

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

**FINAL QUALIFYING PAPER**

**on the topic:**

**«International competitiveness of the «Premier International»  
hotel chain»**

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# Kyiv National University of Trade and Economics

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## **Task for a final qualifying paper**

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**The aim of the study is** to develop the theoretical and methodological foundations of the hotel chain competitiveness

**The object of research is** the process of forming of the hotel chain competitiveness

**The subject of research** exploration of the theoretical positions, methodical basis and practical recommendations of forming the international competitiveness in «Premier International» hotel chain

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

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5. Time schedule of the paper:

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6. Date of receiving the task: \_\_\_\_\_

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9. The task received by the student  
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Iryna O. Daineko

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

The master diploma paper performed on the actual topic. In the first part was analyzed theoretical foundations in sphere of international competitiveness and development of international hotel chain. The main parameters by which was proposed to evaluate the competitiveness of a hotel is the ability of a hotel to offer consumers a hotel product with more attractive characteristics than its competitors.

In the second part of master diploma paper was organizational and economic assessment analysis of international competitiveness in "Premier International" hotel chain. To the political situation the researcher also paid attention. The global factors of forming of the hotel chain international competitiveness were analyzed.

In the third part was used improving the competitive position of the hotel by using competitive intelligence. According to task was chosen the instrument to increase the competitive position of «Premier International» hotel by implementing competitive intelligence department.

The purpose of master diploma paper is reached and scientific tasks are completed. The master diploma paper can be admitted to defense in the State Examination Board and its author deserves to get a positive mark.

#### 11. Resume about a final qualifying paper research

A final qualifying paper (project) of the student Iryna O. Daineko

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\_\_\_\_\_ can be admitted to defence in the Examination Board.

Manager of the educational program \_\_\_\_\_

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\_\_\_\_\_, \_\_\_\_\_, 2020

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## INTRODUCTION

**Actuality.** At present, the competitiveness of enterprises is gaining a special status, because a radical increase in the efficiency of the economy as a whole, the introduction of new production technologies and the extensive use of human capital depend on this, due to a significant increase in the constant updating and quality of products.

The ongoing process of globalization, important structural changes, requires the response of businesses that want to remain competitive in new conditions by introducing the subject of this study, the elements of the accelerated development of scientific and technological revolution and the large-scale cross-border movement of capital in competition.

**The aim of the study** is to develop the theoretical and methodological foundations of the hotel chain competitiveness

**The object of research** is the process of forming of the hotel chain competitiveness

**The subject of research** exploration of the theoretical positions, methodical basis and practical recommendations of forming the international competitiveness in «Premier International» hotel chain.

In accordance with goal, the following tasks have been identified:

- to study and develop the theoretical and methodological foundations of increasing the competitiveness of the organization;
- to analyze the competitiveness of the of the «Premier International» Hotel;
- to analyze the pricing policy of the «Premier International» Hotel;
- to develop measures to increase the competitive position of the «Premier International» Hotel;
- to assess the efficiency of the developed measures

The aim is to study and substantiate the theoretical aspects of the essence of competitiveness, as well as to study the factors of internal and external environment that affect the competitiveness of the hotel business in a market environment.

**Analysis of recent researches and publications.** International competitiveness can be defined as a process in which higher levels of competitiveness are achieved at different levels, that is, at firm, regional and national levels. As such, competitiveness becomes international when it pertains to two or more countries. Such process is captured by definitions of competitiveness which move from a general perspective to more specific understandings at the firm and country levels. There are several definitions of competitiveness that must be considered before one can build a particular understanding of international competitiveness. The problem of competitiveness in the hotel industry has been studied by advanced domestic scientists, in particular: Shikina A.V., Fadeeva G. I. [2], Zavidnaya L. D. [1], Porter, M. [3], Ugodnikova, A. I., Tsigenko, A. Yu. [4], Oleynik N., Burik Yu. [5], Balatskaya N. Yu. [6], Malyuga L. M. [7], Okhota V. I. [8], Zhukov A.V. [9], Davydova O. Yu. [10], Romanukha O. M. [11], Volovik, M. E. [12], Shumilin, A. [13], Fomchenkova, L. V. [14], Lozovaya, O. A., Mamotenko. The research uses the following methods of scientific research: theoretical generalization, system analysis, synthesis (to study the theoretical foundations of competitiveness management); grouping and classification (to study the components of competitive advantages); induction and deduction.

Competitive position is a combination of the abilities of the organization (identified in the internal analysis) opportunities present in the industry and the competition presented by the strengths and weakness of rival organization. Competitive position is seen as a position of the business relative to others in the same industry. Factors which can be used to measure competition are as follows:

- market position relative share of market, rate of change of share, variability of share across segments, perceived differentiation of quality/ service/ price, breadth of products, and company images;
- economic and technological position, relative cost position, capacity utilisation, technological position, and patented technology product or process;
- capabilities management strength and depth, marketing strength, distribution system, labour relations, relationship with regulators [15].



Understanding the essential principles of competitive position is important for creating an effective business strategy, investing successfully, and understanding the economy on a national and global scale. Though competitive advantage is a basic economic concept, it is also one of the most important [16].

It is important to identify which instrument would be best suited for marketing, selling, distributing, and manufacturing hotel service. Businesses can accomplish this by talking to their customers about what international competitors they utilize, asking partners about their experiences, and researching what international markets of interests have to offer. Measuring opportunity cost to effectively identify foreign market opportunities is a good strategy to define competitive position of hotel.

**Practical value.** The results obtained lies in the fact that the main theoretical generalizations, conclusions and suggestions contained in the work are of scientific and applied importance and can be used in the search and implementation of practical approaches to the implementation of the «Premier International» hotel chain and ensuring strong competitive advantages in the market.

The work consists of an introduction, 3 sections, and conclusions; it contains pages of the main text of Tables, Figures, and appendices. The list of references includes the source.

## **PART 1. THEORETICAL BACKGROUND INTRODUCTION OF INTERNATIONAL COMPETITIVENESS IN THE HOTEL INDUSTRY**

### **1.1 Literature review**

Competition is the process between issues related to the application of competitive advantages in a particular market at a specific time to achieve other goals or other goals within the framework of legislation or natural conditions. In terms of density, competition can be:

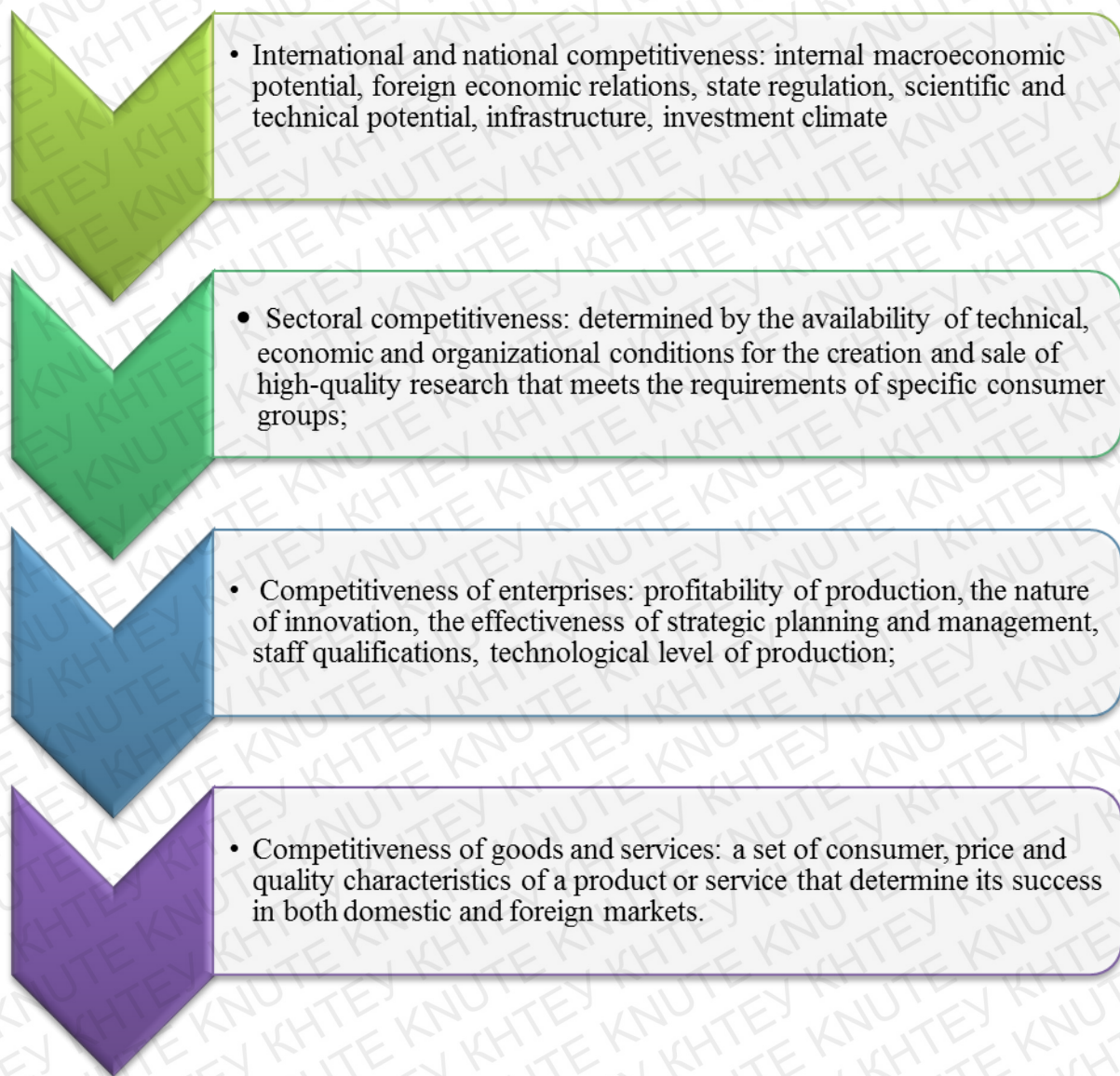
- attractive - when the subject in this segment meets its needs better or earns more profit than another segment;
- medium - when the actions of the competition issue maintain the competitive environment in this market segment;
- fierce competition for the object - when the subject absorbs, destroys or displaces the object from this segment;
- fierce for the subject of competition - when the object (competitor) absorbs, destroys or expels the subject.

The competitive struggle of enterprises is exacerbated by several factors, such as: a growing number of competing firms, an immediate increase in demand for a product, significant seasonal fluctuations in demand. Also, competition tends to intensify when exiting a given field of activity becomes significantly more expensive than continuing competition.

Competitiveness is a multidimensional concept that means the compliance of a product with market conditions, specific requirements of consumers, not only in terms of its quality, economic, technical, aesthetic, ergonomic characteristics, but also in terms of commercial and other conditions for its implementation (delivery time, price, distribution channels, service, advertising ). The competitive advantage of a hotel organization is those characteristics, properties of hotel services that create a certain superiority for the hotel over its direct competitors. These characteristics (attributes) can be very different and relate both to the basic service (accommodation, meals) and additional services (entertainment), to the technologies of organization and service, forms of marketing or sales, specific to a particular hotel. The indicated superiority is

relative, defined in comparison with the competitor occupying the best position in the market or market segment. This most dangerous competitor is called the priority one.

Competitiveness is a complex multi-level concept, the analysis and evaluation of which must be most closely linked to its specific level. The hierarchical decomposition of competitiveness has four levels:



**Figure 1.1. Hierarchical structure of competitiveness**

Competitive advantages of subjects can be: hereditary, constructive, technological information, qualification, managerial, natural and climatic and others. Competition forces manufacturers of goods to constantly look for new ways to improve their quality, reduce prices, and improve the quality of service.

The external advantages of the hotel are based on the distinctive qualities of its services, which create value for the buyer by either reducing costs or increasing the consumer

attractiveness of the service. External competitive advantage increases the “market power” of a hotel in the sense that it can force the market to accept a sales price higher than that of a priority competitor that does not provide an appropriate distinctive appeal of its services.

Internal benefits are based on the superiority of the hotel in terms of production efficiency and enterprise or product management. They create the "value of hotel services", allow you to achieve the lowest cost than the competitor. Internal competitive advantage provides hotels with greater profitability and greater resilience to price declines imposed by the market or competition.

F. Kotler, depending on the market share occupied by the company, distinguishes 4 types of marketing competitive strategies:

The leader's strategy- is to maintain a position in the market and expand its presence in it;

challenger strategy - attack to take the leader's place;

follower strategy - maintaining the current position by copying the leader's strategy;

niche strategy - focusing efforts on segments that have remained outside the leader's focus.

Talking about competitiveness in the sphere of hospitality industry, it should be defined that the main factors are not strategy of enterprise and its business plan but this industry enterprise ability to show its advantages, reveal and satisfy consumers' needs and the level of development of information chains. That's why in hospitality industry it should be defined such methods of competitiveness.

1. Estimation of quality level of services provision – such factors as the level of quality of services provision and the way of its provision (workers polite, caring and attentive treatment) are taken into consideration.

2. Estimation of the level of the enterprise development – all technical means providing services are taken into consideration. Talking about tourist service it should be considered tourist company, bus or hotel. Consumers pay attention not only to the

way of service providing but the place of its providing. If rooms or bus are dirty and broken a consumer will not be satisfied regardless the personnel politeness.

3. Estimation of the level of information technologies development – enterprises in hospitality industry should keep up with different information and that's why it should be constant and quick process of exchange information in any enterprise. Software is a good help for enterprises using in hospitality industry.

4. Estimation of innovative implementations is the main goal for the sphere of hospitality; it is constant keeping up and satisfaction of consumers needs. It should be taken into consideration that we live in time during technical development is very rapid and consumers needs change very quickly, that's why to be a competitive in hospitality industry the enterprise should react very quickly and not typically on such changes [17].

