions of their development. The latest trend is to ensure sustainable development, which takes into account the impact of economic performance in the process of providing services on the environment. To complement this trend - the second is to ensure the development of personnel.

The following factors influence IHG's activities:

- Long-term growth in macroeconomic indicators, which provides benefits to the hotel business, stimulates demand in the corporate and entertainment segments. GDP is projected to grow 2.6% annually over the next 10 years.
- Population growth and change in the demographic profile of the countries of the world, among which more and more have the means to travel due to economic growth and increased income in countries that are developing. For example, the population over 60 years old was 12% in 2015, in 2050 it will be about 21%.
- Social factors: development of low-cost airlines, including in developing countries, reduction of travel restrictions. International tourist travel is projected to reach 1.9 billion tourists by 2026.

The widespread use of digital, including mobile, technologies stimulates interactions between hotel brands and travelers. Mobile Apps and the increasingly accessible Internet network provide 24/7 interaction between hotels and customers. Internet use is growing rapidly in developing countries, where the population that uses smartphones is also growing. Euromonitor predicts that by 2020 online travel sales will account for more than 45% of global sales (about 38% in 2015), and mobile devices will account for 40% of online sales (about 20% in 2015). The use of digital technology is transforming the way guests plan, book and travel. This benefits many companies in the hospitality industry (online travel agents (OTAs) and peer-to-peer rental

companies). For IHG, digital bookings are a growing part of the business, with over \$ 4 billion a year in IHG direct channels, with a third of IHG's bookings coming from mobile. The IHG mobile app was developed in response to this trend.

Travelers' expectations and needs are changing more and more across all age groups. For example, people of the millennial generation (millennials) who understand technology without problems are more likely to use peer-to-peer services to meet their own housing needs compared to other generations. At the same time, millennials have more financial resources and a desire to travel. This trend also influences IHG's growth directions and integrates into IHG's business strategy.

As a result, IHG needs to meet the more diverse expectations and needs of guests with a narrower customer segmentation. IHG's hospitality brands provide greater individuality for guests, a sense of “humanity in travel” that has disappeared due to advances in technology. For IHG, these changes provide an opportunity to improve its competitiveness. Having preferred brands and staff that combine to deliver a personalized and unique experience drives IHG's bottom line. IHG's new guest booking system gives guests personalization and choice, along with more time for hotel staff to communicate with guests.

Loyalty programs are more sophisticated than ever to meet the growing desire of guests for individuality and inclusiveness. As a result, clients belong to them, but at the same time they do not lose their personal individuality and uniqueness.

For success and growth, IHG delivers real customer experiences through genuine personalization. Creating a customer membership provides an opportunity to forge profitable, long-term, loyal relationships in order to return customers again and recommend to potential guests.

IHG's integrated growth strategy is driven by technological factors. By the end of 2030, IBM estimates that over 1 trillion sensors will be connected to multiple networks. This will allow IHG to know the level of product usage by customers. The increasing amount of data generated by the Internet of Things, together with the ability of big data technologies to collect, analyze information, gives IHG a great opportunity to change the way we interact with customers and improve it. For IHG, information about guest

preferences helps to tailor the communication experience to the tastes of the guests, thereby making those interactions more relevant and valuable to our guests. Our Wi-Fi offering, IHG Connect, supports these efforts.

IHG's focus on a business model based on light assets is supported by a long-term disciplined approach to asset utilization and capital allocation. IHG maintains an effective balance sheet and investment grade credit rating. IHG invests in three areas:

1. Investing in business to stimulate company growth: strategic investments and day-to-day capital expenditures (Table 2.3).
2. Maintaining sustainable growth in ordinary dividends: Compound annualized growth of 11% from 2003 to 2019.
3. Return of surplus funds to shareholders. In February 2017, IHG offered \$ 400 million in return to shareholders in special consolidated dividends.

Table 2.3

IHG Capital expenditure, 2019

Capital expenditure	Examples
Maintenance capital expenditure and key money to access strategic growth	Maintenance of owned and leased hotels, which is reducing as company become increasingly asset-light. Corporate infrastructure maintenance – for example, in respect of offices and systems. Deployment of key money, which is used to access strategic opportunities, particularly in high-quality and sought-after locations when returns are financially and/or strategically attractive.
Recyclable investments to drive the growth of brands and expansion in priority markets	Through the acquisition of real estate, investment through joint ventures or via equity capital. • We aim to recycle this capital by selling these investments when the time is right and to reinvest elsewhere in the business and across our portfolio, as we are currently doing for our EVEN Hotels brand.
System-Funded capital investments for strategic investment to drive growth at hotel level	The development of tools and systems that hotels use to drive performance, such as new, pioneering Guest Reservation System developed with Amadeus.

Source. [15-19].

IHG is dedicated to delivering high-quality growth, which means ensuring sustainable and consistent growth in cash flows, revenues and profits over the long term

through a portfolio of preferred brands. IHG's strategy is unchanged. Under the winning model, IHG focuses on creating value through the integration of preferred brands, providing value-added offers to owners, generating revenue through low-cost direct channels, and scaling up business. Focuses on a targeted portfolio through low-cost direct channels that, together with disciplined strategy execution and a commitment to socially responsible business conduct, delivers high and superior shareholder returns.

IHG measures performance using a set of carefully selected Key Performance Indicators (KPIs), which are indicators of the success of our strategy (Table 2.4).

The increase in the number of IHG numbers provides significant benefits in the context of scale, such as the increased value of the loyalty program. This metric is a key metric for achieving the growth program. The indicator has grown by 139,195 rooms.

Table 2.4

IHG Key performance indicators (KPIs), 2015-2019[15-19].

KPIs	2015	2016	2017	2018	2019	Growth (2019-2015), +/-
Net rooms supply, number	744,37	767,14	798,08	836,54	883,56	139,195
Signings, number	78,438	75,812	83,481	98,814	97,754	19,316
Growth in underlying fee revenues, %	-	-	-	6,40	2,00	-
Total gross revenue from hotels in IHG's System, billion dollars	24	24,5	25,7	27,4	27,9	3,9
System contribution to revenue, %	73	75	76	78	79	0,06
Global RevPAR growth, %	4,40	1,80	2,70	2,50	-0,30	-0,047
IHG's guest satisfaction measurement indicator, %	79,50	80,40	80,90	81,70	82,40	2,90
Fee margin,	-	-	53,40	53,30	54,10	-
Free cash flow, million dollars	466	551	516	611	509	43
Number of people participating in IHG Academy programmes, person	9,287	11,985	13,633	13,531	15,081	5,794
Carbon footprint per occupied room, kgCO ₂ e ^a	30,84	29,36	28,37	27,71	26,7	-4,14
Employee Engagement survey scores, %	87,30	88,70	85,00	86,00	87,00	-0,003

Continuous signings ensure future system growth and continued scalability. Signatures confirm the ability to deliver sustainable growth. The indicator increased by 19,316 from 2015 to 2019 [18].

IHG has increased its share of signings in key markets around the world with the introduction of five new brands in the past two years (2018-2019). The results in 2019 were influenced by:

- Strong growth of established brands: a large number of openings for the Holiday Inn brand chain; InterContinental Hotels & Resorts has strengthened its position as the world's largest luxury hotel brand with nine openings in 2019.
- Record openings and signings in Greater China, record signings in EMEAA.
- Acquisition of the Six Senses hotel chain and signing ten post-acquisition deals.
- Launch of the main new brand, Atwell Suites, signed with ten companies in 2019.
- Scaling up recently launched brands with: active hotels that made six openings and had 54 contract signings in 2019; by the end of 2019, the number of hotels had increased to 12, with a total of 33 contracts signed since launch.

IHG's reportable segment revenues, excluding revenues from owned, leased and operated hotels, significant estimated losses and acquisitions in the current period, are stated in constant currency. In 2019, the figure was 2%, while in 2018 it was 6.4%. The rise in fee revenue demonstrates continued attractiveness to owners and guests of IHG's managed and franchised businesses.

Revenues grew \$ 3.9 million from 2015 to 2019 (total revenue from franchised hotel rooms and total revenue from managed hotels, property, rentals) [19]. The indicator does not include income from hotels owned, rented and managed. This is not entirely IHG's revenue as it is primarily revenue from third-party hotels. Growth in gross revenue from the IHG hotel group demonstrates the value of the overall growth strategy.

The growth of RevPAR from 4.4% to 2.5% over 2015-2018 indicates increased brand value for guests of the group's hotel chain and is a key indicator of the effectiveness of the growth strategy [15-18]. Guest satisfaction is fundamental to this

success and a key indicator for tracking the risks of failing to deliver key brands that meet the needs and expectations of guests. The level of satisfaction was 82.4% in 2019 and increased by 2.9% [18].

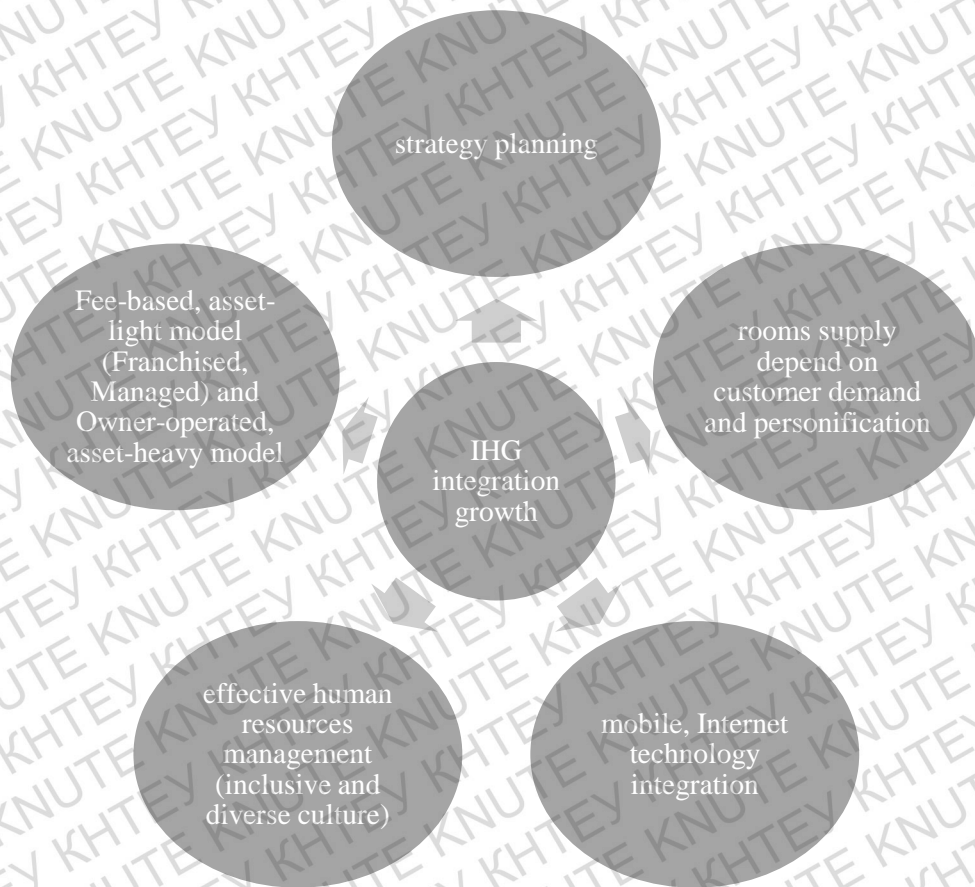


Figure 2.8. IHG integration growth directions

Source. [Author research].

