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DEFINITION OF THE MAIN WAYS OF RECOVERY OF THE HOSPITALITY INDUSTRY

The object of research in this work was the tourism industry. The main emphasis was placed on hotel enterprises, which suffered heavy losses during the lockdown period, as well as in the post-lockdown period. The conditions of the pandemic lockdown have prompted economic agents to restructure in accordance with the new communication and operational rules. The sphere of hotel services, the main purpose of which is the organization of recreation, has suffered the most from quarantine, because it was completely banned. Therefore, small hotels could not recover, they closed. Subsequently, the government was allowed not to close the domestic hotel industry, but to continue to operate subject to specially developed temporary recommendations for the operation of hotels. These recommendations relate to hotel reservations, accommodation and meals for tourists in rooms, hotel disinfection conditions and room disruption before and after guest accommodation, hotel staff working conditions, and the like.

The creation of hybrid hotels or combo hotels and concept hostels as integration forms of enterprises in the hospitality industry has been proposed as one of the possible ways out of the hospitality enterprises. The study used an empirical method of research. By comparing different periods it was possible to draw conclusions about the financial losses of the hotel industry. Due to the analysis of the issue, changes in the organization of hotels, working conditions of the hotel industry, which occurred due to the introduction of quarantine, were investigated and revealed. The article examines the problems and difficulties of the hotel industry in a pandemic. Mitigation of quarantine has helped to revitalize activities, but it is legitimate within the protocols and regulations of local and state authorities to prevent the spread of viral infections. Therefore, the management of economic entities introduces compliance control for compliance and compliance with the rules, another name for compliance control – «compliance risk management». This function is assigned to special employees or even entire divisions of the company. Large enterprises introduce a department or service responsible for compliance.

The research results obtained can be useful in studying issues related to man-made disasters, environmental disasters and their impact on the tourism industry.

Keywords: tourist industry, hospitality enterprises, hotel sphere, combo hotel, COVID-19 pandemic, compliance control.

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1. Introduction

The article examines the problems and difficulties of the hotel industry in a pandemic. The changes in the organization of work of hotels, working conditions of the hotel industry which took place because of introduction of quarantine are investigated and opened.

Mitigation of quarantine has helped to revitalize activities, but it is legitimate within the protocols and regulations of local and state authorities to prevent the spread of viral infections. Therefore, the management of economic entities introduces compliance control for compliance and compliance with the rules, another name for compliance control – «compliance risk management». This function is assigned to special employees or even entire divisions

of the company. Large enterprises introduce a department or service responsible for compliance. Thus, the implementation of this system is an important component of the development strategy of economic entities, including the hotel business and a relevant issue of study.

The strategy of development of hotel business should be formed taking into account modern tendencies of development. To do this, it is necessary to develop approaches that would reduce the level of risk caused by the emergence of negative customer expectations. To do this, a marketing and sales strategy must be used. The main role will be played by corporate culture, which will be the core of future strategic changes. Important for implementation is the innovation strategy, the implementation of which should take place through the creation of smart cities within the

hotel and restaurant complex. This approach minimizes contact with the external environment and promotes a positive impression of service quality.

Currently, due to the situation of the epidemiological situation around the world, the question of resuming the hotel business is particularly acute. The COVID-19 pandemic has dealt a devastating blow to many sectors of the economy, but the most negative and severe consequences of these events have been felt by international tourism and hospitality. Enterprises whose activities are already adapted to the new format of travel in the conditions of the ongoing pandemic COVID-19 [1, 2].

Thus, *the object of research* is hotel industry, as it is one of the most vulnerable markets in the tourism industry

The aim of research is to determine the main ways to rehabilitate the hospitality industry, as well as to consider the current trends in the hotel business in a pandemic COVID-19.

2. Methods of research

The article, based on a retrospective analysis of the situation at the beginning of 2020 in a number of the most popular tourist destinations, provides basic data characterizing the negative changes in the scale of tourist flows, falling occupancy and, consequently, a catastrophic decline in tourism revenues and hospitality. However, given that any crisis situation is not only a problem, but also additional opportunities, based on the experience of a number of hotel companies, indicate in the article the positive changes that inevitably entails such a long period of stagnation of the hotel business.