Talking about hospitality in hotel, it should be of specific nature connecting with services providing by hotel complex. Because of such specific nature, except common methodic, there are separate methods of estimation of hotel competitiveness in the sphere of hospitality industry [18]:

1. Correspondence to the base of certification and standardization is standards existing in the world and which are acceptable in Ukraine not so long time ago.

2. Hotel complexes categorization. Hotel categorization by means of stars became very popular in European practice. Generally accepted is categorization from 3 to 5 because very often another marks are used also, such as: crowns, diamonds, etc. This categorization is created for consumers understanding about services providing by the given enterprise.

3. Understanding the importance of hospitality. The result of hotels activity during 1965 shows that if the enterprise pays attention only to technical peculiarities of service, forgetting about human factor, it will cause the hospitality decline, complete dissatisfaction of consumers and as a result profit decreasing. If enterprise chooses hospitality as the main way of its development and this choice is shown by workers, consumers will feel it very good.

4. Personnel training in hospitality and kindness. Training should be in such formula: "Presentiment-recognition-satisfaction". Workers should understand and act

according to the principle – guest intelligent request is a law which should be quickly satisfied.

5. Personnel encouragement to show hospitality, by the means of:

- economic factors – an enterprise should support its workers with confidence in that they will save their working place if they execute their functions qualitatively and no reasons will prevent it;
- social factors – if an enterprise provides its workers with social programs and will understand its workers life situations, it will improve qualitatively their work;
- administrative factors – an enterprise should create such working conditions which are adopted by the legislation of Ukraine and they will not harm spiritual and physical health of workers;
- personal interest – an enterprise should develop questionnaires for clients to write about their opinion about an enterprise and its workers. And quarterly managers will chose the best worker. These factors and working conditions unite the workers, make better the atmosphere among the personnel and inspire the workers to pay more attention to clients – as a result there will be qualitative work.

6. The level of infrastructure of number fund. The meaning of human factor in the development of a large sphere of hospitality was paid much attention. But it should be noted that all these efforts will be in vain if a client enters a dirty room without all necessary things for comfort living. That's why a hotel should have a service providing repairing and changing some things, reacting quickly on client's call.

7. Communicating with consumers. Managers have to understand that hospitality should be limited. Sometimes it happens that workers are very obtrusive but not hospital. To avoid such situations it is necessary to make an anonymous inquiry among clients. They can share their impressions and make some suggestions, new ideas and wishes. A hotel doing so will be a competitive one. In comparison with other spheres of human activity, the high level of completion is a characteristic feature for the sphere of hospitality industry. It also depends on many factors, such as: natural factors, outside, religious and political, natural conditions and cataclysms. All conditions stated above

and conditions influencing the development of hotel and tourist services market, labor complexity and dictate the peculiarities of enterprises activity in hotel economy [18].

Unlike any of the other, economic essence of hotel activity has no material nature. Hotel enterprises propose their product by way of service, involving a consumer in its production. Therefore, the output element in defining the term “competitiveness of hotel industry enterprises” one can consider consumer liking and choice choosing the given services. To define advantages and disadvantages of hotel business comparing with competitors and developments of successive competitive strategy it is necessary to study conditions of competition in hotel services market, evaluate own competitive position and study competitors’ activity.

The main parameters by which it is proposed to evaluate the competitiveness of a hotel is the ability of a hotel to offer consumers a hotel product with more attractive characteristics than its competitors; the efficiency of the hotel in the market, defined as the ratio of the obtained market result to the costs incurred; market result that allows the hotel to develop quite successfully in the future and meet the needs of the owners and hired personnel [19].

## **1.2 Modern systems of international competitiveness**

Hotel service is a leading service industry. The current state of the hotel services market is characterized by a high level of competition, a variety of types of services and an increase in the level of Service. Today, hotel companies are forced to actively improve against the background of a fierce struggle for each guest, using a variety of internal organizational and technological innovations, using them as the most effective mechanisms for increasing competitiveness. At the present stage of development of the hotel business, the use of information technologies significantly contributes to the optimization of all business processes and, as a result, allows hotels to form consumer loyalty, strengthen their own image and ultimately increase revenue indicators.

Currently, the development of the digital economy is taking place all over the world and in all spheres of society due to innovative growth and transformation of processes as a result of the emergence of new technologies. However, the digital

economy is developing unevenly in different countries and regions, creating both new opportunities and barriers that need to be overcome in order to successfully conduct business on digital platforms. Data is transformed in the modern environment into a new factor that allows you to create value for the consumer and build business activity at a different technological level.

The competitive advantage of the hotel is at the heart of its successful operation in the market. The hotel industry is an important component of the tourism industry and is a set of activities aimed at serving consumers. In modern business conditions in the market of hotel and tourist services, in order to maintain the competitiveness of a hotel enterprise, it is necessary to implement a whole range of measures to form and consolidate competitive advantages [20].

The modern systems of hotel competitive position held the top spot in popularity with both large and small investors and even novice entrepreneurs. After all, the main feature of the hotel business is that its growth does not stop even during the global economic crisis. Whatever the case is in the economy, the middle class around the world does not refuse to travel during the summer and Christmas holidays.

It is important for the hotel business to provide the highest quality services and modernize the competitive position. The hotel is a living organism that operates around the clock, and its quality of work is directly related to how well organized the work of providing basic and related services. Nowadays, it becomes more and more difficult to attract customers with comfortable apartments with kitchenettes and beautiful windows, as a set of services such as television, free Wi-Fi, a spa, a massage parlor and a swimming pool have become commonplace and almost mandatory. Previously, the hotel industry was focused mainly on tourists who "dictated" the hotel's working conditions, today the focus is often placed on business representatives - both large and small. Their requirements for comfortable accommodation are much higher than for tourists, because a hotel for a business person is not only a place of residence, but also a place of work. Modern hotels are increasingly offering guests business conferences, conference rooms, assistance in negotiating with clients and partners [21]. For this purpose, not only conference rooms, but also lobby bars and simple lobbies where a



coffee break can be organized. At the same time, "business" hotels also choose a special location, convenient from the point of transport interchanges.

Other hotel business trends are taking into account the desire of more and more guests to lead a healthy lifestyle. This is why many hotels rely on the opening of fitness centers, spas and even swimming pools. Moreover, many of them open additional restaurants (or create an additional menu) with dietary dishes. There is also a widespread opening of restaurants with any national cuisine. For example, depending on the preferences of a nation, rooms with a certain temperature regime, special furnishings, the presence of certain objects appropriate to the culture of the guest are offered. The most striking trend in the modern hospitality market is the emergence of boutique hotels. These are special hotels with exclusivity rates, which have many amazing features - for example, furniture is grouped by color, the rooms have their own staff, working only for specific guests. In an effort to offer customers an exclusive service, many hotels commission the development of special systems of work that significantly extend the functions of the hotel. Among them, for example, are the following:

- The system of automation of work of employees of sales department. It allows you to manage this area, schedule meetings with partners and clients, keep a calendar and schedule of work of managers, and also facilitates the accomplishment of various tasks.

- Customer service system. These are new technologies in the hotel business that conduct a complete analysis of the accommodation of guests in the hotel and produce full analytics on each of them. This system allows you to see which intermediaries and travel agencies best provide the "delivery" of clients to the hotel, and also helps to calculate customer statistics by age, gender, social status, profitability, etc.

- Customer loyalty program management system. Allows the hotel to develop special types of promotions for regular customers, club and discount cards, premium certificates, and more.

-Hotel event management system. With this technology, you can plan the loading of different rooms of the hotel - its conference rooms, restaurants, banquet halls. Also, these innovations in the hospitality industry make it possible to create optimal schedules of activities, ensuring that the hotel is fully loaded and giving it additional earning opportunities[22,23].

Knowing the specific advantages the competition position allows to create own stand-out features and services.

We can create a short list of direct competitors of hotel that are similar to property in terms of location, price point, audience, and concept. When is known who the competition is, can focus on their strengths and weaknesses. Where are they the clear winner? Do they have on-site F&B that draws in groups? Are they a select service property that commits to 5-star customer service? Where do hotel take the lead? Do hotel clearly outshine the competition when it comes to in-room amenities?

Mirroring competitors' strategies won't win the battle, but awareness of their specialized niches and unique vulnerabilities can help guide tactics.

Porter's Five Forces Framework or SWOT analysis is a helpful model for evaluating the competition, measuring opportunity and profitability, and guiding strategic decisions. SWOT analysis is a fairly widely recognized approach that allows you to conduct a joint study of the external and internal environments. The SWOT methodology involves first identifying strengths and weaknesses, as well as threats and opportunities, and then establishing chains of links between them, which can later be used to formulate the organization's strategy. A SWOT matrix is created to establish relationships.

To successfully apply the SWOT analysis methodology of an organization's environment, it is important to be able not only to identify threats and opportunities, but also to try to evaluate them in terms of how important it is for the organization to take into account each of the identified threats and opportunities in its behavior strategy. This analysis and evaluation provides the manager with the necessary information to decide which products to remove, which to support, and which customers to pay special attention to.

Also one of the modern systems of international competitiveness in hotel industry is creation authentic relationships through guest feedback.

It's more expensive to attract new business than to cultivate relationships with returning groups. Listening to guest feedback offers valuable insight into what to do right—and where to improve. Engaging with planners via social media and travel website reviews to build relationships and increase brand loyalty.

Responding to all reviews (positive and negative) is essential. These reviews may also highlight improvement opportunities.

Rewarding guests creates a sense of trust, and trust leads to repeat stays. A loyalty program earns extra data, which can be used to design personalized experiences and targeted offers. Forge long-term relationships by offering a group loyalty program to encourage corporate events, conferences, and more at other hotels across portfolio.

Making 'value added' meaningful. Well-implemented perks and extras are a gateway to competitive advantage, as long as they are tailored to audience and property of hotel. While 'free' can be a strong selling point, the word may devalue the service for some audiences. Value-conscious traveling sports teams will appreciate free breakfast, while corporate retreat executives may prefer luxury add-on excursions or experiences, such as a brewery tour with dinner and a tasting flight.

Value for audience in hotel may depend on the guest receiving something extra that they would not have gotten otherwise. But, if the incentive doesn't align with the customer's values, there's a missed opportunity for connection. A complimentary bottle of champagne at a romantic dinner is not a one-size-fits-all offering—the hotel can draw in youth athletic leagues with kid-friendly welcome kits or tempt conference attendees with unrestricted access to the internet or video streaming services during their stay. Finding appropriate perks for audience can differentiate property from the competition and help hotel attract new guests.

**Streamline Direct Booking.** In this age of instant connection, planners value a quick and easy booking experience. OTAs and travel booking services lure guests with convenience and promises of low prices, but guests who book directly are 12.5 percent

more profitable for hotels. Leveraging direct booking with price incentives, upgrades, and added perks—and ensure a convenient, simple, and mobile-friendly process.

Booking through the hotel website offers an opportunity for add-on services, too. Hotel can provide direct booking incentives with offers for room upgrades, free food and drink, complimentary shuttle services, vouchers, and discounts.

Finally, direct booking offers the opportunity to connect with group event planners before they set foot on the property. Management of hotel can emailing vouchers for free desserts for the whole group, sharing events that are happening in the area during their stay, or offering additional nights at a discount for guests to extend their stay after the conference has ended.

Thus, the competitiveness of hotel services is the ability to effectively and efficiently meet the needs of customers, surpassing competitors in the market of hotel services in terms of consumer characteristics of the service at minimal cost of their satisfaction while ensuring the commercial success of hospitality industry organizations.

## **PART 2. ANALYSIS OF INTERNATIONAL COMPETITIVENESS IN «PREMIER INTERNATIONAL» HOTEL CHAIN**

### **2.1. Organizational and economic assessment of the hotel chain**

The «Premier International» hotel chain is 17 hotels from 3 to 5 stars, united by a single quality standard, more than 2100 rooms, 12 tourist destinations in Ukraine and the first European hotel under the Premier brand in Hungary (Miskolc).

«Premier Palace» Hotels is a brand that combines business opportunities and sophistication in every detail, hotels with an outstanding history, a unique central location and a unique atmosphere. The time spent here will leave an unforgettable vivid impression.