IHG measures employee engagement to track talent risks, provide assistance in overcoming talent and workforce challenges as IHG creates an inclusive and diverse culture.

Status for 2019. Total gross revenue from hotels in IHG's System increased to 5.6% in 2019, the fastest growth in more than 10 years. The indicator speaks of an acceleration from ~ 3% in 2016, as a result of which the total number of rooms increased to 883,563. The number of subscriptions decreased by -1% [18]. Record numbers were in Greater China and the EMEAA region and offset declines in the Americas, where signups in 2018 were driven by active hotel launches.

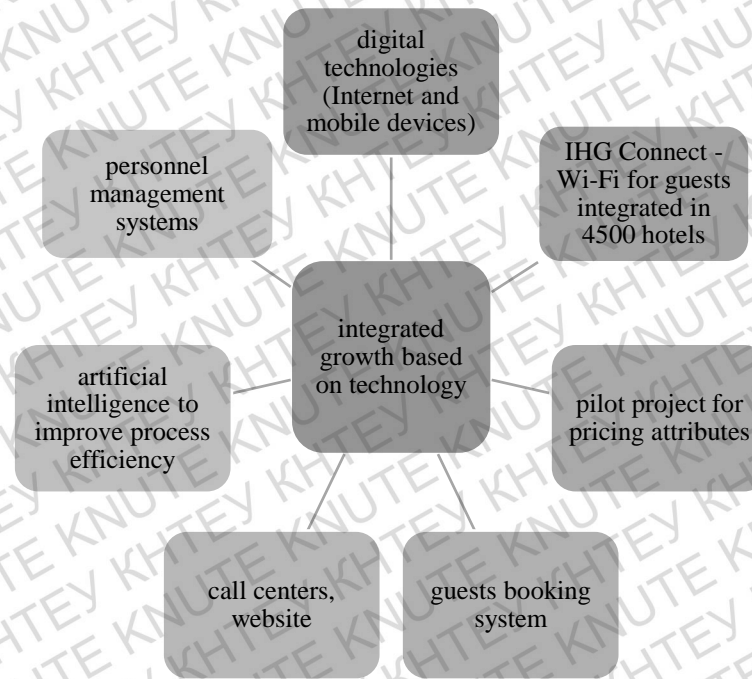


Figure 2. 9. Main technological solutions of IHG

Source. [Author research].

In 2019, the main growth results in growth in underlying fee revenues, total gross revenue from hotels in IHG's System, system contribution to revenue were [18]:

- Growth in Net System size by 5.6%, together with an increase in basic fee and commission income by 2%, with weak growth in RevPAR.
- IHG increased digital (web and mobile) revenue by 7% to \$ 5.6 billion.
- IHG implements rental management across 3,500 hotels.
- IHG Connect provides seamless Wi-Fi access for guests. The tool is installed or deployed in over 4500 hotels globally.
- IHG is integrating innovation through technology adoption, including the launch of an attribute pricing pilot through a guest booking engine.
- Sustained enhancement and optimization of loyalty through the formation of new partnerships (the addition of luxury boutique hotels Mr & Mrs Smith to the IHG Rewards Club and sponsorship of the US Open Tennis Championships).
- Expanding partnership with InterContinental Alliance Resorts and Sands through hotels in Macau SAR. Provide additional opportunities for guests to earn and redeem points in attractive locations.

In 2019, the growth in Global RevPAR growth and Guest Love was driven by [18]:

- RevPAR declined in 2019 due to slow industry growth driven by geopolitical uncertainty and macroeconomic performance, accelerated growth in supply in some markets, and continued turmoil in Hong Kong SAR.
- The group is taking action to position brands for future success: new prototypes and designs for the Holiday Inn and Holiday Inn Express in Europe and the Americas released; the ongoing Crowne Plaza Accelerate programs, a multi-year transformation program for the Crowne Plaza in America, including flagship hotels that showcase brand reimagining, with a first opening in Atlanta; refurbishment of the Candlewood Suites and Staybridge Suites brands and launch of new prototypes.

To ensure the growth of the Fee margin indicator in 2019, it was characteristic [18]:

- Increased commission margin by 80 bp.
- introducing new operating structures and improving operating efficiency.
- A ROI program to generate savings on an annual basis of \$ 125 million, including the System Fund, which will be near completion by 2020, with savings fully reinvested in growth initiatives.

To ensure the growth of the Free cash flow indicator in 2019, it was characteristic:

- Cash flow of \$ 509 million in 2019 is down \$ 102 million from the same period in 2018 due to higher taxes on cash and working capital.

The group of companies conducts a socially responsible business, which includes personnel development and an environmental approach. Political initiatives and the integration of steel development strategies on a global scale determine the company's steel development strategy.

In 2019, IHG Responsible Business was driven by initiatives such as reducing the carbon footprint per occupied room by 5.9% compared to the 2017 baseline.

In 2019, HR development initiatives included [18]:

- Interaction with employees under the direction of a non-executive director in different regions to understand employee engagement.
- Launching a survey of newcomers and graduates among employees (in a network of managed hotels, corporate offices) to understand their feedback on critical events in the life cycle of employees.

Thus, the main features of integration growth in different areas of activity is the use of a systematic integrated approach for business management. Flexibility and adaptability to the key needs of consumers and guests, legislative initiatives in the field of environmental protection are the key features of strategic growth. IHG's integrated growth includes initiatives in the following areas: room, hotel demand management; scaling by signing contracts; strategic planning; integration of technologies into different subsystems (purchasing, sales, marketing, personnel management, reservation and others); developing an inclusive culture in personnel management; ecological approach to hotel expansion and modernization.

2.3 The forming system of integration growth in the «Intercontinental Hotels Group» hotel chain

The system of integrated growth in the Intercontinental Hotels Group is shaped by geopolitics, macroeconomics, local regional initiatives and market fluctuations. An integrated growth system includes elements of strategic planning, technology integration, development of an inclusive personnel culture on a global scale, integration of social responsibility and an environmental approach to doing business.

In different directions, the development of which is determined by performance indicators, the company continues to implement initiatives in order to remain competitive in the global market.



Fig. 2.10. The system of integration growth in the «Intercontinental Hotels Group» hotel chain: KPI measures achievement

Source. [Author research].

IHG's 2020 priorities for growing Net rooms supply and Signings are:

- Ensuring growth in Total gross revenue from hotels in IHG's System.
- Scaling active hotels in the USA and hotels of the voco chain around the world.
- Increased presence of new luxury brands Six Senses and Regent.
- Expansion of the international presence of Hotel Indigo and Kimpton.
- Managing signing of contracts with Atwell Suites and first US opening.

In 2020, the priorities in the areas of Growth in underlying fee revenues, Total gross revenue from hotels in IHG's System, System contribution to revenue are:

- Pilot project to deploy attribute prices using IHG Concerto.
- Updates to loyalty offerings such as hotel services and brand integration to provide members with opportunities to earn and redeem IHG Rewards Club Points.
- Emphasis on increasing the contribution of IHG Rewards Club members, including through direct bookings through call centers or the website.
- Development of strategic partnerships to increase the value of the loyalty program for members.

The priorities for 2020 to ensure the growth of Global RevPAR growth and Guest Love are:

- Investing in brand innovation, including hotel layouts and room designs to meet the growing needs of guests.
- Ensuring significant growth in room supply at the same time and maintaining high levels of guest satisfaction across the portfolio.

The priorities for ensuring the growth of the Fee margin indicator in 2020 are:

- Emphasis on business value and efficiency.
- Leverage system infrastructure and growth for economies of scale.
- using artificial intelligence to improve the efficiency of processes, improve the quality of customer service and increase revenue.
- Technological procurement solutions to reduce the cost of sales for owners.
- Improving operational efficiency through the widespread use of technology.

The priorities for ensuring the growth of the Free cash flow indicator in 2020 are:

- The hotel group will continue to deliver stable, sustainable cash flow growth.
- Control over capital allocation in accordance with business priorities.
- Continuing the program to recycle capital invested in non-core equity instruments, under favorable conditions over time.

The priorities in 2020 for ensuring IHG Responsible Business remain:

- Continued reduction of the carbon footprint on all assets.

- Collaborate with owners and hotels to transfer best practices that deliver greater carbon savings.
- Meeting the requirements of the Task Force for Climate Financial Disclosure (TCFD).

The priorities in the direction of personnel and culture development in 2020 are:

- Enhancing the talent acquisition system and services to position IHG as a top employer and provide candidates with an excellent recruiting experience.
- Continue to promote a culture of excellence at IHG through the implementation of efficiency and reward methods.
- Encouraging the integration of improvements in HR systems to enhance the ability to attract, develop and retain talent.
- Support for the recruitment and development of general managers.
- Incorporating a diverse, inclusive culture in the workplace through initiatives (RISE and ERG) to deliver on hospitality promises.

PART 3

THE DIRECTIONS OF INTEGRATION GROWTH TECHNOLOGIES IN THE «INTERCONTINENTAL HOTELS GROUP» HOTEL CHAIN

3.1. Propositions for system of integration growth improvement in «Intercontinental Hotels Group» hotel chain

The decisive period of transformation of the IHG business (processes, teams, priorities) ended in 2019, when the organization's strategy became flexible and clear, adaptive to the external environment:

«Our clearly defined strategy is focused on delivering industry-leading net rooms growth over the medium term» [18]

This strategy will be continued in 2021. This is in line with the global trends of world business in the context of the implementation of strategies for the development and integration of the ecological element, the development of socially responsible business and a multicultural personnel management policy. In 2021, IHG will strengthen its long-term position and growth prospects. At the same time, the growing competition is an incentive for the active continuation of the outlined strategic development priorities for 2021. IHG partners strive to meet changing consumer expectations and needs through aggressive growth strategies. This is the reason for the emphasis on increasing the size of the system, taking into account market consolidation and large investments in loyalty, services, technology and partnerships.

IHG's success and scale in growing markets globally depends on IHG's growth strategy, which must include growth planning, a clear and high-quality brand portfolio, and high profit margins. Key factors driving IHG's growth: global economic growth, growth in the middle class and growth in household incomes, which will generally support the long-term demand of IHG customers. At the same time, negative factors of influence remain growing political, social, economic and environmental difficulties, trade tensions, climate change, nationalism, undermining trust in institutions. IHG's

ability to be clear, honest, acting transparently will define reputation and lead to long-term future growth.

Over 2018-2019, IHG's transformation took the company to the next level and accelerated growth, providing new opportunities in 2021. Transformation includes improved structure and ways, working methods, more targeted investments that strengthened brands and businesses (branded marketing campaigns, fresh designs, new additions to the brand portfolio such as Six Senses Hotels Resorts Spas (Six Senses), Atwell Suites in 2021, and new hotel tools). Along with performance levels, system size growth continues to accelerate in line with the goal of achieving industry-leading levels. IHG Achieves Record Signatures in Key Markets That Will Support Future Growth.

IHG's strategic management envisages “New prototypes launched for Holiday Inn and Extended Stay brands” and is in the process of implementation.



Fig. 3.1. IHG Strategic model

Source. [Author research based on 18].

IHG conducts business through direct channels to maximize profits, generate revenue while reducing costs, and reduce resellers. Digital and technological innovation, together with the development of strong brands and attractive customer loyalty offerings, enable IHG to efficiently manage revenue delivery. IHG will continue

to develop IHG Concerto, a proprietary cloud-based hotel technology system. In 2021, IHG will begin piloting attribute pricing for a guest booking system that was rolled out in 2018 and developed with Amadeus. Instead of the customer simply choosing a room when booking, the guest can customize their stay details by selecting certain attributes. During this time, hotel owners create value by optimizing prices for desired products. In addition, IHG has deployed its income management program for hiring in over 3,500 hotels. This provided owners with analytic data to determine room rates.

Attractive B2B offers are also important revenue streams, which is why IHG is focused on developing a leading global merchant business that delivers low-cost, high-quality revenue to the hotel chain.

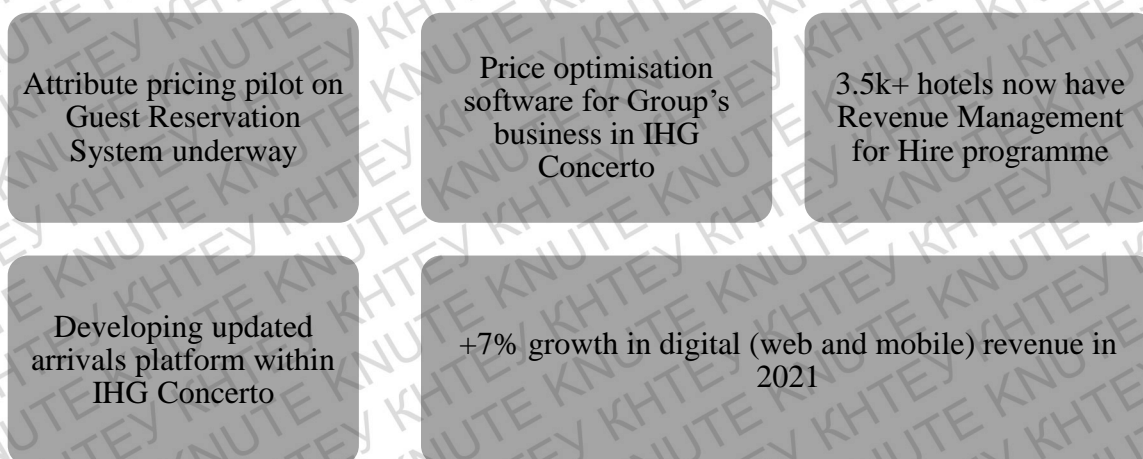


Fig. 3.2. Key IHG technology growth directions in 2021

Source. [Author research based on 18].

In 2021, IHG and three industry partners make a strategic investment in Group360 to enhance the GroupSync™ platform and make group travel easier for meeting planners. Using an online tool, planners can find and book appointments and events for a wide range of brands.

By striving to drive business through direct channels, IHG will maximise returns for owners, delivering revenue at a lower cost than alternatives such as third-party intermediaries. Digital and technological innovation, alongside strong brands and a compelling loyalty offer, is key to ensuring IHG continues to manage revenue delivery effectively. Company continue to develop IHG Concerto, IHG proprietary, cloud-based hotel technology system. In 2021, IHG will begin piloting attribute pricing for Guest

Reservation System, which was developed with Amadeus and rolled out in 2018. Rather than simply choosing a room at booking, guests will be able to customise their stay by selecting specific attributes, whilst hotel owners will unlock value by optimising pricing for desirable items. In addition, IHG Revenue Management for Hire programme has now been rolled out to over 3,500 hotels, providing owners with data-driven insights for setting room rates. A compelling B2B offer is also a crucial source of revenue, and IHG focused on enhancing leading global sales enterprise that drives high-quality, low-cost revenue to hotels. In 2021, with three industry peers, IHG will make a strategic investment in Groups360 to enhance the GroupSync™ platform and make group travel easier for meeting planners. Using an online tool, planners will be able to source and book meetings and events across a wide selection of brands.

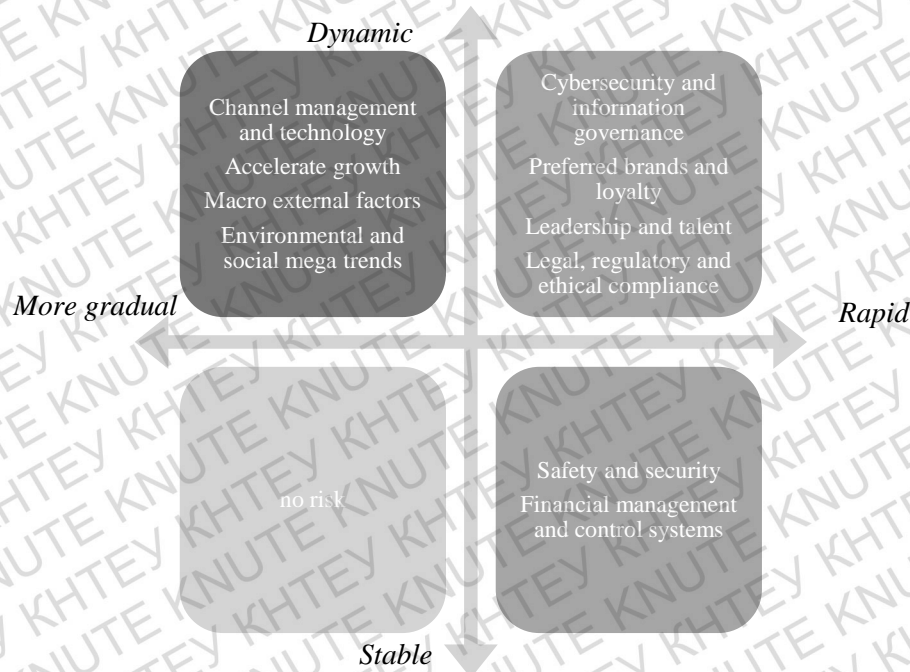


Fig. 3.3. Key IHG principal risk – assessment of trend and speed of impact on IHG development in 2021

Source. [Author research based on 18].

Risk trend and speed of impact IHG assess whether the risk area is stable or dynamic in its impact and/or likelihood (inherent risk trend), and the rate at which there could be a material impact on IHG. The trend and speed of impact are summarised in the diagram with further detail on activities to manage each of these risks in the table below.

During 2019, the global IHG System (the number of hotels and rooms which are franchised, managed, owned, leased or managed lease) increased by 300 hotels (47,022 rooms) to 5,903 hotels (883,563 rooms). Openings of 411 hotels (65,220 rooms) were 13.5% higher than in 2018. Openings in the Americas included 150 hotels (16,993 rooms) in the Holiday Inn Brand Family. 90 hotels (15,335 rooms) were opened in EMEAA in 2019, with the Greater China region also contributing openings of 88 hotels (23,764 rooms). 111 hotels (18,198 rooms) left the IHG System in 2019, compared to 107 hotels (17,877 rooms) in 2018 [17-18].

2021 will be a year of growth for IHG's largest region as IHG marked highest number of new hotel openings in eight years. IHG also will strength established brands, drove continued growth of avid hotels including the first new property in Mexico, and launched the Atwell Suites brand, which now has projects signed across the US.

Americas revenue was \$1,040m in 2019. Regional priorities will include in 2021:

1. Strengthen established brands through the adoption of the Formula Blue design for Holiday Inn Express and the introduction of new design prototypes for multiple other mainstream brands.
2. Deliver on IHG upscale and luxury proposition with growth across brands, including adding 17 hotels to our pipeline in 2019. IHG also looking forward to bringing Six Senses to the region, with locations coming soon to New York City and the Galapagos Islands.
3. Continue transformation of the Crowne Plaza brand with the Accelerate Ahead programme.
4. Continue momentum for avid hotels with new hotels opened across the US in 2019, the first property under construction in Mexico and more than 200 in the pipeline.