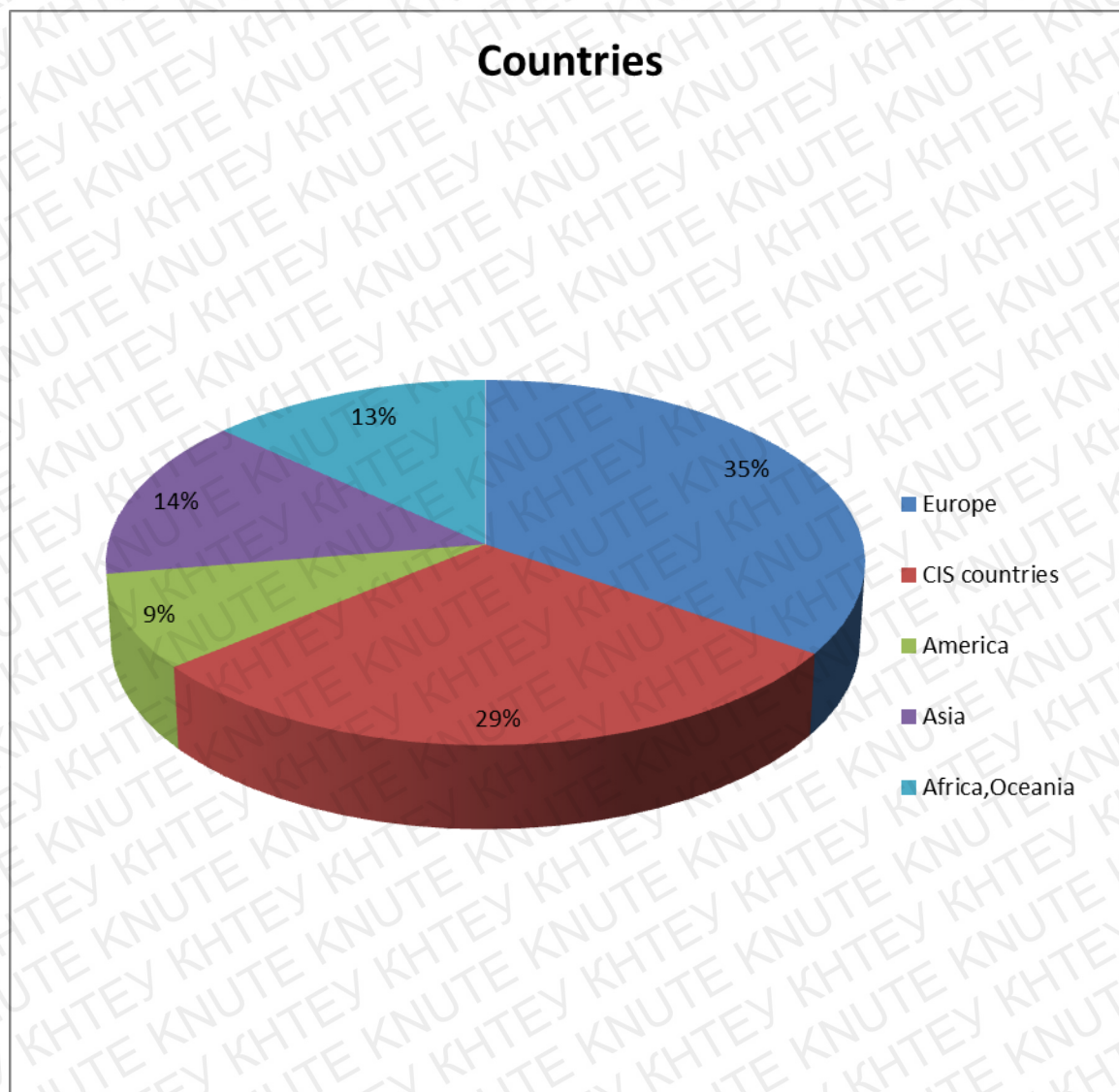
Concept-themed rooms, modern restaurants, fine spas, the best locations for business meetings and celebrations – «Premier Palace» hotels have everything to enjoy every minute of life. The first «Premier Palace Hotel», which opened in 1912 and began the history of the Premier hotel chain.

«Premier Palace» is a 5-star hotel in Kiev, located in the very center of the capital of Ukraine. The luxury hotel is more than 110 years old and today it does not lose its charm and ability to be ahead of its time. Location factors increase the hotel's competitiveness among other hotels. «Premier Palace» Hotel provides comprehensive services and additional services to foreign and Ukrainian citizens visiting the hotel. The main clients of the hotel are businessmen, public people, who are sent to Kyiv from the regions of Ukraine and foreign countries, and to a lesser extent - tourists.

According to Sources of Revenue (Appendix B) the best channels to deliver the key revenues through making hotel booking are:

- Internet (Booking.com, Hotel brand website);
- Hotel Direct reservations;
- Expedia;
- GDS (global distribution systems).

As Premier Palace is one of the most famous and prestigious hotels, it attracts the attention of both business and leisure travelers alike, thanks to high standards of service and service. In the structure, we can see the demographic segmentation of tourists for 2018 at the Premier Palace Hotel.



**Figure 2.1 Structure of foreign tourists in «Premier Palace» Hotel in 2018**

«Premier Palace» Hotel has targeted business travelers, honeymooners, wedding parties and leisure travelers as its potential customers. It operates a diversified range of hotels that include premium, luxury and mid-scale.

For its luxury and premium hotels, Premier Palace Hotel has adopted a premium and high-scale pricing policy. It caters to an upper class section of society that does not bother about prices. Premier Palace Hotel puts its onus on offering superior and

qualitative products and impeccable services to attract them. We see that there is a demand for the use of hotel services among users from around the world.

The researched hotel has a significant material and technical base, which provides a full service complex, centralized service for tourists, vacationers, travelers. A large number of components of the material and technical base of the enterprise indicates its importance and complexity.

«Premier Palace» is a hotel of a high level of service and comfort. In 2009, he received six stars and seven stripes from the Stars and Stripes system, a world renowned organization for recognition in the hospitality industry, and the hotel concierge holds the Golden Keys issued to him by one of the largest and most recognized guilds in the world, Les Clefs d'Or. The hotel is included in the "TOP of the most famous hotels in the world", which makes it an important place on the map of Ukraine. The concierge is skilled at making interesting itineraries and will help those who come to the capital without a sightseeing plan. The beauty salon will appeal to those who want to look great every day.

The hotel has soundproofed and hypoallergenic rooms. While staying in apartments and suites on the Executive Floor, guests can use the services of a personal butler who will help organize busy stay in Kiev.

Premier Palace is a place that has retained not only a unique shape, but also a century-old tradition of hospitality. Guests can feel them only by visiting this hotel, in which every detail has its own purpose, and the staff is always happy to do the maximum for clients.

A variety of conference rooms, from large to intimate, fully equipped for business events, will delight those who stay in the city on business. Business meetings and seminars can be held here with great comfort.

The hotel has 8 floors with 289 newly refurbished upscale rooms and suites in modern design. The hotel rooms are spread from 2 to 8 floors and there are such room types:

1. Standard Room
2. Classic single

3. Classic double
4. Classic double room with balcony
5. Family apartment
6. Deluxe
7. Two-room suite

Rates for room are flexible and are controlled by Revenue Manager. Prices for accommodation in the Premier Palace hotel are shown (in Table. 2.1.)

*Table 2.1.*

***Prices for accommodation in the «Premier Palace» hotel, per day  
( for 2019-2020 years)***

Room category	prices for accommodation, UAH per day
Standart room	3729 UAH
Classic single	4300 UAH
Classic double	4922 UAH
Classic double room with balcony	6507 UAH
Family apartment	8571 UAH
Deluxe	16707 UAH
Two-room suite	20049 UAH

The hotel provides services that can be divided into basic and additional. The main service is accommodation. Breakfast can be included in the price or not depending on the reservation.

The following services are always included to the Room Rate:

- ✓ use of high-speed wireless Internet;
- ✓ visiting the fitness center (around the clock);
- ✓ assistance with baggage delivery to and from rooms;
- ✓ an ambulance call;
- ✓ alarm service;
- ✓ shoe cleaning;
- ✓ concierge services (assistance with ordering tickets to various cultural public institutions (theater, concerts, etc.), tickets for different kinds of transport (air, railway and buses);



- ✓ delivery of correspondence;
- ✓ providing an additional set of pillows with sharp stiffness, blankets and linen;
- ✓ luggage storage for personal belongings and luggage;
- ✓ business center services;

Additional services include:

- restaurant and bar services;
- conference room rentals (for up to 220 people);
- room service - Room Service (24 hours available);
- laundry and dry cleaning services;
- repair of shoes and clothing;

The hotel offers 289 rooms of various classes, starting with standard rooms and ending with royal and Presidential Apartments located on the executive floor, in particular (Table 2.2):

*Table 2.2.*

***Categories of rooms in the «Premier Palace» hotel***

Standart room:	<ul style="list-style-type: none"> <li>- room size - 20 sq.m. ;</li> <li>- view from the windows on street or courtyard or pool view ;</li> <li>- accommodation: 1 or 2 people;</li> <li>- wide double bed 1. 8x2 m.</li> </ul>
Classic double:	<ul style="list-style-type: none"> <li>- room size - 24 sq.m. ;</li> <li>- view from the windows on street or courtyard or pool view;</li> <li>- accommodation: 1 or 2 people;</li> <li>- beds: wide double or 2 single beds.</li> </ul>
Deluxe:	<ul style="list-style-type: none"> <li>- room size - 30 sq.m. (2 rooms: bedroom and living room) ;</li> <li>- view from the windows on street or courtyard or pool view;</li> <li>- accommodation: 2 or 3 people;</li> <li>- bed: wide double bed.</li> </ul>

*Continuation of the Table 2.2*

Family apartment:	<ul style="list-style-type: none"> <li>- room size - 43 sq.m. (2 rooms: bedroom and living room, equipped kitchen) ;</li> <li>- panoramic view from the windows on street or courtyard or pool view;</li> <li>- accommodation: 2 or 3 people;</li> <li>- bed: wide double bed.</li> </ul>
Presidential penthouse	<ul style="list-style-type: none"> <li>-five-room suite on the 8th floor ;</li> <li>-an area of 171 m2;</li> <li>-located in a penthouse;</li> <li>-panoramic view from the windows Pushkinskaya street.</li> </ul>

Total number of halls:

-7 halls

Total area:

-526 m2

Maximum occupancy:

-350 people

To organize and host a conference, meeting or forum quickly, easily and professionally, the hotel offers guests a fresh perspective on the entire process, «Premier Palace» Hotel offers guests Ideal Meeting - the concept of hosting ideal events at Premier Hotels and Resorts, embodying our experience and knowledge gathered over the years in different hotels and regions of Ukraine.

Ideal Meeting is the concept of holding ideal events at Premier Hotels and Resorts, which embodies our experience and knowledge gathered over the years in various hotels and regions of Ukraine. Any of your events will be easy to organize, budget and carry out, thanks to 4 components: Easy, Smart, Green, Fast.

Premier Corporate Club is a loyalty program for professionals involved in organizing hotel stays and organizing conferences, banquets or other events.

Holding events at the «Premier Palace» Hotel is guaranteed to provide all the necessary conditions for a successful significant event.

On the second floor of the hotel there is a whole complex of locations where you can hold events of any scale depending on the nature of the event: conferences, forums, presentations, seminars, trainings, meetings and business meetings, whatever. All rooms are united by a stylish luxurious foyer, where you can enjoy a cocktail or coffee break.

All rooms are equipped with the necessary professional high-quality equipment: a screen, a flip-chart projector, a stationery kit, a laser pointer. The hotel also provides upon request a range of additional services that are required if guests want to organize the perfect private event or business event. Equipment for simultaneous translation, microphones, etc. is provided if necessary.

Organization of events in a hotel with a professional team will be quick and easy.

Experts have many years of experience in this area, which helps to foresee and calculate in advance every detail, and then offer several excellent solutions for any client's request.

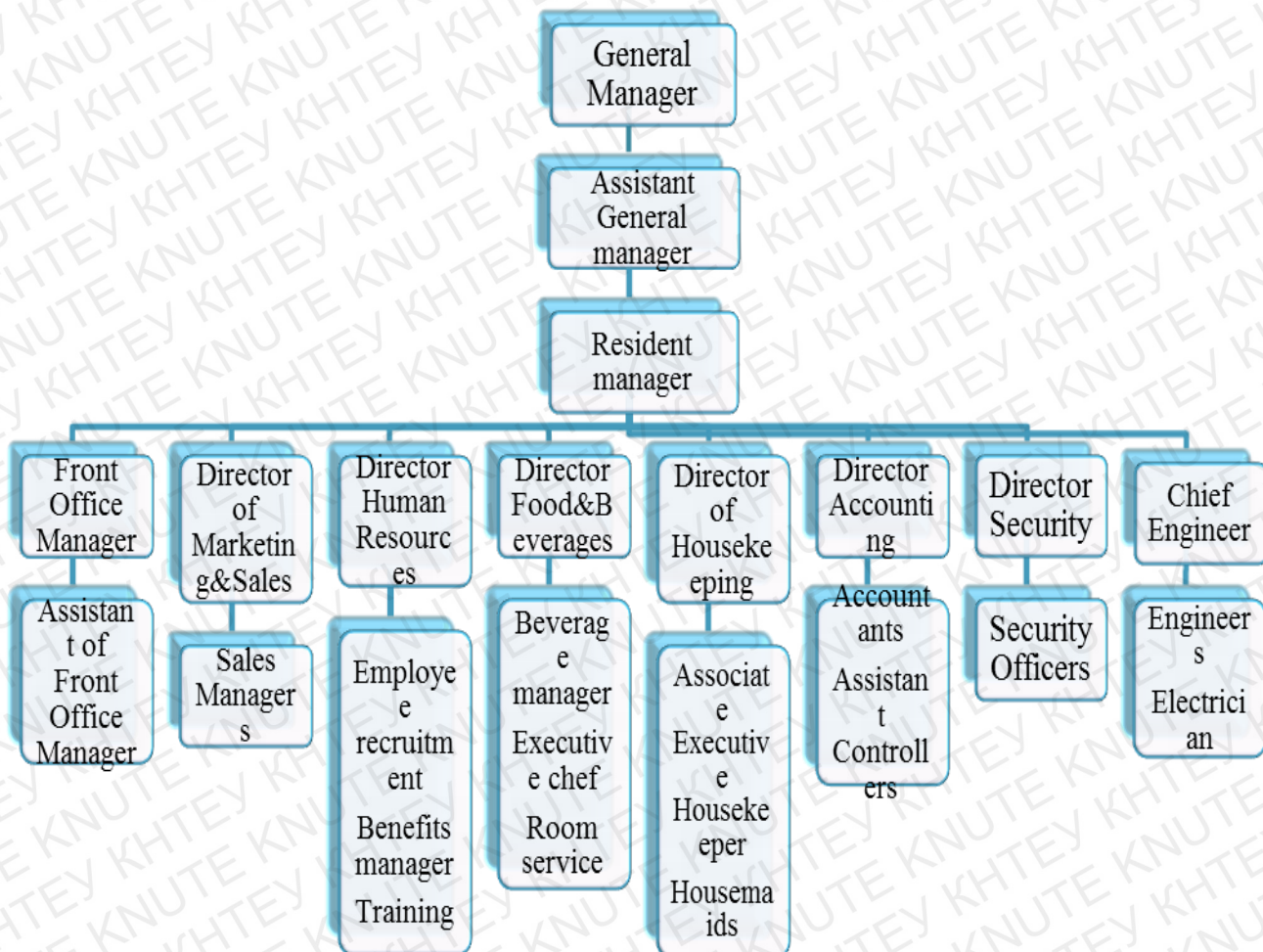
The hotel receives the highest income in the winter and autumn periods, which is associated with the onset of the business season and the organization of advanced training courses in the training center, a slight rise is observed in March - April. In the summer, there is a slight decline in activity, which is due to summer vacations. In general, income can be considered stable, there are no significant and sharp fluctuations during the year.