2019 was another year of strong growth for EMEAA, setting new records for hotel openings and signings through the expansion of both established and newer brands in high-potential markets. IHG agile business unit model continues to bring teams closer to market and deliver benefits for guests and owners.

EMEAA revenue was \$723m in 2019. Regional priorities will include in 2021:

1. Accelerate levels of growth across both core and newly expanded brand portfolio, with a focus on luxury, lifestyle and resorts and our new upscale brand voco.
2. Continue successful execution of strategic plan in the UK and Germany, two economically mature markets where we are building on existing scale positions.
3. Further embed our EMEAA operating model, which is key to unlocking growth in some of the world's most established and mature travel markets. Investment in General Manager talent programmes and recruitment.
4. Continue to embed Regent and Six Senses into a strengthened luxury offer in what is an important segment for EMEAA – home to 18 of the top 25 luxury travel destinations.
5. Continue to roll-out Holiday Inn Open Lobby concept across Europe, as part of strategic focus on improving guest satisfaction and owner returns through enhanced hotel designs.

IHG will continue growth strategy focusing on quality and disciplined execution to build an 'in China for China' business, leveraging the benefit of IHG's expertise and global scale

Greater China revenue was \$135m in 2019. Regional priorities will include in 2021:

1. Align the region's development plans with the China Government's 5 and 10 year plans to build and accelerate long-term growth in key target markets.
2. Accelerate Franchise growth across mainstream and upscale brands based on a solid franchise owner offer and performance support operating foundation.
3. Continuous improvement in portfolio of 10 brands in improving guest preference, delivering local brand experiences and a focus on hotel performance and optimising owners' return on investment.
4. Strengthen our IHG Rewards Club programme with localised member benefits, strategic partnership programmes and mobile-led digital solutions through well-established local digital platforms.

5. Continue our investment in talent and learning to attract people to industry through the IHG Academy, grow future leaders and build competencies required to support future growth.

Net cash outflows from investing activities increased by \$296m to \$493m, primarily reflecting the acquisition of Six Senses. Other movements in investing activities include property, plant and equipment refurbishment works involved in re-branding the UK portfolio hotels in 2019. The Group had committed contractual capital expenditure of \$197m at 31 December 2019, (2018: \$137m restated), including \$3m of commitments for leases.

3.2. Confirmation of improvement measures integration growth technologies in «Intercontinental Hotels Group» hotel chain

As technology continues to play an increasingly important role, the hospitality industry is investing in data, platforms and partnerships capable of integrating digital services and connectivity at the right moments of a stay experience. The overarching ambition is to deliver richer, personalised and frictionless experiences for consumers, and to create more effective, efficient operations and greater revenue opportunities for businesses.

Since such factors and indicators as GDP growth, population growth, population income, airfare, international tourist flows, and Internet use influence the activities of IHG and smartphones use (see paragraph 2.2), it is necessary to consider these factors to predict the integrated technological growth of IHG.

In 2020, the global economy is projected to grow at -4.9 percent. The COVID-19 pandemic has had a more negative impact on economic activity in the first half of 2020 than expected and the recovery is projected to be more gradual than previously predicted. Global growth is projected at 5.4 percent in 2021 (see Appendix 1). In countries with Advanced Economies, growth is projected at -8.0% in 2020 and 4.8% in 2021, including in the United States at -8.0% and 4.5%, in Euro Area countries - -8.0%

and 4.5%, in China - 1.0% and 8.2%. Thus, IHG must take into account the economic growth of countries in the Emerging and Developing Asia region.

According to the United Nations (Appendix 2), the population will be 7,794,798,729 thousand in 2020, including 4,641,054,786 thousand in Asia (1,439,324 thousand in China), 747,636 thousand in Europe, and 368,869.644 in North America thousand (in America 331,003 thousand), in Latin America and the Caribbean - 653,962,332 thousand. Probabilistic projection of the average annual rate of population change by country or area, 2020-2100 (percentage) is as follows: 0.98% of global growth in 2020-2025, including 0.77% in Asia (0.26 in China %), in Europe -0.05%, in North America 0.59% (in the USA 0.56%), in Latin America and the Caribbean - 0.84%.

In the near-term, consumers will face lower real travel costs as airlines are significantly discounting ticket prices to stimulate demand. The average return fare (before surcharges and tax) of \$254 in 2020 is forecast to be 68% lower than in 1998, after adjusting for inflation. The share of world GDP spent on air transport to be halved in 2020, totaling \$434 billion (0.5% of GDP) amidst widespread lockdowns. RPKs are estimated to plummet by 55% in 2020 compared to last year. The recovery in the second half of 2020 is predicted to come initially from domestic markets and then via a gradual opening of international markets. However, the global recession and weak consumer confidence will put pressure on the recovery in air travel demand. World trade is also forecast to fall by 13% in 2020 indicating a steep decline in air cargo volumes. However, trade is expected to rebound strongly next year, which will be supportive for air cargo volumes in 2021 (See Table 3.1).

Table 3.1

Worldwide airline Industry, 2019-2021

Worldwide airline Industry	2019	2020	2021
Spend on air transport*, \$billion	876	434	598
Passenger departures, million	4.534	2.246	3.384
World GDP growth, %	2.5	-5.0	7.1

Source. [IATA, 13].

According to the first comprehensive report on global tourism figures and trends in the new decade, the latest UNWTO World Tourism Barometer, international tourist arrivals have grown for the tenth consecutive year (2009-2019) and will continue in 2020. There were 1.5 billion international tourist arrivals worldwide in 2019. An increase of 4% over 2018 is projected for 2020. This confirms that tourism is a leading sustainable sector of the economy [40]. 2019 saw an increase in international arrivals across all regions. However, the uncertainty surrounding Brexit, the collapse of Thomas Cook, geopolitical and social tensions, and the global economic downturn all contributed to the slowdown in 2019 compared to the exceptional pace of 2017 and 2018. This slowdown has affected mainly advanced economies, especially Europe and Asia-Pacific region. Growth in the Asia-Pacific region slowed but continued to grow above average, with international arrivals increasing by 5%. Europe, where growth was also slower than in previous years (+ 4%), continues to lead in terms of international arrivals, receiving 743 million international tourists in 2019 (51% of the global market). The Americas (+ 2%) were mixed, as many island destinations in the Caribbean strengthened their recovery from the 2017 hurricanes and arrivals to South America fell in part due to ongoing social and political turmoil. Limited data available for Africa (+ 4%) indicate continued strong performance in North Africa (+ 9%), while arrivals to sub-Saharan Africa grew more slowly in 2019 (+ 1.5%). Growth is projected for 2020 from 3% to 4%.

According to Cisco Annual Internet Report (2018–2023) [10] globally, the total number of Internet users is projected to grow from 3.9 billion in 2018 to 5.3 billion by 2023 at a CAGR of 6 percent. In terms of population, this represents 51 percent of the global population in 2018 and 66 percent of global population penetration by 2023 (Figure 3.4).

While the region with the highest adoption throughout the forecast period is North America with 92% by 2023 (followed by Western Europe with 87% by 2023), the fastest growth is projected to occur in the Middle East and Africa with 35% by 2023 (10 percent CAGR expected from 2018 to 2023).

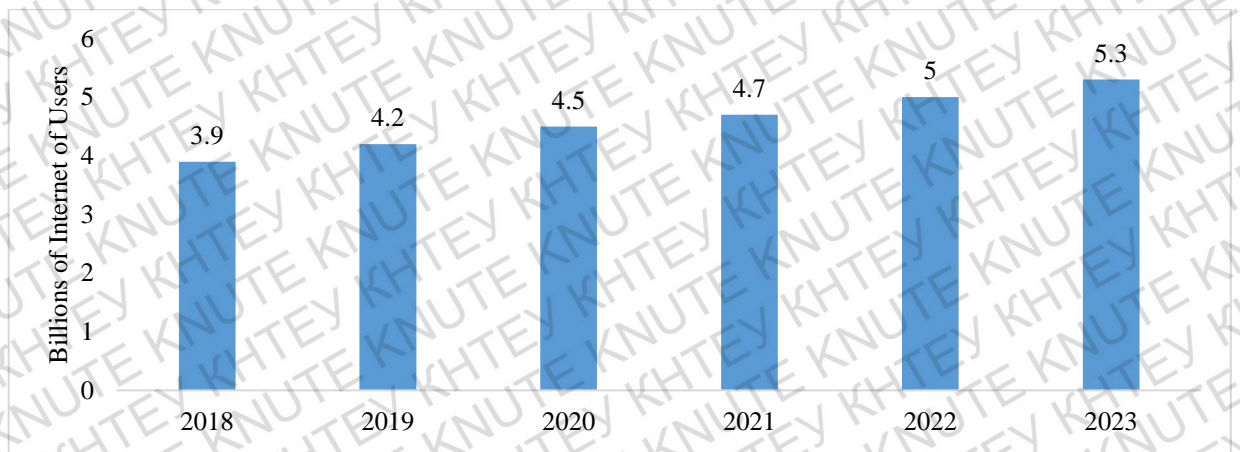


Fig. 3.4. Global Internet user growth

Source: [Cisco, 10].

Asia and Pasific growth will be 72% by 2023. Globally, devices and connections are growing faster (10 percent CAGR) than both the population (1.0 percent CAGR) and the Internet users (6 percent CAGR). This trend is accelerating the increase in the average number of devices and connections per household and per capita. Each year, various new devices in different form factors with increased capabilities and intelligence are introduced and adopted in the market. A growing number of M2M applications, such as smart meters, video surveillance, healthcare monitoring, transportation, and package or asset tracking, are contributing in a major way to the growth of devices and connections. By 2023, M2M connections will be half or 50 percent of the total devices and connections [10].

Thus, the integrated technological growth of IHG will be determined by the dynamics of the considered indicators in different regions of the world. The most attractive region will be Asia, especially China, where economic growth will be 7.1% - 7.4% in 2021, population growth will be 0.77% and 0.26% in China, the number of international arrivals will increase by 5%, user growth. The internet will grow 72% by 2023.

The considered indicators will have a positive effect on the growth of IHG performance indicators in 2019-2021 (Tables 3.2 and 3.3). Thanks to macroeconomic growth, IHG will be able to increase Total revenue to 5,034.11 million in 2021,

Revenue from reportable segments to 2,328.45 million, Operating profit to 592.61 million, Total gross revenue in IHG's System to 29.77 middiards.

Table 3.2

Projected Key Performance Indicator of IHG in 2019-2021 [author research calculations]

Indicator	2016	2019	GAGR 2019/2016(^1/4), %	2020 (2019*GAG R)	2021 (2020*GAG R)
Total revenue, million	3912	4627	1,04	4825,30	5032,11
Revenue from reportable segments, million	1667	2083	1,06	2202,31	2328,45
Operating profit, million	712	630	0,97	611,02	592,61
Operating profit from reportable segments, million	706	865	1,05	910,06	957,46
Total gross revenue in IHG's System, billion	24,5	27,9	1,03	28,82	29,77
Basic EPS	215,1	210,4	0,99	209,24	208,09

Source. [Based on 15-18].

In general, IHG Projected Key performance indicators will grow in 2020-2021 (Table 3.3). Net rooms supply will increase in 2020-2021 by 1.04% annually, and will be 948.24. Signings will grow 1.07% to 111 in 2021. System contribution to revenue will be 80.03% in 2020 and 81.08% in 2021.

Table 3.3

IHG Projected Key performance indicators (KPIs), 2019-2021

KPIs	2016	2019	GAGR 2019/2016(^1/4), %	2020 (2019*GAG R)	2021 (2020*GAG R)
Net rooms supply, number	767,1	883,56	1,04	915,33	948,24
Signings, number	75,81	97,754	1,07	104,17	111,00
Growth in underlying fee revenues, %	-	2	-	-	-
Total gross revenue from hotels in IHG's System, billion dollars	24,5	27,9	1,03	28,82	29,77
System contribution to revenue, %	75	79	1,01	80,03	81,08
Global RevPAR growth, %	1,8	-0,3	-	-	-
IHG's guest satisfaction measurement indicator, %	80,4	82,4	1,01	82,91	83,42

Fee margin,	-	54,1	-	-	-
Free cash flow, million dollars	551	509	0,98	499,01	489,22
Number of people participating in IHG Academy programmes, person	11,99	15,081	1,06	15,97	16,92
Carbon footprint per occupied room, kgCO ₂ e ^a	29,36	26,7	0,98	26,07	25,46
Employee Engagement survey scores, %	88,7	87	1,00	86,58	86,16

Source. [Calculation based on IHG reports, 15-18].

IHG's guest satisfaction indicator will increase by 1.01% to 82.91% in 2020 and 83.42% in 2021. Free cash flow will not decrease significantly by 2% annually in 2020-2021.

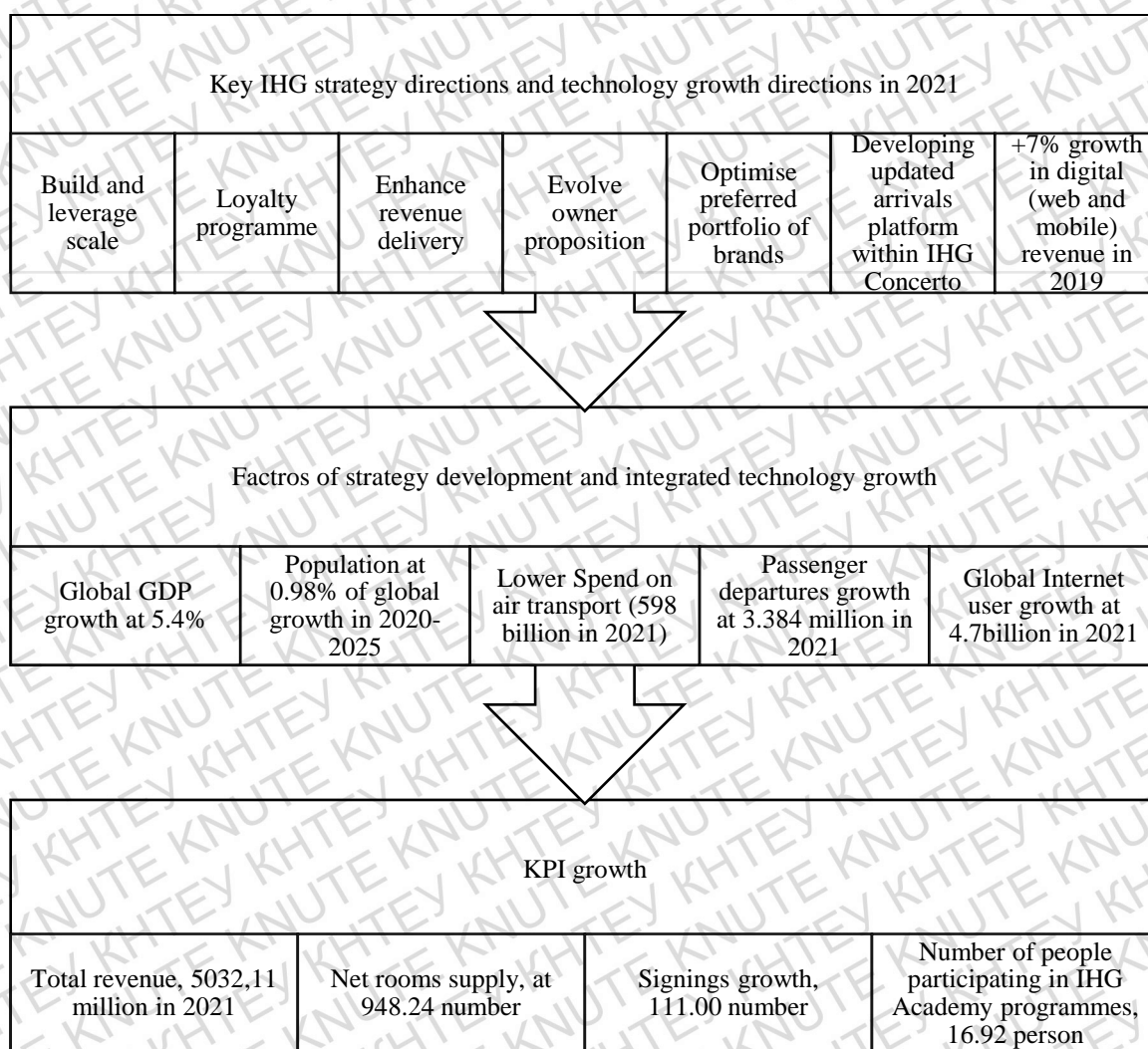


Fig. 3.5. IHG Integrated growth model in 2021

Source. [Author research].

Therefore, the slowdown in economic growth in 2020 will not significantly affect IHG's revenues. In 2020 and early 2021, the indicators of economic growth, tourist flows will gradually resume, and the prices of air tickets will decrease. In the long term, the growth rates of the economy, the digital economy (growth in the number of Internet users), and tourist flows on a global scale will contribute to the integrated technological growth of IHG. Therefore, the IHG group of companies must increase investment in technology, as the trends discussed are incipient and represent a long-term upward trend. The main market for IHG's growth should be China and the developing countries of Asia, where both economic growth and growth in household income will be the main factors in tourism growth and company income.

CONCLUSIONS

Innovation in the hotel industry leads to the development of integrated growth technologies. Integration implies a unification, a combination of elements into a single whole.

Today, two main trends affect the implementation of integrated growth technologies: strong competition, which promotes personalization for occupying a certain niche and customer retention; rapid development of ICT and process automation, which is precisely the solution to the first problem for the hotel industry as well.

A review of the literature allowed us to define a new concept in the scientific community – integrated growth technologies in the hotel industry, which are based on a combination of innovations.

IHG is focused on optimizing ways to quickly execute an integrated, established, successful strategy to accelerate growth. IHG's strategic model defines the way we do business, which is a key element of commitment and delivering high-quality, long-term and sustainable growth in profit and cash flow. Asset-oriented business models allow tight control over hotel operations. By comparison, light asset models provide rapid growth with less capital investment.

As part of the strategic model, IHG focuses on creating ultimate value through creating key preferred brands, scaling up, delivering value propositions to owners and generating revenue at the lowest cost through direct channels. IHG is focused on a targeted portfolio that, together with disciplined strategy and commitment to socially responsible business conduct, will deliver high returns to shareholders.

The review of the hotel industry indicators, its growth factors and IHG performance indicators speaks of the significant dependence of the hotel group on economic and technological factors, the growth of the company due to the growth of the economy, socially responsible business strategy, mobile and Internet technologies and other significant growth factors.

In the long term, the global growth of the hotel industry is driven by economic, demographic and social factors. In addition, policies and regulations affect hotel operations, including through the development of new legislative initiatives to protect the external environment and preserve the environment.

The main features of integration growth in different areas of IHG activity is the use of a systematic integrated approach for business management. Flexibility and adaptability to the key needs of consumers and guests, legislative initiatives in the field of environmental protection are the key features of strategic growth. IHG's integrated growth includes initiatives in the following areas: room, hotel demand management; scaling by signing contracts; strategic planning; integration of technologies into different subsystems (purchasing, sales, marketing, personnel management, reservation and others); developing an inclusive culture in personnel management; ecological approach to hotel expansion and modernization.

The system of integrated growth in the Intercontinental Hotels Group is shaped by geopolitics, macroeconomics, local regional initiatives and market fluctuations. An integrated growth system includes elements of strategic planning, technology integration, development of an inclusive personnel culture on a global scale, integration of social responsibility and an environmental approach to doing business.

The integrated technological growth of IHG will be determined by the dynamics of the considered indicators in different regions of the world. The most attractive region will be Asia, especially China, where economic growth will be 7.1% - 7.4% in 2021, population growth will be 0.77% and 0.26% in China, the number of international arrivals will increase by 5%, user growth The internet will grow 72% by 2023.

The slowdown in economic growth in 2020 will not significantly affect IHG's revenues. In 2020 and early 2021, the indicators of economic growth, tourist flows will gradually resume, and the prices of air tickets will decrease. In the long term, the growth rates of the economy, the digital economy (growth in the number of Internet users), and tourist flows on a global scale will contribute to the integrated technological growth of IHG. Therefore, the IHG group of companies must increase investment in technology, as the trends discussed are incipient and represent a long-term upward trend. The main

market for IHG's growth should be China and the developing countries of Asia, where both economic growth and growth in household income will be the main factors in tourism growth and company income.