All the above characteristics meet the requirements of the normative legal documents of Ukraine, which regulate the activities and maintenance of hotel and restaurant facilities in the territory of Ukraine [29,30].

Over the years, the ideal organization of business events in hotels has been developed.

The organization of events at the «Premier Palace» Hotel guarantees the success and high level of the event of any format. An amazing combination of convenient location, multifunctional space, various halls, the most complete range of business communications and business services, high-quality business service, an atmosphere of respectable luxury - all this makes «Premier Palace» Hotel an ideal place for business events.

The organizational structure of the «Premier Palace» Hotel is linear and functional, shown in figure. 2.1.



**Figure. 2.2 Organizational structure of the «Premier Palace» Hotel**

The director of the «Premier Palace» Hotel is an intermediary between the owners of the company and the management staff, on the one hand, and the guests, on the other. The CEO is responsible for solving a huge number of tasks: making decisions focused on the selected market segment aimed at meeting customer needs, determining the general directions of the enterprise policy within the framework of the goals and objectives, including the implementation of financial policy, which may include such issues, as the definition of limits for staff costs, maximum allocations for administrative

and business needs. The owners of the company and the general director determine the range of suppliers with whom the hotel primarily maintains equity relations.

The main competitors of the Premier Palace Hotel are: «InterContinental», «Opera Hotel», «Hilton», «Holiday Inn», «Radisson Blu Hotel» and «Hayatt regency». Their description is shown in Table 2.3.

Table 2.3.

### Description of main competitors for «Premier Palace» Hotel

Hotel name	Address	Number of rooms	Category
InterContinental Kyiv	2a, Velyka Zhytomyrska St.	272	5
Opera Hotel	53, B. Khmelnytskoho St.	137	5
Hilton Kyiv	8-30, T. Shevchenko Blvd.	262	5
Holiday Inn Kyiv	100, Chervonoarmiiska St	208	4

**"InterContinental Kyiv"** belongs to the same name network of one of the world leaders among hotel brands, opened in the summer of 2009 and is located in the historical center of the capital of Ukraine. 11-floors building designed by Ukrainian architect Sergey Babushkin. The resident lobby and public areas are decorated with marble, Italian handmade furniture by Armando Ro, Western European art pieces and the like. Restaurant Olivera serves European and and Asian cuisine and a daily breakfast buffet, and the grand Comme il Faut restaurant serves French and Ukrainian specialties. Trendy bar b-hush offers panoramic city views and exotic cocktails.

*Location:* Kiev (Zhulhany) Airport – 7.7 km, Central Railway – 2.8 km, St. Sophia Cathedral – 450 m, Desuatunna cathedral – 350 m, Maidan Nezalezhnosti – 1.1 km.

*At the hotel:* fitness center, SPA center, beauty salon, gift shop, business center, parking, safe, lounge bar, two restaurants.

*Room description:* 272 luxury suites, including five ambassadorial suites, as well as exclusive 212-meter royal suites and even larger 314-meter presidential suites overlooking St. Michael's Cathedral.

*In the room:* cable and satellite TV, video, telephone, mini-bar, air conditioning, bathroom, hairdryer.

*Prices range* (flexible) – from 7,800 up to 27,110 UAH.

**Hotel Opera** is located in the heart of Kyiv in its business, cultural and historical parts, not far from such attractions as the National Opera House, St. Sophia Cathedral and Vladimir Cathedral. The hotel is suitable for a family and romantic getaway as well as a business trip. The hotel opened its doors in 1906 and was renovated in 2008 and offers rooms on 8 floors.

*Location:* Boryspil International Airport - 35.9 km, Kiev (Zhulhany) Airport - 6.8 km, Khreshchatyk - 1.4 km, National Opera of Ukraine, Vladimir Cathedral - 900 m, St. Sophia Cathedral - 1.9 km.

*At the hotel:* 1 restaurant, Lounge, 24-Hour Front Desk, Luggage Storage, Concierge, Daily Housekeeping, Shoe Shine, Ironing Service (Paid), Room Service, Fax / Photocopying (Fee), Smoking Area, sauna / bath / hammam, Jacuzzi, Spa or Wellness Center, gym

*Room description:* The hotel has only 140 rooms. The bathroom is equipped with heated floor, hairdryer and magnifying mirror, 32-inch plasma TV, Wi-Fi (free), digital safe, direct dial telephone, mini bar, air conditioning.

*Prices range* (flexible) – from 3,286 up to 18,255 UAH.

**Hilton Kyiv** is a branch of the Hilton Hotels chain. It is a part of the residential complex H-Tower, which is located in the city center at Taras Shevchenko Boulevard. The complex was designed by the renowned British architect John Seifert, who also designed other 10 Hilton hotels in London, Paris, Antwerpen and Dubrovnik. This multifunctional complex consists of a 25-floor central tower and two wings with 16 floors each. Hilton Kyiv occupies 3-8 floors out of 26. The H-Tower earned worldwide acclaim, garnering a prestigious European real estate award in 2011.

*Location:* 45-minute drive from Boryspil International Airport and 15 minutes from Zhulhany International Airport. Kiev Train Station is 2 km from the hotel.

*At the hotel:* restaurant, cafe / bar, indoor pool, conference room / banquet hall, business center, parking is FREE, car rental, safe, free wifi, lift, laundry, hairdresser /

beauty salon, currency exchange, ATM, facilities for people with disabilities, accommodation with animals, non-smoking rooms, transfer to / from the airport.

*Room description:* Free Wi-Fi, air conditioning, coffee / tea maker, bathroom, telephone, bathrobe, safe, satellite TV, necessary furniture, King-size bed, desk, minibar, ironing facilities, hair dryer.

*Prices range* (flexible) – from 3,296 up to 19,250 UAH.

**Holiday Inn Hotel** is located in the center of Kyiv, on the main highway, opposite St. Nicholas Church, near the Olympic Stadium. The hotel complex includes a business center with an equipped conference room of 65 square meters, a shopping mall, a five-level underground parking. The hotel was renovated in 2012. It's part of IHG international hotel chain.

*Location:* hotel is just 700 meters from the Olimpiyskaya Metro Station and Boryspil Airport is 34 km away. The train station is 3.1 km from the hotel.

*At the hotel:* restaurant, cafe / bar, conference room / banquet hall, business center, fitness center, parking is FREE, car rental, safe, free wifi, lift, laundry, facilities for people with disabilities, non-smoking rooms, transfer to / from the airport.

*Room description:* TV, free Wi-Fi, air conditioning, wardrobe, bathroom with hairdryer, large beds, desk, chairs, armchair, telephone, bedside tables, safe, toiletries.

*Prices range* (flexible) – from 2,954 up to 7,157 UAH.

Also, the main trends in 2020 are, perhaps, non-standard formats. Apart-complexes that appeared on the market just last year can compete with traditional hotels. This type of real estate is gaining popularity among both private investors and tourists. The latter like the "home" atmosphere and the multifunctional infrastructure, which is not found in conventional hotels.

It's obvious that knowledge about competitors, their real and planned actions are the basis for strategic orientation of the hotel in such a competitive environment. The process of the competitors strategy formation, focused on the use of the strengths of the enterprise with regard to the activity of competitors and features of market development, is an important tool for the formation of strong competitive position.

Let's consider analysis of the key financial indicators of the Premier Palace Kyiv (table 2.4.)

Table 2.4.

*Analysis of the key financial indicators of the «Premier Palace» Kyiv*

Indicator	Research period, thous. of UAH			Rate of increase, %	
	on 31.12.2017 y.	on 31.12.2018 y.	on 31.12.2019 y.	2018	2019
<b>Net sales revenue</b>	272000	304782	274274	12,05	-10,01
<b>Total assets</b>	383500	346996	336015	-9,52	-3,16
<b>Total liabilities (including):</b>	661250	622312	498703	-5,89	-19,86
<b>long-term liabilities</b>	633550	583437	345628	-7,91	-40,76
<b>current liabilities</b>	27700	38875	153075	40,34	293,76
<b>Cost of goods sold</b>	-169500	-167325	-161939	-1,28	-3,22
<b>Selling expenses</b>	-21425	-16519	-8754	-22,90	-47,01
<b>Profit</b>	863000	12708	112628	-98,53	786,28
<b>Personnel</b>	536	519	439	-3,17	-15,41

In 2019, the revenue of «Premier Palace» hotel amounted to UAH 274,274 thousand, a decrease of -10,01% compared to 2018.

The total liabilities of the «Premier Palace» hotel in 2018 decreased by -5,89%, and in 2019 decreased by -19,86%.

During last three year, services and goods were sold in the amount of UAH 498,764 thousand. There is a rapid reduction in the cost of services sold, in particular, in 2018, this figure decreased by - 1,28% and in 2019, this figure decreased by - 3,22%.

The selling expenses in 2018, this indicator decreased by -22,90% , in 2019 was decreased by -47,01%.

The Profit of the «Premier Palace» hotel in 2019 amounted to UAH 112,628 thousand, an increase by 786,28% compared to 2018. But in 2018 , the profit was decreased by -98,53% compared to 2017.



"Premier Palace» Hotel year after year maintains the reputation of one of the leaders due to its activities, which is confirmed by the commitment to the development of the market of hotel services in Ukraine at the level of world quality standards. The key success factors of the hotel are:

- positive image of the hotel, formed over the years. It is supported by the right marketing program and PR strategy;
- "golden fund" of the hotel - regular guests;
- the ability to provide a variety of services at a high level - according to the concept of "city within a city" - you can get everything without leaving the hotel;
- competent pricing policy - flexibility and loyalty to regular customers and an active approach to new ones;
- active sales and marketing policy - development and implementation of new strategies, constant work on improvements, implementation of new projects with the latest innovations in technology;
- large customer base; • exceptional professionalism of the staff. Implementation of the annual income plan (approx. 422 million UAH). Increase in the Customer Satisfaction Index (TrustYou) from 92% to 94%. The overall strategy of the hotel: the implementation of planned activities in terms of marketing and sales, providing the appropriate level of service and offers of our current target audiences of products and services. Maintain the usual service for guests and improve at certain stages.

Main strategic actions:

achieving the set KPIs in terms of working with corporate and group segments to ensure sales of the number of rooms.

Maintaining the existing hotel staff and creating conditions for hiring the best staff on the market when closing vacancies.

Execution of the plan of activities by the restaurant service. Execution of the wellness club activity plan.

Regular feedback from guests with all available means to correct service procedures and possible changes in hotel products to get a better customer experience.

Implementation of the marketing plan, taking into account the events on the 110th anniversary of the hotel.

Conducting regular training and improving motivational programs for employees.

Thus, «Premier Palace» hotel retains its reputation as one of the Leaders year after year due to its activities, which is confirmed by its commitment to developing the Ukrainian hotel services market at the level of international quality standards.

## **2.2 Main features of the hotel chain international competitiveness**

Hotel competitiveness in modern market conditions is the main factor in gaining competitive advantages and, therefore, is the key to sustainable and successful operation.

Increasing competitiveness should be based on the ability of the enterprise to provide services to consumers accurately and on time, thereby satisfying their needs, which, in turn, depends on effective work on quality management.

Based on the study of literary sources, it should be argued that the hotel company cannot influence the factors of the macroeconomic level (it can only adjust its work under the influence of these factors) when creating competitive advantages, therefore, the factors of the microenvironment and factors of the internal environment of the hotel play the greatest role in the development of competitiveness of hotels enterprises.

The combination of all factors efficiency and competitiveness form internal competitive advantages of the enterprise, in particular:

- Structural (clear definition of the mission of the enterprise, the optimal organizational structure, modern information support);
- Resource (potential of financial, personnel, management, marketing resources; possibility of their optimization and efficiency of use);
- Technical (low cost and optimal price, well-known brand, advanced equipment);
- Management (qualified staff, optimal management system);
- Market (knowledge of the position on market, product marketing system);
- Efficiency(sufficient level of economic indicators that provide enterprise development; financial stability; intensity of capital use) [25].

Accordingly, the initial element in the interpretation of the term "competitiveness of the hotel industry" can be considered the preferences and choices of consumers hotel services.

Competitive advantage is the leverage a business has over its competitors. This can be gained by offering clients better and greater value. Advertising products or services with lower prices or higher quality piques the interest of consumers. Target markets recognize these unique products or services. This is the reason behind brand loyalty, or why customers prefer one particular product or service over another.

In contrast, competitive advantage is a dynamic concept. Unlike comparative advantage, which is determined by comparatively largely unchangeable factors, competitive advantage can be created. It is a more dynamic, strategic concept. By following the steps above, business can attain the desirable qualities that will make your product or service the choice selection for target market. While this provides a great deal of opportunity for businesses, it can also be a challenge to maintain competitive advantage over time [26].

Competition also has certain disadvantages. If do not control the perfect competition, it will become defective over time - a company can fully suppress the entire production and sales area of a particular type of goods or services. This will result in the organization halting its development, setting inflated prices and fully controlling demand from customers.