REFERENCES

1. Abloy, A. (2003). Elsafe Completes Their One-Million Safe Installation. Retrieved March 28, 2017, from. ASSA ABLOY Hospitality (VingCard Elsafe). <http://www.assaabloyhospitality.com/pt-br/aah/com/sala-de-imprensa/comunicados-deimprensa/news/2003/news/elsafe-completes-their-one-million-safe-installation/>
2. Akbar, Y. H., Tracogna, A. The sharing economy and the future of the hotel industry: Transaction cost theory and platform economics, *International Journal of Hospitality Management*, Volume 71, 2018, Pages 91-101, ISSN 0278-4319, <https://doi.org/10.1016/j.ijhm.2017.12.004>.
3. Alsetoohy, O., Ayoun, B., 2018. Intelligent agent technology: the relationships with hotel food procurement practices and performance. *J. Hosp. Tour. Technol.* 9 (1), 109–124. <https://doi.org/10.1108/JHTT-04-2017-0028>.
4. Amado dos Santos, R., et al., Criteria for assessing a sustainable hotel business, *Journal of Cleaner Production*, 2020, Vol. 262, P. 121347, <https://doi.org/10.1016/j.jclepro.2020.121347>.
5. Annual Report and Form 20-F 2019, Electronic resource. Accessed: <https://www.ihgplc.com/en/investors/annual-report>
6. Atembe, R., 2015. The use of smart technology in tourism: evidence from wearable devices. *J. Tour. Hosp. Manag.* 3 (6), 224–234. <https://doi.org/10.17265/2328-2169/2015.12.002>.
7. Bai, C., Dallasega, P., Orzes, G., Sarkis, J. Industry 4.0 technologies assessment: A sustainability perspective, *International Journal of Production Economics*, 2020, Vol. 229, P. 107776, <https://doi.org/10.1016/j.ijpe.2020.107776>.
8. Belousova, N.V. (2019). Integration of innovative technologies into the main segments of the tourism industry. *VSU Bulletin. Series: Geography. Geoecology*, (4), 23-30. <https://doi.org/10.17308/geo.2019.4/2708>
9. Chen, M.-M., Murphy, H.C., Knecht, S., An Importance Performance Analysis of smartphone applications for hotel chains. *J. Hosp. Tour. Manag.* 2016, Vol. 29, P. 69–79. <https://doi.org/10.1016/J.JHTM.2016.05.001>.

10. Cisco Annual Internet Report (2018–2023) White Paper. Electronic resource. Accessed: <https://www.cisco.com/c/en/us/solutions/collateral/executive-perspectives/annual-internet-report/white-paper-c11-741490.html>
11. Foroudi, P. Corporate brand strategy: Drivers and outcomes of hotel industry's brand orientation, *International Journal of Hospitality Management*, 2020, Vol. 88, P. 102519, <https://doi.org/10.1016/j.ijhm.2020.102519>.
12. Göğüş, G., Karakadılar, İ. S., & Apak, S. Innovation and Sustainable Growth Measurement in Hotel Industry: A Hierarchical Decision Making Model. *Procedia - Social and Behavioral Sciences*, 2013, Vol. 99, P. 752–761. doi:10.1016/j.sbspro.2013.10.547
13. IATA. Economic Performance of the Airline Industry. Electronic resource. Accessed: <https://www.iata.org/en/iata-repository/publications/economic-reports/airline-industry-economic-performance-june-2020-report/>
14. IHG About us. IHG is one of the world's leading hotel companies. Electronic resource. Accessed: <https://www.ihgplc.com/en/about-us>
15. IHG Annual Report and Form 20-F 2016. Electronic resource. Accessed: https://www.ihgplc.com/-/media/ihg/annualreports/2016_annual_report.pdf?la=en&hash=102ADF46543A8AA58A992DED540C8581
16. IHG Annual Report and Form 20-F 2017. Electronic resource. Accessed: https://www.ihgplc.com/-/media/ihg/annualreports/2017/pdf/annual_report_2017.pdf?la=en&hash=8584BD151787DBDE811D008B1152F558
17. IHG Annual Report and Form 20-F 2018. Electronic resource. Accessed: https://www.ihgplc.com/-/media/ihg/annualreports/2018/online-ar-page-downloads/ihg_2018ar.pdf?la=en&hash=CCBA9704737C4A9149BD1DA027AA1782
18. IHG Annual Report and Form 20-F 2019. Electronic resource. Accessed: https://www.ihgplc.com/-/media/ihg/annualreports/2019/pdf/ar-report-2019/ihg_2019ar.pdf?la=en&hash=9F491366E66A68491D6C545E1692F43F

19. IHG. Industry overview. Electronic resource. Accessed: <https://www.ihgplc.com/en/about-us/industry-overview>
20. IHG. Investors. Corporate governance. Electronic resource. Accessed: <https://www.ihgplc.com/en/investors/corporate-governance>
21. IHG. Reservation System. Electronic resource. Accessed: <https://www.ihg.com/hotels/ru/ru/reservation>
22. IHG. Strategy. Electronic resource. Accessed: <https://www.ihgplc.com/en/about-us/our-strategy>
23. Kalevi, K., Jantunen, A., Puumalainen, K., Saarenketo, S., Tuppuru, A. Innovation and internationalization as growth strategies: The role of technological capabilities and appropriability, *International Business Review*, 2011, Vol. 20, P. 508-520.
24. Kang, B., Brewer, K.P., Bai, B., Biometrics for hospitality and tourism: a new wave of information technology. *Hosp. Rev.*, 2007, Vol. 25 (1), P. 1–9.
25. Kim, H.H., Law, R., Smartphones in tourism and hospitality marketing: a literature review. *J. Travel. Tour. Mark.*, 2015, Vol. 32 (6), P. 692–711. <https://doi.org/10.1080/10548408.2014.943458>
26. Lippe-McGraw, J., Where to Go for a Silent Retreat - Condé Nast Traveler. 2017. Electronic resource. Accessed: <https://www.cntraveler.com/story/silentretreats-are-the-latest-in-digital-detox-vacations>.
27. Martin-Rios, C., Ciobanu, T. Hospitality innovation strategies: An analysis of success factors and challenges, *Tourism Management*, 2019, Vol. 70, P. 218-229, <https://doi.org/10.1016/j.tourman.2018.08.018>.
28. Mills, J.E., Meyers, M., Byun, S. Embracing broadscale applications of biometric technologies in hospitality and tourism. *J. Hosp. Tour. Technol.*, 2010, Vol. 1 (3), P. 245–256. <https://doi.org/10.1108/17579881011078377>.
29. Murphy, H.C., Chen, M.-M., Cossutta, M., 2016. An investigation of multiple devices and information sources used in the hotel booking process. *Tour. Manag.* 52, 44–51. <https://doi.org/10.1016/J.TOURMAN.2015.06.004>.

30. Orfila-Sintes, F., Mattsson, J. Innovation behavior in the hotel industry, *Omega*, 2009, Vol. 37, Issue 2, P. 380-394, <https://doi.org/10.1016/j.omega.2007.04.002>.
31. Ortiz Rincon, F., Tommasini, E., Rainoldi, M., Egger, R., The future of wearable devices on-site: a scenario technique approach. In: Schegg, R., Stangl, B. (Eds.), *Information and Communication Technologies in Tourism 2017*. Springer International Publishing, Cham, P. 285–299.
32. Palladium Hotel Group. (n.d.). Palladium Hotel Group introduces ‘VIB’ smart bracelets at Ushuaïa Ibiza Beach Hotel & the new Hard Rock Hotel Ibiza. Electronic resource. Accessed: <http://www.palladiumhotelgroup.com/en/palladium/prensa/bracelets/>
33. Raz, N. Amazon Echo a ‘Game-Changer’ for Wynn Las Vegas. 2016. Electronic resource. Accessed: <http://www.reviewjournal.com/business/casinos-gaming/amazonecho-game-changer-wynn-las-vegas>.
34. Science Direct Database. Electronic resource. Accessed: <https://www.sciencedirect.com/search?qs=integration%20technologies&show=100>
35. Shuangfan Song S. The Integration and Innovation of Hotel Management in the New Trend. 2019 International Conference on Advanced Education, Service and Management (AESM 2019). 2019, Vol. 3, P. 54-58. <https://doi.org/10.35532/JSSS.V3.012>.
36. Stankov, U., Filimonau, V., & Slivar, I. Calm ICT design in hotels: A critical review of applications and implications. *International Journal of Hospitality Management*, 2018, doi:10.1016/j.ijhm.2018.10.012
37. Stankov, U., Pavluković, V., Alcántara-Pilar, J.M., Cimbalević, M., Armenski, T., Should festival be smarter? ICT on mass events – the case of the exit festival (Novi Sad, Serbia). *Handbook of Research on Technological Developments for Cultural Heritage and eTourism Applications*. IGI Global, Hershey, 2018, P. 245–263.
38. Ting, D., Hilton and Marriott Turn to the Internet of Things to Transform the Hotel Room Experience – Skift, 2018.

39. United Nations. Department of Economic and Social Affairs Population Dynamics. Total Population (Both Sexes): Median, 80% and 95% prediction intervals. Electronic resource. Accessed: <https://population.un.org/wpp/Download/Probabilistic/Population/>
40. UNWTO World Tourism Barometer. International tourism growth continues to outpace the global economy. Electronic resource. Accessed: <https://www.unwto.org/international-tourism-growth-continues-to-outpace-the-economy>
41. Weiser, M., Brown, J.S., Designing Calm Technology, 1995. Electronic resource. Accessed: <http://www.ubiq.com/weiser/calmtech/calmtech.htm>.
42. World Economic Outlook. Selected Economies Real GDP Growth, 2020. Electronic resource. Accessed: <https://www.imf.org/ru/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>
43. Yusaf H. Akbar, Andrea Tracogna, The sharing economy and the future of the hotel industry: Transaction cost theory and platform economics, International Journal of Hospitality Management, 2018, Vol. 71, P. 91-101, <https://doi.org/10.1016/j.ijhm.2017.12.004>.

APPENDICES



**КИЇВСЬКИЙ НАЦІОНАЛЬНИЙ
ТОРГОВЕЛЬНО-ЕКОНОМІЧНИЙ УНІВЕРСИТЕТ**

***HOTEL RESTAURANT
AND TOURISM BUSINESS:
FOCUS ON INTERNATIONAL
TRENDS***

**Articles
of master programs
students**

Київ 2020

OCHERETIUK B. RESORT'S PRODUCT POLICY FORMATION.....	75
--	----

SOLOMAHA I. SOCIAL MEDIA MARKETING OF CRUISE OPERATOR.....	82
--	----

YAKUBOVSKA A. PRODUCT PORTFOLIO DIVERSIFICATION FOR RESORT.....	88
---	----

PART 3. INTERNATIONAL HOTEL BUSINESS

BOLOTENKO A. INTERCONTINENTAL HOTELS GROUP INTEGRATION GROWTH TECHNOLOGIES.....	93
--	----

DAINEKO I. INTERNATIONAL COMPETITIVE POSITION OF HOTEL CHAIN.....	97
---	----

DROBOT V. INTERNET MARKETING IN HOTEL CHAINS.....	101
---	-----

MARYNICH A. HOTEL MARKETING STRATEGY.....	106
---	-----

MISHCHYRIAK A. BAR BUSINESS DEVELOPMENT IN UKRAINE.....	112
---	-----

OVSIIENKO K. DIVERSIFICATION OF SERVICES OF HOTEL BUSINESS.....	116
---	-----

OVSJANNIKOV N. FEATURES OF REVENUE MANAGEMENT FOR HOSPITALITY.....	120
--	-----

PONOMARCHUK Y. DISTRIBUTION POLICY OF ENTERPRISE.....	125
---	-----

PONOMARENKO A. HR MANAGEMENT DEVELOPMENT TREND.....	130
---	-----

RAMIK A. DETERMINANTS FORMATION OF CORPORATE BRAND.....	135
---	-----

ROSOPOA T. FORMATION OF THE SYSTEM OF REPUTATION MANAGEMENT OF THE ENTERPRISE OF THE HOTEL BUSINESS.....	140
---	-----

SADOVSKA D. DISTRIBUTION CHANNELS OF HOTEL SERVICES.....	147
--	-----

SAMARINA A. CORPORATE HOTEL SALES PROMOTION SYSTEM.....	151
---	-----

PART 3. INTERNATIONAL HOTEL BUSINESS

INTERCONTINENTAL HOTELS GROUP INTEGRATION GROWTH TECHNOLOGIES

**BOLOTENKO A., 2 course of master FRHTB KNUTE,
specialty «International Hotel Business»**

The world leader in international hotels is described networks – InterContinental Hotels Group (IHG), which show a steady growth of their business. The use of the comparison method to determine the level of development of the hotel is justified. The tendencies of the development of the hotel network are specified.

Keywords: hotel chain, international hotel operators, innovations in the recreation and tourism sector, innovative tourism policy, models of hotel network formation.

Описано світового лідера серед міжнародних готельних мереж – InterContinental Hotels Group (IHG), компанію, що демонструє стабільне зростання свого бізнесу. Обґрунтовано використання методу порівняння для визначення рівня розвитку готельного господарства. Вказано тенденції розвитку готельної мережі.

Ключові слова: готельна мережа, міжнародні готельні оператори, інновації у сфері відпочинку та туризму, інноваційна туристична політика, моделі формування готельної мережі.

The actuality of the article:

The development and widespread international hotel chains are driven by a discrepancy between the level of service provided to customers and their needs. One of the hallmarks of the modern world economy is the organization of networking connections between individual subjects of the hotel business. The impact of hotel chains should be reflected in the promotion of high standards of service, innovative development and the development of the international image of the country.

Analysis of recent researches and publication: Various scientists from around the world have studied the role and importance of the hotel chains. Among them were Newman, Porter, Roessner, Kongthong, and Jin, who listed a number of other factors that could influence on the hotel chains. According to Ward and Tefertiller, competitiveness of the hotel chains is related to productivity growth and entails quality differences, relative prices, production and distribution costs, the ability to market, and the efficiency of the supporting marketing and distribution system.

The main material. IHG® (InterContinental Hotels Group) – an international organization with an extensive portfolio of hotel brands including InterContinental® Hotels & Resorts, Kimpton® Hotels & Restaurants, Hotel Indigo®, EVEN® Hotels, HUALUXE® Hotels and Resorts, Crowne Plaza® Hotels & Resorts, Holiday Inn®, Holiday Inn Express®, Holiday Inn Club Vacations®, Holiday Inn Resort®, avid™ hotels, Staybridge Suites® and Candlewood Suites®. IHG manages more than 5400 hotels with a capacity of 800 thousand rooms in about a hundred countries of the world; while 1700 more hotels are under construction. IHG also operates the IHG® Rewards Club global loyalty program, which has over 100 million members. InterContinental Hotels Group PLC is the parent company of the UK registered group.

Company operate the hotel in three different ways – as a franchisor, manager and on our own and leased basis. Focus on the core, upscale and luxury segments of the hotel industry and have a dedicated portfolio of brands tailored to meet guest needs and occasions. Regardless of whether they are franchised, or run hotels by named third-party hotel owners, many are at the age of

the market, are experiencing owners and, in turn, specific brands. Mature markets, such as America and Europe, adhere to franchise models, while the managed model remains in emerging markets like Greater China. Always under the IHG before being used lightly, the number of rented and managed people in rented hotels has almost quickly passed from 140 visitors 18 years ago to the present.



Fig. 1. Number of hotel rooms of the InterContinental Hotels Group by the regions as of December 31, 2019

The hotel owners' global network is one of the biggest strengths of IHG, success lies in combining owners with the right brands and markets and working together to use our scale and resources to achieve high returns. From meeting to discussing a new project, planning all aspects of the hotel, right up to the opening, focuses on building a business. By opening up, they support world-class brand-specific owners with resources that help improve hotel staff performance, improve guest satisfaction and increase revenue. IHG also work closely with the IHG Owners Association, which represents the interests of more than 3,400 hotel owners and operators worldwide. Regardless of whether the owners decide to franchise with us or choose a management contract, we understand what it takes to build a successful relationship that builds a long-term business.

The future of hotel chains will be due to the convergence of an increasingly competitive landscape, as well as a diverse changing customer base looking for a unique and individual experience. To survive in future hotel chains, you will need to: listen and learn from guests, including big data knowledge, go beyond segments to provide personalized services, continually develop a brand with a signature, use collaboration and open innovation to sustain benefits in technology and services, as well as by generating total revenue generate additional revenue and maximize guest costs.

IHG is focused on unlocking ways to execute established and successful strategy at a faster pace and accelerate growth. Our Strategic Model sets out the approach and is central to a commitment to delivering long-term high-quality, sustainable growth in cash flows and profits. Through our Strategic Model, focus on value-creation by building preferred brands, delivering a superior owner proposition, leveraging scale and generating revenue through the lowest-cost, direct channels. IHG concentrate on a targeted portfolio that, together with disciplined execution of strategy and a commitment to doing business responsibly, will drive superior shareholder returns. In an increasingly competitive environment, IHG is well placed to accelerate the growth of core business, as well as maximise returns on new initiatives such as the addition of new brands to our portfolio. InterContinental Hotels Group is also expanding its use of Infor SunSystems. Highlights: the introduction of a pre-configured configuration, which is used in other IHG hotels, ensured quick and full-scale integration.



Fig. 2. Global presence of the InterContinental Hotels Group

Several hotel chains, including IHG, have begun to open their innovation processes, working with the crowd to work together to solve their problems. By engaging the crowd through massive online focus groups and creating innovative laboratories, these hotel chains centralize and coordinate their open innovation efforts, reaping the benefits of mass collaboration from existing and potential customers. For example, in the IHG Innovation Lab, located in IHG headquarters staff are involved in rapid prototyping, and ideas are generated in part from the crowd.

Crowdsourcing is expected to become an even more profitable innovative technique for hotel chains seeking to adapt to new industry trends and consumer preferences. Crowdsourcing gives the industry the opportunity to research and discover innovations less costly, less time consuming and less resource efficient. Crowdsourcing can help hotel chains identify new ways to enter emerging markets while maintaining a sense of local self-government.

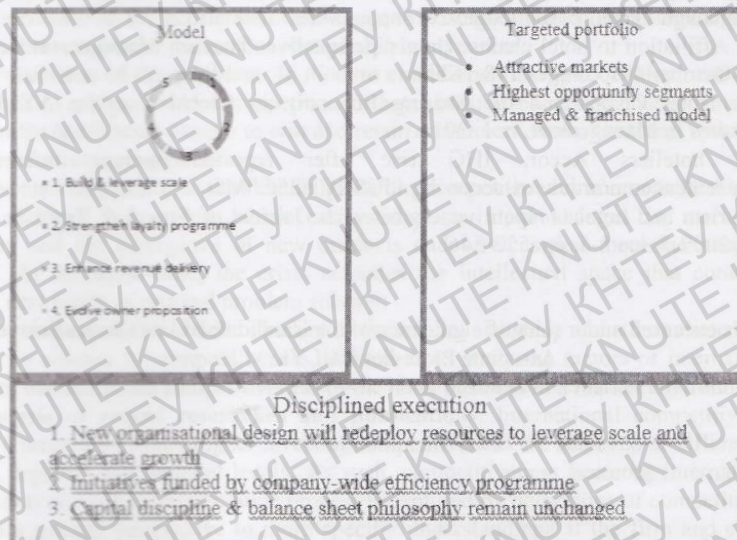


Fig. 3. Value creation: delivery industry-leading medium term (not only rooms growth) while doing business responsibly

In addition to globalization, crowdsourcing can also improve personalization. Crowds can be used to best determine how employees should interact with customers to provide a true, unique experience.