In extreme competitive conditions, there may be too many companies in a service or commodity area, so there is overproduction - manufacturers have released several times more goods on demand than in the market. To implement this, businesses will need to reduce costs and suffer. As a result, many companies cannot withstand financial burdens and go bankrupt. There are no perfect competition examples in the global economy. The concept of perfect competition is used as a standard to evaluate other forms of market organization.

To study the service market, study the external and internal environment of a business entity, and draw conclusions about the development strategy of a hotel or

tourist enterprise, it is necessary to analyze the influence of the main environmental factors. The results are summarized in Table 2.5

Table 2.5

*Analysis of macroenvironment factors of the «Premier Palace» Hotel*

<b>Positive factors</b>	<b>Negative factors</b>
Long history	Incomplete compliance of Personnel Training with the requirements of the labor market in terms of quality and quantity
Rich cultural monuments	Lack of Environmental Protection
Favorable geographical location, attractive nature.	Centralization of tourism establishments mainly in the city
State support for Tourism	Development a small number of people in the regions who are fluent in foreign languages
Availability of qualified labor.	Unsatisfactory Organization of work on the submission
Location of the country in a favorable geographical crossroads.	Incomplete provision of prompt passage of foreign citizens arriving in the country through border checkpoints
The presence of experience in conducting major international events	Is an imperfect basis for conducting analyses in the tourism sector
State identification of the tourism sector as one of the priority sectors in the development of the non-oil sector.	Failure to conduct regular monitoring to measure the level of satisfaction of tourists arriving in the country.

When the state is interested in the tourism industry in the country developing, this is expressed in a single concept of priority progress of the hospitality industry, in the adoption of legislative and regulatory acts that encourage and regulate the hotel business, in particular, and the development of tourism in general, as well as in financial and economic measures to support and develop the infrastructure of enterprises for guest accommodation, hotel construction and progress of the hospitality industry. Thus, one of the first plans in the complex of competitive position tasks of the «Premier

International» hotel chain is put forward marketing tasks and the organization of service provision.

At the same time, it should be taken into account that the industry of providing evaluation services is very sensitive to innovation and competitive positions can change very quickly, since the amount of funding for basic science and Applied Research in the world is much higher.

Market and product strategies. Strategy for covering the entire market. Services are offered to all market segments – for experienced market players.

One of the central and most common approaches to strategic planning is the analysis of the strengths and weaknesses of the enterprise, or SWOT analysis. In general, SWOT analysis (the Thompson and Strickland method) is a fairly easy-to-use tool for quickly assessing a company's strategic position. SWOT analysis emphasizes that the enterprise strategy should best combine the internal potential of the company (i.e., its strengths and weaknesses) and the external situation (which is partially reflected in opportunities and threats).

At the enterprise, SWOT analysis is carried out, which is reflected in the business plan according to the classic scheme. It is based on the understanding that strengths are unconditional achievements of the enterprise and naturally formed advantages.

The latter include, for example, the profile of the enterprise itself, which in fact is a potential carrier of new technologies. Applying the SWOT method, we will be able to establish the lines of communication between the strength and weakness that are inherent in the organization and external threats and opportunities, consider acceptable alternatives to the strategies of the Premier Palace Hotel, and determine the optimal one. The SWOT results are shown in tables 2.6.

*Table 2.6*

***SWOT analysis of «Premier Palace» hotel activities***

**Strengths**

**Weaknesses**

Continuation of the Table 2.6.

<ul style="list-style-type: none"> <li>- availability of its own material and technical base and public catering enterprises;</li> <li>- flexible pricing policy, taking into account the category of rooms and preferences of consumers of hotel services;</li> <li>- availability of a permanent segment of hotel service consumers;</li> <li>- Reconstruction and renewal of fixed production assets of hotel service producers;</li> <li>- availability of specialization and opportunities to provide hotel services in several market segments;</li> <li>- Organization of an advertising campaign on the Internet.</li> </ul>	<ul style="list-style-type: none"> <li>- lack of analytical information about consumers of hotel services and their advantages;</li> <li>- passive role of marketing policy of hotel service manufacturers;</li> <li>- a narrow list of hotel services;</li> <li>- lack of analytical information on the degree of impact of advertising events on consumers of hotel services;</li> <li>- lack of a clearly defined strategy for the development of hotel service manufacturers;</li> <li>- low economic efficiency of hotel service manufacturers;</li> <li>- lack of qualified personnel in the hotel services market.</li> </ul>
<b>Threat</b>	<b>Opportunities</b>
<ul style="list-style-type: none"> <li>- conquering new segments of the hotel services market;</li> <li>- possibility of comprehensive service of additional groups of consumers of hotel services;</li> <li>- expansion of the range of hotel services;</li> <li>- formation of loyalty of consumers of hotel services;</li> <li>- formation of a system of training and motivation of hotel staff;</li> <li>- systematic marketing research of the hotel services market.</li> </ul>	<ul style="list-style-type: none"> <li>- the emergence of new competitors and increasing competition in the hotel services market;</li> <li>- dynamic change in the solvency and preferences of hotel service consumers;</li> <li>- lack of external investment associated with risks in the implementation of investment projects;</li> <li>- changes in External market conditions;</li> <li>- lack of professionally trained personnel in the hotel services market.</li> </ul>

The results of SWOT analysis of the internal and external environment of «Premier International» hotel service manufacturers in the market, allowed us to

conclude that one of the strengths of hotel service manufacturers is the availability of their own material and technical base and public catering enterprises, which will allow us to use the opportunities of comprehensive service to hotel service consumers and expand the range of services in hotels.

Thus, competitive and marketing research of «Premier International» hotel chain should be considered as part of the current integrated information process, requiring the development and use of a system of constant monitoring of the environment, controlled and uncontrolled factors affecting the firm's activities, the formation and storage of data so that they can be analyzed in future.

### **2.3 Global factors of forming of the hotel chain international competitiveness**

The country's competitiveness is a determining factor in the future development of the production system at the present stage of the functioning of market relations. It determines the degree of involvement of the national economy in the international economic system. At the global level, competitiveness is the ability of a country in conditions of free competition to produce goods and services that meet the needs of the international market and through the implementation of which the welfare of the population increases.

The tourism and hospitality economy has been hit hard by the coronavirus (COVID-19) pandemic, and measures have been taken to contain its spread. Depending on the duration of the crisis, the revised scenarios show that the potential shock could range between 60-80% of the global tourism economy decline in 2020. Impact Covid 19 on globally level, hotels have reported having extremely low occupancy rates, or have experienced closures on a massive scale. Big hotel chains have seen their stock price plunge as a result. In Europe it was estimated that 76% of hotels were closed. According to STR, in the first week of May many countries had an average occupancy rate lower than 30%. Some shared accommodation categories, such as hostels or camping, may be impacted in the longer term.

One area where the pandemic is providing an opportunity for potential development of the sector, is in the area of digitalization. Initial indications are that the current crisis is accelerating the digital transformation of the sector. Digital solutions are being developed to create ‘live remote<sup>45</sup>’ tourism and/or virtual tourism experiences, as is the case for several hotels. The move to digital is also changing work trends in the sector.

In the longer-term, social distancing requirements, as well as broader shifts in business and risk management strategies, and consumer demand for contactless, self-service, and personalised experiences, could further the uptake of cloud-based property management systems, and automatic check-in/out kiosks in hotels, transport terminals and attractions. The use of autonomous robots to clean or undertake back of house activities may also become more prevalent.

Beyond the immediate responses needed, hoteliers will need to learn from the lessons of the COVID-19 crisis, to improve crisis management and competitive strategies to better prepare hotel sector more broadly to respond to future shocks. As the situation evolves, countries are devolving resources to ensure a speedy recovery after the crisis. As recovery plans are being designed, identified the following areas as key priorities and challenges:

**Re-thinking the hotel industry.** The crisis presents an opportunity to rethink the hotel system for a more sustainable and resilient future. Policy intervention will be necessary to address structural problems of the sector, avoid the return to issues of hotel management , and advance key priorities, such as encouraging new business models, embracing digitalisation and promoting connectivity. The latter will be of key importance in an after-crisis scenario where social distancing will be still relevant and tourists will look to less crowded destinations.

**Modernization hotel industry .** Digitalization and modernization measures need to be comprehensive across the sector branches . Accessibility, connectivity and transport should be high on the agenda just as accommodations, restaurants, resorts, events, travel association, travel tech companies, tour operators, and tourism associations.



**Innovating and investing in hotel industry.** Governments need to ensure that the sector will be ready to resume and keep on innovating and transforming. Moreover investments will be needed to make structural and physical changes to address health requirements and visitors expectations in the first phase of recovery and in the long term. Hotel businesses will need to adjust their offer to respond to changed travel behaviors [27]. All these factors have an impact on the competitiveness of hotel enterprises.

The modern environment in which the hotel business operates is characterized by an exceptionally high degree of uncertainty, dynamism and complexity. The hotel's ability to adapt to changes is the main condition for their effective operation. Moreover, in the overwhelming majority of cases, this is a condition for their development and survival. In order to choose a strategy of behavior and implement it, the management of the organization must have enough information about the internal environment of the company, its capabilities and development prospects, as well as have a clear idea of the external environment, its development trends and the position occupied by this organization in it.

There is currently no universally accepted definition of international competitiveness. There is a set of views on the essence and nature of the country's competitiveness. It is necessary to highlight a number of general essential characteristics of the competitiveness of the economy, according to which competitiveness is:

- a tool that is an effective means aimed at improving the living standards of the population;
- productive and efficient use of resources;
- the ability of national enterprises to produce goods and services that meet the needs of the world market in conditions of free competition;
- is characterized by high development of the scientific and technological sector of the economy and stable rates of economic growth;
- a relative concept, defined in relation to the results achieved by economies of a comparable level of development. In addition, competitiveness reaping the

continuity and dynamism of the development of the economic system [28]. Is an objective process that reflects the continuity and dynamism of the development of the economic system.

According to the above classification of factors of the country's competitiveness, it divided into the following groups: external, depending on the degree of influence on the country's competitive position, subjective, regulated, permanent; internal, depending on the functional orientation, to macroeconomic, institutional, microeconomic, resource, socio-cultural. Such a classification allows the most comprehensive and systematic approach to the development of directions and measures of state regulation of the competitiveness process, to form strategic guidelines that take into account the defining aspects of the country's competitiveness.

The experience of forming and implementing the concept of competitiveness of the most competitive countries has shown that the competitiveness of the economic system is based on increasing its efficiency through the use of advanced technologies in the context of effective interaction between the state and business. The key competitive advantage of the most advanced countries is human resources and investments aimed at its activation. The common thing in government intervention for developed countries is that in order to increase the competitiveness of their economies, they stimulate external economic relations that provide an "optimal" structure of foreign trade: exports are represented by more technological products than imports; and the reverse structure in terms of the movement of capital: low-tech industries are moved abroad, increasing production productivity within the country. Depending on the focus of the impact, all factors are divided into external and internal and have a direct impact on the economic and social efficiency of the hotel.

As noted by M.G. Amirova, the development trends of the hotel industry are characterized by the centralization of management and an increase in the degree of integration of objects into system structures in the form of chains and other forms of partnership [24].

The main differentiator of the competitiveness of hotel enterprises has been and remains the stage of the life cycle of this industry, taking into account the specifics of

the region and the market. In world practice, to assess the level of development of this industry in the country, the Travel & Tourism Competitiveness Index has been developed and applied. This index was developed by the World Economic Forum and is based on 3 sub-indices: the regulatory environment in the tourism sector; environment and infrastructure for business; human, cultural and natural resources in the travel and tourism sector.

The World Competitiveness Center (WCC) produces a regular report known as the global competitiveness report, which can provide an excellent starting point when trying to decipher the economic growth rate and potential of countries across the world.

A competitiveness index is a strategic tool designed to assess and benchmark the competitiveness of countries. As such it contemplates multiple structural dimensions of a country's economy that affect their economic performance. The World Competitiveness Yearbook's competitiveness index or ranking assesses and ranks how countries and enterprises manage the totality of their competencies to achieve increased prosperity. The Yearbook's competitiveness index contemplates the elements that shape a country's ability to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people.

Country competitiveness refers to the ability of the government to generate prosperity for its people. There are several implications in this understanding of competitiveness. It implies that countries with high levels of competitiveness are able to better manage their economic and human capacities. In this context, the government has a great impact in the achievement of country competitiveness. For example, the level of regulation in a particular country may hinder the ability of a country to increase its competitiveness. The infrastructure also contributes to country competitiveness by providing the adequate context to improve the conditions related to competitiveness. From this understanding of country competitiveness, however, is clear that competitiveness goes beyond the economic performance of a given country.

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest

percentage changes in the value of each criterion from one yearbook to the next. Competitiveness evolution and attractiveness indicators shown in (table. 2.7).