Conclusions. Summarizing the above, we can draw the following generalizations and conclusions. The rapid growth of tourism in the world has caused the active expansion of the hotel industry in all countries. Increasing living standards and competition in tourist supply are generating more and more services. A significant revival in the hotel services market is observed in almost all European countries. Numerous studies have reported an impressive increase in the profitability of European hotels. According to the analysis of existing information, in almost all countries of the world, there are «chains» of hotels owned by world-renowned companies or smaller owners. A rational idea that is born in one ring of the hotel chain, is quickly implemented in others, which immediately yields significant results. Today, the global hotel industry has about 350,000 comfortable hotels for more than 14 million rooms (26 million beds). At the same time, the number of rooms over the last 20 years has increased annually by an average of 3- 4. And although today there is a trend of building sophisticated, incredibly expensive hotels. The secret of hospitality lies not only in luxury, but in the responsiveness and ability to guess the mood and desire of the client. How many practices know of cases where a person finds peace and comfort at all were trying to find them. This is exactly what we would like to do in the field of hotel services.

References

1. Brendan R. Hotel chains: survival strategies for a dynamic future. *Journal of Tourism Futures*. URL: <https://www.emerald.com/insight/content/doi/10.1108/JTF-06-2016-0018/full/html>
2. IHG, InterContinental Hotels Group. URL: <https://www.ihg.com>
3. InterContinental Hotels Group PLC News and Headlines. URL: <https://www.gurufocus.com/stock/IHG/article>
4. Ivanov S. Determinants of hotel chains' market presence in a destination: A global study. *Tourism* 65(1), 2017. Pp. 7-32.
5. Ivanov S. Economic and marketing fundamentals of hotel chains. *Routledge Handbook of Hotel Chain Management* London: Routledge, 2016. pp. 19-26.
6. Ivanova M. Affiliation to hotel chains: Hotels' perspective. *Tourism Management Perspectives*. Volume 16, October 2015. Pages 148-162.
7. Salvioni D. Hotel Chains and the Sharing Economy in Global Tourism. *SYMPHONYA Emerging Issues in Management*, n. 1, 2016.
8. Shares in hoteliers Accor, IHG rise after reported merger interest. URL: <https://www.reuters.com/article/us-accor-ihg-idUSKCN25G0MO>
9. Tsai H. Tourism and hotel competitiveness research. *Journal of Travel & Tourism Marketing* Volume 26, 2009. Issue 5-6. pp. 522-546.

Work is executed under scientific guidance of the Candidate of Economics Sciences,
Associate Professor KULYK M.V.

Appendix B

Selected Economies Real GDP Growth [42]

	2018	2019	Projections		Difference from April 2020 WEO Projections 1/	
			2020	2021	2020	2021
Argentina	-2,5	-2,2	-9,9	3,9	-4,2	-0,5
Australia	2,8	1,8	-4,5	4,0	2,2	-2,1
Brazil	1,3	1,1	-9,1	3,6	-3,8	0,7
Canada	2,0	1,7	-8,4	4,9	-2,2	0,7
China	6,7	6,1	1,0	8,2	-0,2	-1,0
Egypt 2/	5,3	5,6	2,0	2,0	0,0	-0,8
France	1,8	1,5	-12,5	7,3	-5,3	2,8
Germany	1,5	0,6	-7,8	5,4	-0,8	0,2
India 2/	6,1	4,2	-4,5	6,0	-6,4	-1,4
Indonesia	5,2	5,0	-0,3	6,1	-0,8	-2,1
Iran 2/	-5,4	-7,6	-6,0	3,1	0,0	0,0
Italy	0,8	0,3	-12,8	6,3	-3,7	1,5
Japan	0,3	0,7	-5,8	2,4	-0,6	-0,6
Kazakhstan	4,1	4,5	-2,7	3,0	-0,2	-1,1
Korea	2,9	2,0	-2,1	3,0	-0,9	-0,4
Malaysia	4,7	4,3	-3,8	6,3	-2,1	-2,7
Mexico	2,2	-0,3	-10,5	3,3	-3,9	0,3
Netherlands	2,6	1,8	-7,7	5,0	-0,2	2,0
Nigeria	1,9	2,2	-5,4	2,6	-2,0	0,2
Pakistan 2/	5,5	1,9	-0,4	1,0	1,1	-1,0
Philippines	6,3	6,0	-3,6	6,8	-4,2	-0,8
Poland	5,3	4,1	-4,6	4,2	0,0	0,0
Russia	2,5	1,3	-6,6	4,1	-1,1	0,6
Saudi Arabia	2,4	0,3	-6,8	3,1	-4,5	0,2
South Africa	0,8	0,2	-8,0	3,5	-2,2	-0,5
Spain	2,4	2,0	-12,8	6,3	-4,8	2,0
Thailand	4,2	2,4	-7,7	5,0	-1,0	-1,1
Turkey	2,8	0,9	-5,0	5,0	0,0	0,0
United Kingdom	1,3	1,4	-10,2	6,3	-3,7	2,3
United States	2,9	2,3	-8,0	4,5	-2,1	-0,2

Overview of the World Economic Outlook Projections (Percent change, unless noted otherwise) [42]

	2018	2019	Projections	
			2020	2021
World Output	3,6	2,9	-4,9	5,4
Advanced Economies	2,2	1,7	-8,0	4,8
United States	2,9	2,3	-8,0	4,5
Euro Area	1,9	1,3	-10,2	6,0
Germany	1,5	0,6	-7,8	5,4
France	1,8	1,5	-12,5	7,3
Italy	0,8	0,3	-12,8	6,3
Spain	2,4	2,0	-12,8	6,3
Japan	0,3	0,7	-5,8	2,4
United Kingdom	1,3	1,4	-10,2	6,3
Canada	2,0	1,7	-8,4	4,9

Other Advanced Economies 3/	2,7	1,7	-4,8	4,2
Emerging Market and Developing Economies	4,5	3,7	-3,0	5,9
Emerging and Developing Asia	6,3	5,5	-0,8	7,4
China	6,7	6,1	1,0	8,2
India 4/	6,1	4,2	-4,5	6,0
ASEAN-5 5/	5,3	4,9	-2,0	6,2
Emerging and Developing Europe	3,2	2,1	-5,8	4,3
Russia	2,5	1,3	-6,6	4,1
Latin America and the Caribbean	1,1	0,1	-9,4	3,7
Brazil	1,3	1,1	-9,1	3,6
Mexico	2,2	-0,3	-10,5	3,3
Middle East and Central Asia	1,8	1,0	-4,7	3,3
Saudi Arabia	2,4	0,3	-6,8	3,1
Sub-Saharan Africa	3,2	3,1	-3,2	3,4
Nigeria	1,9	2,2	-5,4	2,6
South Africa	0,8	0,2	-8,0	3,5
<i>Memorandum</i>				
Low-Income Developing Countries	5,1	5,2	-1,0	5,2
World Growth Based on Market Exchange Rates	3,1	2,4	-6,1	5,3
World Trade Volume (goods and services) 6/	3,8	0,9	-11,9	8,0
Advanced Economies	3,4	1,5	-13,4	7,2
Emerging Market and Developing Economies	4,5	0,1	-9,4	9,4
Commodity Prices (U.S. dollars)	0,0	0,0	0,0	0,0
Oil 7/	29,4	-10,2	-41,1	3,8
Nonfuel (average based on world commodity import weights)	1,3	0,8	0,2	0,8
Consumer Prices	0,0	0,0	0,0	0,0
Advanced Economies 8/	2,0	1,4	0,3	1,1
Emerging Market and Developing Economies 9/	4,8	5,1	4,4	4,5
London Interbank Offered Rate (percent)	0,0	0,0	0,0	0,0
On U.S. Dollar Deposits (six month)	2,5	2,3	0,9	0,6
On Euro Deposits (three month)	-0,3	-0,4	-0,4	-0,4
On Japanese Yen Deposits (six month)	0,0	0,0	0,0	-0,1

Appendix C

Probabilistic Population Projections based on the World Population Prospects 2019 Median (50 percent) prediction
interval, 2020 – 2100

Region, subregion, country or area	Notes	Country code	Type	Parent code	Total population, both sexes combined, as of 1 July (thousands)			
					2020	2025	2030	2035
WORLD		900	World	0	7 794 799	8 184 437	8 548 487	8 887 524
UN development groups	a	1803	Label/Separator	900	...	...	...	...
More developed regions	b	901	Development Group	1803	1 273 304	1 281 504	1 286 010	1 288 044
Less developed regions	c	902	Development Group	1803	6 521 494	6 902 933	7 262 477	7 599 480
Least developed countries	d	941	Development Group	902	1 057 438	1 182 377	1 313 759	1 450 358
Less developed regions, excluding least developed countries	e	934	Development Group	902	5 464 056	5 720 556	5 948 719	6 149 122
Less developed regions, excluding China		948	Development Group	1803	5 050 208	5 412 610	5 765 376	6 105 606
Land-locked Developing Countries (LLDC)	f	1636	Special other	1803	533 143	595 213	659 183	724 922
Small Island Developing States (SIDS)	g	1637	Special other	1803	72 076	75 416	78 488	81 171
World Bank income groups		1802	Label/Separator	900	...	...	...	...
High-income countries	h	1503	Income Group	1802	1 263 093	1 282 772	1 298 770	1 311 290
Middle-income countries	h	1517	Income Group	1802	5 753 052	6 016 032	6 252 578	6 463 723
Upper-middle-income countries	h	1502	Income Group	1517	2 654 816	2 718 487	2 763 138	2 792 345
Lower-middle-income countries	h	1501	Income Group	1517	3 098 235	3 297 544	3 489 440	3 671 378
Low-income countries	h	1500	Income Group	1802	775 711	882 519	993 853	1 109 059
No income group available		1518	Income Group	1802	2 944	3 115	3 287	3 452
Geographic regions	i	1840	Label/Separator	900	...	...	...	...
Africa	j	903	Region	1840	1 340 598	1 508 935	1 688 321	1 878 194
Asia	k	935	Region	1840	4 641 055	4 822 629	4 974 092	5 096 362
Europe	l	908	Region	1840	747 636	745 791	741 303	735 101
Latin America and the Caribbean	m	904	Region	1840	653 962	681 896	706 254	726 395
Northern America	n	905	Region	1840	368 870	379 851	390 599	401 051
Oceania	o	909	Region	1840	42 678	45 335	47 919	50 421