Table 2.7

*Competitiveness evolution in Ukraine 2019-2020 years*

<b>IMPROVEMENTS</b>	<b>WCY 2019</b>	<b>WCY 2020</b>	<b>DECLINES</b>	<b>WCY 2019</b>	<b>WCY 2020</b>
1.4.04 Employment - long-term growth	-7.69	3.76	4.4.04 Health infrastructure	2.73	1.59
3.2.14 Labor force long-term growth	8.17	2.68	2.1.11 Pension funding	2.03	1.19
1.2.02 Current account balance	-3.56	-0.86	4.4.23 Environment-related technologies	0.08	0.05
2.3.04 Country credit rating	10.0	16.3	4.4.19 Forest area growth	1.7	1.1
2.3.08 Exchange rate stability	0.084	0.032	3.2.01 Compensation levels	2.03	2.63
1.5.01 Consumer price inflation	10.95	7.89	2.1.09 Public finances	3.39	2.49
2.3.13 Bribery and corruption	1.52.	1.92	1.1.19 Resilience of the economy	3.12	2.30
3.3.16 Credit	2.48	3.11	3.3.10 Stock market capitalization (%)	3.91	2.92
3.1.09 Small and medium-size enterprises	4.58	5.70	4.2.14 Funding for technological development	4.55	3.59
1.4.08 Long-term unemployment	2.49	1.90	4.3.22 Knowledge transfer	3.67	2.95
1.2.12 Exports of commercial services (\$bn)	13.78	17.02	2.5.01 Justice	2.58	2.11
2.3.07 Foreign currency reserves per capita	495	604	4.3.21 Intellectual property rights	4.24	3.57

*Continuation of the Table 2.7.*

4.4.12 Energy intensity	553	445	4.4.28 Quality of life	3.12	2.63
2.4.09 State ownership of enterprises	3.94	4.68	4.5.17 Management education	5.91	5.03
3.4.04 Credibility of managers	4.42	5.24	2.4.06 Investment incentives	3.18	2.74

Thus, the hotel industry in Ukraine is one of the most dynamically developing sectors of the economy with a high degree of profitability. This is facilitated by the saturation of segments of the real estate market with a minimum payback period, a stable increase in demand for hotel services and an increase in capital that can be invested in the development of the hotel industry.

## **PART 3. THE FORMING OF INTERNATIONAL COMPETITIVENESS IN «PREMIER INTERNATIONAL» HOTEL CHAIN**

### **3.1. Improving the competitive position of the hotel through the development of competitive intelligence service.**

Competitive intelligence is a constant, cyclical sequence of actions that as a result produces data that have practical value for making management decisions.

As shown in chapter 2 of the analysis and results of the SWOT analysis, it is essential to the success and effectiveness of the company to ensure an effective and timely response to the actions of competitors. If all this is effective and efficient, then the «Premier Palace» Hotel will receive a reliable information base for developing a strategy for development and survival in international competition.

**The objective** of «Premier Palace» Hotel's competitive strategy is to secure the hotel's position on the market. This is done by adapting to market conditions and competitors' actions.

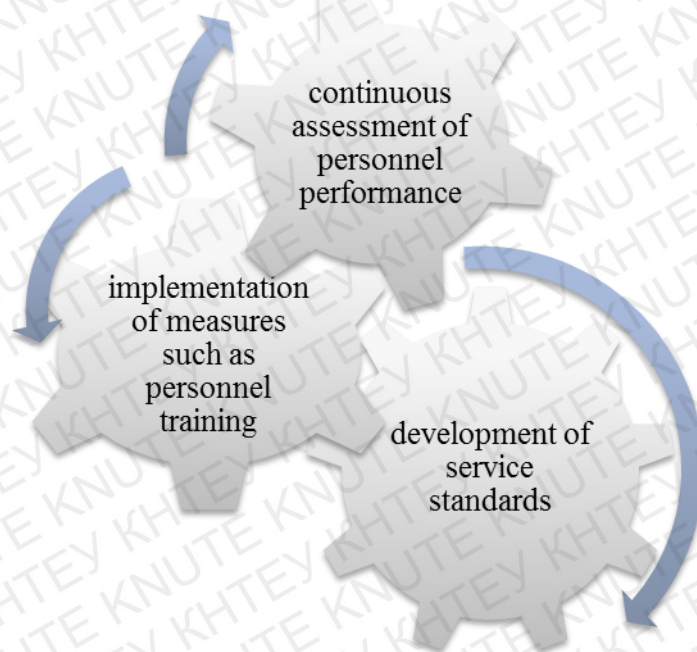
Analysis of the hotel market has shown that increased competition and consumer demand requires the use of competitive intelligence as a means of capitalizing on competitive advantages.

Achieving proper exposure was fairly simple in the past, although at the time it was considered as much of a science as digital marketing is today. Directory listings, print advertising, radio, cinema, and television were all important channels in promoting accommodations for travelers, whether they journeyed for business or leisure. Direct mail, telemarketing, referral fees and even billboards all played a role in bringing properties to the attention of the traveling public. It was interruption marketing and "spray and pray" at its best. All that has changed with the progression of technology, which is now having as much impact on the way the hospitality industry markets itself as it does on operations.

In the hotel market, the main threat remains for all competitors - market saturation, which experts predict by 2022, after which the concentration of visitors in the hotel may be low.

As for the rest of the points, the competitiveness of the Premier Palace Hotel in comparison with other 5-star hotels is almost the same. The main competition lies in the level of service, quality of value-added services, digitalization. The range and pricing policy of hotels (as reflected in the analytical tables in Chapter 2): all hotels have a favorable location, a wide range of services, reputation, and worldwide recognition. If there is a difference in price, then it is so insignificant that it cannot be perceived as a competitive advantage of this or that company.

Thus, an important moment for the «Premier Palace» Hotel is to improve the level of customer service and expand the distribution network (however, it takes time and significant investment). Factors affecting the improving the quality of service can be achieved through the:



**Figure 3.1. Factors affecting the quality of service**

By all means, the salary of personnel should be rigidly tied to the final results of sales. Moreover, each manager should be interested not only in selling, but also in creating a certain image of the company in the eyes of the client.

Developing an effective competitive intelligence and promotion system will lure potential consumers away from competitors.

After the changes with the Covid 19 pandemic, the population of people changed their consumer behavior, the attitude towards pricing did not change much. When choosing a hotel, guests pay attention not only to the cost of the room, but also to additional services included in the price, to the possibility of receiving additional services directly during their stay at the hotel, as well as to security. Today, when choosing a hotel, guests pay attention to the following points:

- highly qualified personnel who provide the highest level of service according to brand standards;
- fast and efficient service;
- creating a friendly and relaxing, luxurious atmosphere;
- "discreet maintenance of order"

The staff should be generally well aware of the guests of the hotel and ready to meet them in everything. And for this it is necessary to constantly conduct high-quality trainings, arrange carefully prepared meetings and have an open system of detailed information about what suits or does not suit a particular client. The highest class service can only be provided by personnel who are trained to the best international standards, ready for any challenges and know how to go beyond the routine.

Summarizing all of the above, we can conclude that the management of the «Premier Palace» Hotel objectively assesses the situation on the market and understands the need to implement a system for collecting information about competitors (creating a competitive intelligence system). It is necessary to conduct constant monitoring of competitors' activities, which includes: analysis of competitors' advertising activities, analysis of measures to stimulate product sales, analysis of pricing policy, analysis of services, etc.

### **3.2. Organizational structure of the competitive intelligence service**

Competitive intelligence is the regular process of collecting, verifying and analyzing information about the competitive environment to identify threats and opportunities in order to make optimal management decisions by an organization. This



activity must be carried out strictly within the framework of the law and ethics, with the observance of the necessary level of secrecy.

If we consider the percentage of companies using competitive intelligence in the context of countries, then in 2019 the situation looked as follows (Figure 3.2):



**Figure 3.2. Structure of leading counties in competitive intelligence**

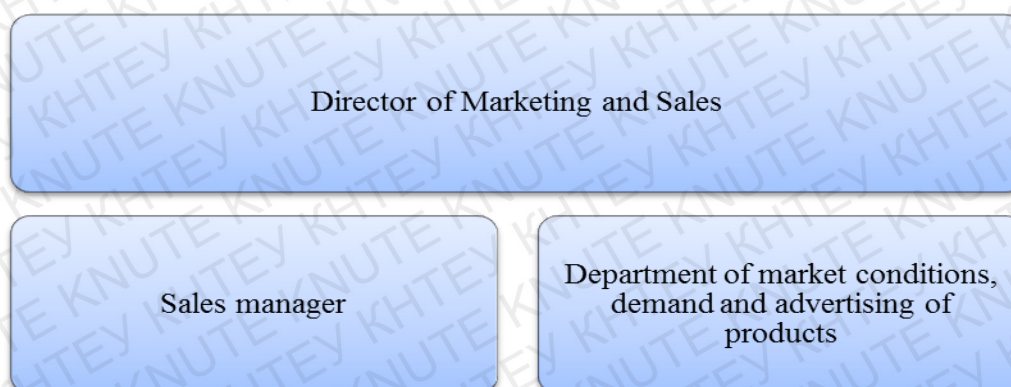
But the presence of a competitive intelligence service does not yet guarantee its effective work.

Competitive analysis at the «Premier Palace» Hotel is one of the areas of the marketing department among many others. Competitor analysis is carried out mainly on the basis of secondary data (Internet, competitors' websites, etc.). Primary research practically does not work or is limited to haphazard calls to competitors to clarify information. This is largely due to the lack of time for the marketing department staff for a deep study of this area. The tasks facing the marketing department of the «Premier Palace» Hotel are presented below:

- analysis of the macroenvironment and identification of the main factors influencing the activities of the hotel;
- analysis of the international market and the Ukrainian market;
- competitive analysis;
- market segmentation;

- determining the position of the hotel in the market;
- organizing and conducting marketing research;
- analysis of the current pricing policy of the enterprise: costing, recommendations for setting markups and discounts, competitive price analysis;
- analysis of the current sales policy: analysis of sales dynamics, geography of markets, analysis of the customer base;
- analysis of the current communication policy: evaluation of the effectiveness of the promotion strategy;
- development of strategies and marketing plans to achieve the goals set by the hotel management;
- development of recommendations in the field of pricing, sales, assortment;
- development of promotion strategies.
- In addition to the tasks described above, the marketing department can also perform the following functions:
  - development of programs for the formation of loyalty for clients based on the study of their satisfaction;
  - maintaining the website;
  - analysis of related areas with which the company can diversify its activities;
  - participation in the preparation of business plans (both external and internal) with the assistance of the planning and financial department.

Let's consider of the current structure of the marketing department in the «Premier Palace» Hotel (Figure. 3.3)



**Figure 3.3. Organizational structure of marketing management at «Premier Palace» Kyiv**

#### Marketing and Sales Director:

- control over the work of subordinates (checking analytical reports, marketing plans, information reports, etc.);
- interaction with the management both vertically and horizontally;
- issuing assignments to the department;
- training;
- preparation of plans for the development of the company for the medium and long term, coordination of the development of different areas of activity and target markets based on information received from marketers and from employees of other departments;
- preliminary control of the work of subordinates;
- development of a company positioning strategy;
- portfolio analysis of strategic business units;
- development of customer service standards.

At the same time, it is taken into account that the head, if necessary, can fully perform all the functions of an ordinary marketer.

#### Marketer 1:

- analysis of the external environment (STEP analysis, analysis of the international and national markets, potential markets, analysis of statistical data, etc.) to identify the current state, prospects for market development;
- competitive analysis (for all elements of the marketing mix, building SWOT matrices for competitors) in order to identify the strengths and weaknesses of both the enterprise and its competitors, assess their competitiveness and build a competitive map for each market;
- current monitoring of media and Internet portals;
- analysis of the company's work for all elements of the marketing mix (in this case, 7P - product, price, place, promotion, people, physical evidence, process):
  - o product policy - analysis of the range of offered goods and services (ABC analysis), width and depth of the range, assessment of customer satisfaction in terms of satisfaction indicators using the theory of expectations and identification of unmet

customer needs; building a model of customer behavior when choosing products and services of an enterprise;

- o pricing policy - formation of recommendations on prices (competitive analysis and market analysis) and cost;

- o sales policy - analysis of existing methods of attracting customers and sales aspects of working with them, analysis of the customer base based on data received from sales managers;

- o process - analysis of the customer service process and service quality assessment;

- o personnel - analysis of the work of personnel interacting directly with customers (possibly with the participation of other departments or by the "mystery shopper" method);

- o statistical analysis of indicators for all elements of the marketing mix;

- preparation of information sheets and development of recommendations for the short and medium term;

- evaluation of the effectiveness of work on all elements of the marketing mix.

If necessary, the head of the department connects to Marketer 1.

Marketer 2 (implementation of communication tasks):

- analysis of the existing internal and external communication policy of the hotel;
- defining the goals and objectives of the communication policy in each market;
- selection of the most effective means of promotion and advertising in each target market;

- development of the current and perspective advertising concept;

- assessment of the level of the advertising budget;

- participation in exhibitions;

- external and internal PR;

- interaction with the department performing specialized functions in the field of advertising and promotion;

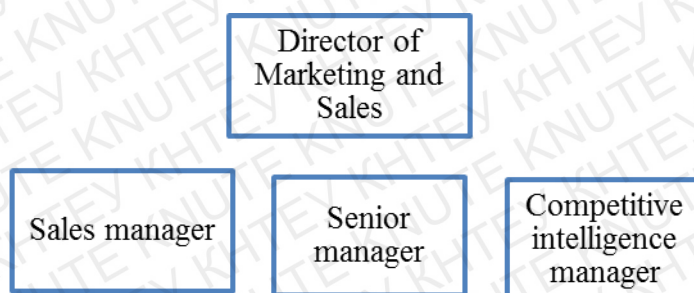
- analysis and formation of the hotel's image by all indicators that form the image;

- control over the implementation of the advertising campaign;

- evaluation of the effectiveness of advertising campaigns.

Thus, the work of the department is structured according to the functional principle. From the presented division of functions, it can be seen that the function of competitive analysis is entrusted to marketer 1 (marketer-analyst). This employee carries out a comprehensive analysis of the internal and external environment, and therefore, he cannot fully pay attention to competitive intelligence.

It is proposed to include competitive intelligence in the marketing department. This is due to its close relationship with marketing activities, as well as the size of the «Premier International» hotel chain. In order to avoid unnecessary costs, it is proposed to subordinate competitive intelligence to the head of the marketing department. Thus, the modified department structure will look like this (Figure 3.4).



**Figure 3.4. Improved structure of the marketing department**

The new structure offers 3 new employees:

- Senior Manager for Competitive Intelligence, coordinating all issues related to the implementation of activities in the direction of "competitive intelligence" and developing a program of action to resist competitors;
- A competitive intelligence manager carrying out field research;
- Manager for competitive intelligence. Its tasks are the collection and analysis of information on secondary sources and the analysis of data received from the field worker.

Let's define the requirements for new employees.

- Senior manager: age - 25+; higher education (technical + marketing or economics); 3+ years of experience as a marketer; experience in analytical work and writing marketing plans; continuous improvement of knowledge in the field of

marketing; confident life position and reinforced ambitions; the ability to find an approach to each employee and the ability to work in a team; ability to train employees, knowledge of marketing approaches and techniques; the ability to work with large amounts of information.

- **Manager (field worker):** age - from 21 years; Experience from 1 year; higher or incomplete higher education; hiring senior students (5-6 years) is possible; work experience or very good knowledge of the principles, methods and approaches of marketing; skill to work in team; learnability; active life position.
- **Manager (analyst):** age - from 23 years; higher education (marketing or technical + marketing); analytic skills; knowledge of data processing methods; Experience from 2 years; ability to work with large amounts of information; skill to work in team; learnability.

The purpose of creating competitive intelligence in the company is to create an information base for developing recommendations for creating a general strategy for the «Premier International» Hotel. The stages of collecting information by the forces of the competitive research unit for the Premier International hotel are highlighted and its specific tasks are determined at each of the stages (Table 3.1).

*Table 3.1*

*Tasks of the Competitive Research Service for «Premier International» Hotel*

<b>Strategic objectives of competitive analysis</b>	<b>Goals to be solved by competitive research</b>
<b>Analysis of the company's macroenvironment</b>	-search for profitable strategic partners; -forecasting the most probable market development scenario; - development of recommendations for strategic investment decisions
<b>Microenvironment analysis</b>	-determination of a group of key counterparties of a competitor; -identification of external key figures in support of competitors and the degree of their connection; -identification of the competitor's current funding sources

*Continuation of the Table 3.1.*

<b>Product policy development</b>	-assessment of the prospects of a competitor's investment financial resources; -determination of the structure of income and expenses by type of activity or product; -determining the profitability of activities or products
<b>Market segmentation</b>	-identifying descriptive sharding variables.
<b>Selecting target market segments</b>	-identifying strategies for reaching competitors' market; -identifying target segments of competitors.
<b>Positioning</b>	-determination of competitive advantages; -determination of positions of competing products by the most important attributes
<b>Pricing policy development</b>	-monitoring of the competitor's pricing policy; -identification of programs implemented by competitors to increase customer loyalty

The following methods are of great importance for obtaining competitive information:

1) monitoring the Internet as a search for news about the activities of competing companies and advertising activity in information agencies, Internet directories, on the websites of competing companies, specialized Internet forums;

2) monitoring the main specialized economic publications in order to obtain up-to-date information about competitors, the regularity of advertising and the size of the budget allocated for it by competing companies (magazines, newspapers).

There are also special operational methods for obtaining information:

–Interaction with “loyal employees” of all divisions of the company on issues arising in relation to competing companies;

–Maintaining a database of “come from” or “moving to” employees of competing companies, maintaining contact with former employees;

–Motivation of company employees to be attentive to the manifestation of competitive activity;

–The “mystery shopper” method, which consists in visiting or calling competing companies under the guise of a client in order to obtain information of interest and acquire additional contacts;

–Establishing trusting relationships and contacts in the media, which makes it possible to receive a selection of information on competitors, etc. on an ongoing basis.

Competitor analysis can be done monthly — to keep tabs on bigger trends and adjust your campaigns accordingly, and benchmarking quarterly — foreexample, the website traffic insights. Information collection methods and regularity can be seen in Table 3.2.

*Table 3.2*

### Competitive Intelligence Program

Direction	Method	Regularity
analysis of the advertising activity of competitors;	search for advertising means, estimate the cost of placement, calculate the budget	daily
assortment analysis;	analysis of price lists	Once every 2 weeks
analysis of additional services;	site analysis and "secret client"	quarterly
analysis of the sales promotion system;	site analysis and "secret client"	monthly
analysis of the customer complaints handling system;	"Secret client"	quarterly
analysis of personnel qualifications;	"Secret client"	quarterly
analysis of the development prospects of competitors (plans, development directions, etc.);	analysis of secondary data, "secret client"	monthly
SWOT analysis of competitors;	generalization of information	Once every six months
analysis of pricing policy; study of price lists, "secret client"	study of price lists, "secret client"	quarterly



Continuation of the Table 3.2

assessment of the image (reputation) of competitors;	generalization analysis of secondary information, survey results	Once every six months
assessment of competitors' work at exhibitions, presentations;	surveillance, "secret client"	as events take place
assessment of PR activities of competitors;	monitoring of press and company websites	weekly
assessment of the material and technical base of a competitor;	overall assessment of the competitor's salon	Once a year
other.		as needed

And so, the department is faced with the task of collecting and processing a large amount of information, however, the complexity of collecting information will be only in the early days of the functioning of competitive intelligence, when the procedures and methods have not yet been worked out.

As initial information, one should consider the data that was already obtained earlier in the course of the marketing service.

Competitor monitoring will help:

- compare the performance indicators of the company with key competitors, determine your current market position;
- determine the criteria for success in the industry, as well as potential opportunities for growth;
- formulate marketing goals;
- develop a marketing strategy (using SWOT analysis).

Competitive intelligence can become a game-changing asset for hotel «Premier International» looking to optimize their digital performance and accelerate growth. Knowing where rivals' or potential partners' traffic comes from, understanding how they interact with their users, and seeing if they are affected by market trends can help make more substantiated business decisions.

Despite the fact that recently many hotels around the world have made competitive intelligence one of their core activities, they are periodically shaken by scandals related to the use of industrial espionage methods. The emergence of new information technologies and the relative cheapness of access to information resources allow competitive intelligence analysts to prepare high-quality materials suitable for decision-making by hotel managers.

So, when working with information arrays, specialists of the competitive analysis service of an enterprise (organization) take into account national, social, environmental and other features of the phenomena under study (intelligence information).

### **3.3 Evaluation of the effectiveness of the created service**

The effectiveness of competitive intelligence (research) of a hotel enterprise is the degree to which the target of exploration is achieved, measured by the ratio of the effect to the costs that caused it. Consistent with the competitive research objectives of the Premier International Hotel, this performance reflects the market and economic success of the business.

Competitive intelligence (information and analytical work) is an integral part of ensuring the security of the hotel business.

In a market economy built on competition, the activities of enterprises are associated with risk and uncertainty, therefore, the role of reliable information as the basis for ensuring economic security and making management decisions increases. Competitive research is an effective system for obtaining a variety of information about competitors in the hotel business.

The main and most significant criterion for the effectiveness of the competitive analysis in the Premier International hotel is the compliance of the actions performed and the results obtained with the strategic priorities of the company.

If we compare own department and an external agency, the result looks like this (table 3.3):

Table 3.3

*Comparative characteristics of two types of competitive research*

	<b>Own competitive research department</b>	<b>Competitive Research Agency</b>
<b>Transparency</b>	Completely under control: you can track the actions of each employee (using the same Kickidler) and be sure of their transparency.	Provides only the results of work: you have no confidence that the data is accurate and not fabricated by a competitor.
<b>Expenses</b>	It costs much more: it is necessary to hire employees, train them and monitor them. Plus overhead costs: vacation pay, social benefits, etc.	It costs less: you just set the task and pay for the result. The contractor is responsible for all expenses independently.
<b>Exploration depth</b>	Our own department works only on the tasks set by you, specializes specifically in your market area and can always get support from specialized specialists (colleagues from other departments).	Typically, competitive research agencies use the same templates for a wide variety of market areas. This is practical, but does not allow for a truly deep understanding of the topic - which means that the overall results will be lower than possible.
<b>Responsibility</b>	An employee who leaks information or deliberately transfers information to competitors is responsible as an individual - it will be almost impossible to receive compensation corresponding to the losses.	You work under a contract, and a legal entity will be responsible for any errors. In addition, good agencies that have already established themselves in the market care about their reputation and ensure reliable data protection.

In conclusion, we see that the comparative characteristics of competitive research conducted by in-house department and with a competitive research agency show that competitive research conducted with the help of professionals will cost less. And also competitive research using professional intelligence provides greater confidentiality, as

it is regulated by law. We suggest using the services of professionals who can be assembled into a team for own competitive intelligence department at the «Premier International» hotel chain.

To implement a project for the introduction of competitive intelligence, it is necessary to determine a monthly budget for all planned activities and one-time costs for organizing the work of new employees (table 3.4).

*Table 3.4*

**«Premier International» competitiveness improvement program and costs of organizing competitive intelligence for 2021-2022 year**

№	Measure of implementing	Costs (USD)	Remark	Deadlines
<b>One-time costs</b>				
1.	Recruitment (senior manager and 2 managers)	-	Assign to service personnel	January 2021-February 2021
2.	Purchase of office furniture, computers and office equipment for new employees (3 workplaces)	3000		February 2021-April 2021
<b>Total</b>		<b>3000</b>		
<b>Monthly costs</b>				
1.	Senior manager salary	700		April 2021-March 2022
2.	Salary of managers	1200	The salary of each manager is 600 USD.	April 2021-March 2022
3.	Competitive Intelligence Program (research)	1500	Average	April 2021-March 2022
4.	Consumable costs	100	Average	-
<b>Total</b>		<b>3500</b>		

Thus, the annual amount of marketing costs excluding promotion costs is  $3000 + 3500 \times 12 = 45\,000$  USD.

The company's management entrusts competitive intelligence to strengthen its image, increase customer satisfaction, improve the quality of service, etc., as well as develop a system of measures to counter competitors in the face of increased competition and imminent market saturation. Thus, the introduction of competitive intelligence in «Premier International» hotel chain can be considered effective.

However, it should be borne in mind that the net effect of competitive intelligence cannot be determined at the moment, since the inherent value of the hotel's client base growth also includes the activities of the marketing department as a whole.

Competitive intelligence spending by international hotel companies is growing and is paying off. The hotels that practice this activity demonstrate 15% higher efficiency in decision making.

Despite the fact that recently many of the world's leading companies have made competitive intelligence one of their core activities, they are periodically shaken by scandals associated with the use of industrial espionage methods. The emergence of new information technologies and the relative cheapness of access to information resources allow analysts competitive intelligence to prepare quality materials, suitable for decision-making by the management of hotels. It should be noted that the circle of direct users of analytical information of competitive intelligence in a company should include not only top-level managers responsible for developing the company's development strategy, but also the middle management level, on whose work operational and tactical success depends.

In general, it can be concluded that the level of competitive analysis of the «Premier International» Hotel will be effective.

## CONCLUSIONS AND PROPOSALS

**The purpose** of this final qualifying work was to study and substantiate the theoretical aspects of the essence of competitiveness, as well as to study the factors of internal and external environment that affect the competitiveness of the hotel business in a market environment.

**As a result** of the research hotel chain «Premier International» got a proposition to increase competitive position. It was proposed to create own competitive in

By the process of determination we can define competitors of the Premier International hotel chain – hotels and restaurants within a radius of 500 meters: nightclubs – «InterContinental», «Opera Hotel», «Hilton», «Holiday Inn», «Radisson Blu Hotel» and «Hayatt regency».

Also, the hotel management structure was determined. For the hotel, the type of line management structure was chosen on the basis of the fact that the operator «Premier International» uses this kind of network in its chain of hotels.

At the enterprise, SWOT analysis is carried out, which was reflected in the business plan according to the classic scheme. It is based on the understanding that strengths are unconditional achievements of the enterprise and naturally formed advantages.

The study of theoretical foundations in sphere of international competitiveness and development of international hotel chain allowed us to draw the following conclusions.

The main parameters by which it is proposed to evaluate the competitiveness of a hotel is the ability of a hotel to offer consumers a hotel product with more attractive characteristics than its competitors; the efficiency of the hotel in the market, defined as the ratio of the obtained market result to the costs incurred; market result that allows the hotel to develop quite successfully in the future and meet the needs of the owners and hired personnel.

Thus, the competitiveness of hotel services is the ability to effectively and efficiently meet the needs of customers, surpassing competitors in the market of hotel services in terms of consumer characteristics of the service at minimal cost of their satisfaction while ensuring the commercial success of hospitality industry organizations.

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In the second section of the first part of the work was investigated modern systems of international competitiveness . There are:

- the system of automation of work of employees of sales department;
- customer service system;
- customer loyalty program management system;
- hotel event management system;
- creation authentic relationships through guest feedback.

Value for audience in hotel may depend on the guest receiving something extra that they would not have gotten otherwise.

*In the second part* of the final qualifying paper was analysis of international competitiveness in "Premier International" hotel chain. In the first section of the second part of work was organizational and economic assessment of the hotel chain. It was seen the material, technical base and prices for accommodation in the «Premier Palace» hotel. We also considered a structure of foreign tourists in «Premier Palace» Hotel.

In the process of preparing and writing the thesis, was understood that the organizational structure of the «Premier Palace» Hotel is linear and functional.

The process of the competitors strategy formation, was focused on the use of the strengths of the enterprise with regard to the activity of competitors and features of market development, is an important tool for the formation of strong competitive position.

It was considered analysis of the key financial indicators of the "Premier Palace" Kyiv. It was determined the key success factors of the hotel and that "Premier Palace» Hotel year after year maintains the reputation of one of the leaders due to its activities, which is confirmed by the commitment to the development of the market of hotel services in Ukraine at the level of world quality standards.

In the second section of the second part of the work, was considered the main features of the hotel chain international competitiveness. The initial element in the interpretation of the term "competitiveness of the hotel industry" can be considered the preferences and choices of consumers hotel services. We considered the competitive advantage, disadvantages and conditions. To study the service market, study the external and internal environment of a business entity, and draw conclusions about the development strategy of a hotel or tourist enterprise, it was necessary analyze the influence of the main environmental factors and make analysis of macroenvironment factors of the «Premier Palace» Hotel.

The results of SWOT analysis of the internal and external environment of hotel service manufacturers in the market, allowed us to conclude that one of the strengths of hotel service manufacturers is the availability of their own material and technical base and public catering enterprises, which will allow us to use the opportunities of comprehensive service to hotel service consumers and expand the range of services in hotels.

In the second section of the third part of the work, was considered the global factors of forming of the hotel chain international competitiveness. According to the classification of factors of the country's competitiveness, we divided into the groups. Such a classification allowed the most comprehensive and systematic approach to the development of directions and measures of state regulation of the competitiveness process, to form strategic guidelines that take into account the defining aspects of the country's competitiveness. It was analyzed a competitiveness index of Ukraine.

Thus, the hotel industry in Ukraine is one of the most dynamically developing sectors of the economy with a high degree of profitability.



Third part of the final qualifying paper starts with the first section, which is about improving the competitive position of the hotel by using competitive intelligence. According to task was chosen the instrument to increase the competitive position of «Premier International» hotel by implementing competitive intelligence department.

In the second and third section of the third part was presented evaluating the effectiveness of implementing competitive intelligence department..

It was determined the tasks of the Competitive Research Service for «Premier International» Hotel. It was proposed effective measures are aimed at activating a new form of competitor analysis of «Premier Palace» hotel.

Summing up all the above, one can come to the conclusion that analysis of the hotel market has shown that increased competition and consumer demand requires the use of competitive intelligence as a means of capitalizing on competitive advantages. However, building an inventive culture within business is even more essential when trying to gain global competitive advantage. Distinguishing and communicating the value of "Premier International" hotel chain offerings against ever-rising international competitors is essential for gaining global competitive advantage and increased market share.

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# APPENDECIES

**ARTICLE: «INTERNATIONAL COMPETITIVE POSITION OF HOTEL  
CHAIN»**

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

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## INTERNATIONAL COMPETITIVE POSITION OF HOTEL CHAIN

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*The article is devoted to the study of international competitive position. The generalized definition of competitiveness is given. The advantages and disadvantages of international competitive position. The current status of competitiveness research. Vision for advancing the existing knowledge of hotel competitiveness. The main directions of influence of international competitiveness and problems arising on the way of its introduction into activity in Ukraine are given.*

**Keywords:** *International competitive position, hotel, productivity, country competitiveness, competitiveness index.*

*Стаття присвячена вивченню міжнародної конкурентоспроможності. Дано узагальнене визначення конкурентоспроможності. Переваги та недоліки міжнародної конкурентоспроможності. Сучасний стан досліджень конкурентоспроможності. Бачення просування існуючих знань про конкурентоспроможність готелів. Наведено основні напрямки впливу міжнародної конкурентоспроможності та проблеми, що виникають на шляху її впровадження в діяльність в Україні.*

**Ключові слова:** *Міжнародна конкурентоспроможність, готель, продуктивність, конкурентоспроможність країни, індекс конкурентоспроможності.*

**Actuality** At present, the competitiveness of enterprises is gaining a special status, because a radical increase in the efficiency of the economy as a whole, the introduction of new production technologies and the extensive use of human capital depend on this, due to a significant increase in the constant updating and quality of products.

The ongoing process of globalization, important structural changes, requires the response of businesses that want to remain competitive in new conditions by introducing the subject of this study, the elements of the accelerated development of scientific and technological revolution and the large-scale cross-border movement of capital in competition.

**Formulation of the problem.** In modern conditions, the rapid development of the tourism industry leads to a high level of competition in hotel businesses. Large hotel chains are a serious competition for small hotel owners to win and retain consumers, make contracts with suppliers, and skilled and effective management.

Personnel responding to new challenges of the competitive environment. Stable and efficient operation of these businesses, which easily adapt to rapid changes in market conditions, competition, and the emergence of new products and services that meet the needs of modern consumers. At the same time, the crisis activates the intellectual space that contributes to the creation of new forms of rational problem solving.

**The purpose of the article.** The aim of the article is to study and substantiate the theoretical aspects of the essence of competitiveness, as well as to study the factors of internal and external environment that affect the competitiveness of the hotel business in a market environment.

**Analysis of recent researches and publications.** International competitiveness can be defined as a process in which higher levels of competitiveness are achieved at different levels, that is, at firm, regional and national levels. As such, competitiveness becomes international when it pertains to two or more countries. Such process is captured by definitions of competitiveness which move from a general perspective to more specific understandings at the firm and country levels. There are several definitions of competitiveness that must be considered before one can build a particular understanding of international competitiveness.

Competitive position is a combination of the abilities of the organization (identified in the internal analysis) opportunities present in the industry end the competition presented by the



business relative to others in the same industry. Factors which can be used to measure competition are as follows:

- market position relative share of market, rate of change of share, variability of share across segments, perceived differentiation of quality/ service/ price, breadth of products, and company images;

- economic and technological position, relative cost position, capacity utilisation, technological position, and patented technology product or process;

- capabilities management strength and depth, marketing strength, distribution system, labour relations, relationship with regulators [1].

The best economy in the world can be understood as the economy which has reached high levels of competitiveness. Definitions of competitiveness move from a general perspective to more firm-specific and country-specific understandings. In this sense, there are several definitions of competitiveness that must be considered before one can build a particular understanding of the best economy in the world. [5].

However, there is still a question about the theoretical aspects of enterprise competitiveness and the factors that should be less on these things, and they have more potential research. Competitiveness is a market category with a dynamic and changing character. Therefore, with the product's stable quality characteristics, competitiveness can vary greatly depending on market conditions, competitors' movements, price changes, promotional activities and more.

Understanding the essential principles of competitive position is important for creating an effective business strategy, investing successfully, and understanding the economy on a national and global scale. Though competitive advantage is a basic economic concept, it is also one of the most important [4].

It is important to identify which instrument would be best suited for marketing, selling, distributing, and manufacturing hotel service. Businesses can accomplish this by talking to their customers about what international competitors they utilize, asking partners about their experiences, and researching what international markets of interests have to offer. Measuring opportunity cost to effectively identify foreign market opportunities is a good strategy to define competitive position of hotel.

The definition of competitiveness is the ability of a region to export more in value added terms than it imports when including for «terms of trade» to reflect all government «discounts» and import barriers. Under this definition, a nation may run a large trade surplus, but if it does so by providing large «discounts» to its exporters or erecting sizable import barriers, it would not be truly competitive. [2].

The basic conditions for ensuring competitiveness are:

- applying scientific approaches to strategic management;
- unity of technology, technology, economy, management development;
- implementation of modern research and development methods (program-goal planning, decision making theory, etc.);
- consideration of the relationship of control functions of any process at all stages of the object's life cycle;
- establishing a system of measures to ensure the competitiveness of the various facilities.

The combination of all factors efficiency and competitiveness form internal competitive advantages of the enterprise, in particular:

- Structural (clear definition of the mission of the enterprise, the optimal organizational structure, modern information support);
- Resource (potential of financial, personnel, management, marketing resources; possibility of their optimization and efficiency of use);
- Technical (low cost and optimal price, well-known brand, advanced equipment);
- Management (qualified staff, optimal management system);
- Market (knowledge of the position on market, product marketing system);
- Efficiency (sufficient level of economic indicators that provide enterprise development; financial stability; intensity of capital use) [3].



*Fig. 1. Territorial classification of competitiveness*

Accordingly, the initial element in the interpretation of the term «competitiveness of the hotel industry» can be considered the preferences and choices of consumers hotel services.

Competitive advantage is the leverage a business has over its competitors. This can be gained by offering clients better and greater value. Advertising products or services with lower prices or higher quality piques the interest of consumers. Target markets recognize these unique products or services. This is the reason behind brand loyalty, or why customers prefer one particular product or service over another.

In contrast, competitive advantage is a dynamic concept. Unlike comparative advantage, which is determined by largely unchangeable factors, competitive advantage can be created. It is a more dynamic, strategic concept. By following the steps above, business can attain the desirable qualities that will make your product or service the choice selection for target market. While this provides a great deal of opportunity for businesses, it can also be a challenge to maintain competitive advantage over time [4].

Competition also has certain disadvantages. If you do not control the perfect competition, it will become defective over time - a company can fully suppress the entire production and sales area of a particular type of goods or services. This will result in the organization halting its development, setting inflated prices and fully controlling demand from customers.

In extreme competitive conditions, there may be too many companies in a service or commodity area, so there is overproduction - manufacturers have released several times more goods on demand than in the market. To implement this, businesses will need to reduce costs and suffer. As a result, many companies cannot withstand financial burdens and go bankrupt. There are no perfect competition examples in the global economy. The concept of perfect competition is used as a standard to evaluate other forms of market organization.

The World Competitiveness Center (WCC) produces a regular report known as the global competitiveness report, which can provide an excellent starting point when trying to decipher the economic growth rate and potential of countries across the world.

A competitiveness index is a strategic tool designed to assess and benchmark the competitiveness of countries. As such it contemplates multiple structural dimensions of a country's economy that affect their economic performance. The World Competitiveness Yearbook's competitiveness index or ranking assesses and ranks how countries and enterprises manage the totality of their competencies to achieve increased prosperity. The Yearbook's competitiveness index contemplates the elements that shape a country's ability to create and maintain an environment that sustains more value creation for its enterprises and more prosperity for its people.

COMPETITIVENESS EVOLUTION & ATTRACTIVENESS INDICATORS

## UKRAINE

### COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

IMPROVEMENTS	WCY		DECLINES	WCY	
	2019	2020		2019	2020
1.4.04 Employment - long-term growth	-7.69	3.76	4.4.04 Health infrastructure	2.73	1.59
3.2.14 Labor force long-term growth	-8.17	2.68	2.1.11 Pension funding	2.03	1.19
1.2.02 Current account balance	-3.56	-0.86	4.4.23 Environment-related technologies	0.08	0.05
2.3.04 Country credit rating	10.0	16.3	4.4.19 Forest area growth	1.7	1.1
2.3.08 Exchange rate stability	0.084	0.032	3.2.01 Compensation levels	2.03	2.63
1.5.01 Consumer price inflation	10.95	7.89	2.1.09 Public finances	3.39	2.49
2.3.13 Bribery and corruption	1.52	1.92	1.1.19 Resilience of the economy	3.12	2.30
3.3.16 Credit	2.49	3.11	3.3.10 Stock market capitalization (%)	3.91	2.92
3.1.09 Small and medium-size enterprises	4.58	5.70	4.2.14 Funding for technological development	4.55	3.59
1.4.08 Long-term unemployment	2.49	1.90	4.3.22 Knowledge transfer	3.67	2.95
1.2.12 Exports of commercial services (\$bn)	13.78	17.02	2.5.01 Justice	2.58	2.11
2.3.07 Foreign currency reserves per capita	495	604	4.3.21 Intellectual property rights	4.24	3.57
4.4.12 Energy intensity	553	445	4.4.28 Quality of life	3.12	2.63
2.4.09 State ownership of enterprises	3.94	4.68	4.5.17 Management education	5.91	5.03
3.4.04 Credibility of managers	4.42	5.24	2.4.06 Investment incentives	3.18	2.74

*Fig. 2. Competitiveness evolution in Ukraine 2019–2020 years*

Country competitiveness refers to the ability of the government to generate prosperity for its people. There are several implications in this understanding of competitiveness. It implies that countries with high levels of competitiveness are able to better manage their economic and human capacities. In this context, the government has a great impact in the achievement of country competitiveness. For example, the level of regulation in a particular country may hinder the ability of a country to increase its competitiveness. The infrastructure also contributes to country competitiveness by providing the adequate context to improve the conditions related to competitiveness. From this understanding of country competitiveness, however, is clear that competitiveness goes beyond the economic performance of a given country.

Considering the above definitions, and at the risks of oversimplifying the concept, one can argue that as each «micro» unit of competitiveness (e.g., firms) reaches advanced levels of competitiveness, the process moves to higher or more «macro» units (e.g., countries) which eventually becomes international competitiveness [5].

The hotel industry in Ukraine is one of the most dynamically developing sectors of the economy with a high degree of profitability. This is facilitated by the saturation of segments of the real estate market with a minimum payback period, a stable increase in demand for hotel services and an increase in capital that can be invested in the development of the hotel industry.

**Conclusions.** The current state of competitiveness research proves that there is a competitive confrontation in Ukraine. Tourism is an incredible sector with the tremendous multiplier effect of the economy. This can accelerate not only the hotel market, retail trade and services, but also the development of the Ukrainian economy as a whole. The tourist coming to the country is actually looking at the mirror of the investment environment. If we manage to create conditions for trade prospects and hope for the opportunity to gain and develop business in Ukraine

and support them with the real actions of the authorities, international investment inflow will really increase. Ukraine needs strong advertising, guarantees that the investor can fulfill, and clear fulfillment of its obligations.

Today, we live in a globalized economy. Businesses shouldn't just strive to have the most market share locally or even nationally, but should instead consider their position on a global scale. Creating a culture of innovation is important for gaining any kind of competitive advantage, particularly when utilizing a differentiation strategy. However, building an inventive culture within business is even more essential when trying to gain global competitive advantage. More businesses than ever before are expanding into international markets, making competition more intensive. Distinguishing and communicating the value of your company's offerings against ever-rising international competitors is essential for gaining global competitive advantage and increased market share.

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