Theoretical and methodological problems of the hotel business in the global crisis associated with the pandemic of a new coronavirus infection, features, trends and a new business format related to the works [3–5].

Speaking about the severe consequences of the pandemic on the example of tourist destinations, it is worth considering the scale of damage, which almost immediately felt the hotel business in particular, as the most important component of the tourist infrastructure.

According to [6], an employers' organization representing the sector, some 40,000 hotels and restaurants have closed permanently in Spain due to the COVID-19 pandemic, which has led to the absence of foreign tourists and the mass layoffs of service workers. At the end of June, the Spanish government presented a 4.2 Euro billion plan to help the tourism industry, mainly through government-guaranteed loans. However, representatives of the tourism industry have made it clear that this amount of subsidies will not be able to solve the problem of the industry.

The most significant blow to the coronavirus dealt to Italian tourism, which brought the country tens of billions of euros annually and formed about 12–13 % of GDP, the negative effect of the sudden closure of hotels are many other industries that were directly or indirectly involved in customer service.

The number of foreign tourists who visited Italy in the summer of 2020 fell by 63 million people or 63.4 % compared to 2019, according to a study by the Florentine Center for Tourism Research [7]. In 2020, the revenues of the Italian tourism industry will decrease by 80 % compared to last year. There are already studies that note that even in a favorable scenario, the industry's revenues in 2021 will still decrease by 40 %. According to some experts, this situation

will translate the «clock hands» of the Italian tourism business to 20 years ago. The summer of 2020 was the worst in terms of travel since 1998.

Quite quickly, in the first months of the quarantine measures in the most popular among tourists in the world, there are certain trends in the hotel market, which are that the vulnerability of different types of hotels was completely different, often diametrically opposite. In a special group can be distinguished hotels that were forced to close by order of the authorities or against the background of the complete absence of guests due to the pandemic. Among the most affected, according to a study by consulting company HVS [8], are full-service hotels, hotels located in large cities with a large flow of international visitors, hotels that depend on the availability of charter flights, hotels whose operators rent buildings from the owners and pay a fixed rent. At the same time, country hotels or resorts with the possibility of staying from five days, which can be easily reached by car, can feel relatively quiet.

A similar trend is observed in other European countries, where the recovery of the tourism industry largely depends on the local flow of tourists. This is primarily due to restrictions on travel outside their country, as well as the accumulated fatigue from quarantine and thirst for new experiences. Analyzing the situation at the same time in the Ukrainian market, it should be noted that the conditions of the pandemic have become no less difficult for the Ukrainian hotel market.

As a result of the pandemic, significant changes took place in the organization of the domestic hospitality industry. According to the Association of Hospitality Industry of Ukraine [9], no more than 5 million foreign tourists come to Ukraine annually, while the domestic tourist flow numbered more than 8 million people. During the quarantine, serious losses are suffered not only by hotel owners, but also by all others who take part in the reception of tourists, including restaurants, tourist information centers and tour desks. In large cities, such as Kyiv, Lviv or Odesa, the hotel business has had sufficient profits and will be able to survive quarantine and not go bankrupt.

The main income of hotels was brought not only by foreign tourists, but also by Ukrainians themselves. Many institutions cooperated with business companies, held conferences and trainings, hosted sports teams and tour groups. However, in small towns, the tourism and hotel business faces big losses. Large chains of hotels with 70 rooms are closed for the quarantine period because they have a systemic business, and they will be able to continue their work after the conservation period. Small hotels will not be able to recover [10]. According to the World Travel & Tourism Council, the number of staff threatened by the COVID-19 pandemic could reach 75 million. In Europe, up to 10 million jobs in the field of travel and tourism are at risk, a loss of almost 552 billion USD. In Ukraine, the losses are estimated at 0.5 million jobs [9]. In order to assess the impact of the COVID-19 epidemic on the sector of temporary accommodation services in Ukraine, experts from Vertex Hotel Group and Colliers International (Ukraine) conducted a survey of the hotel real estate market in Ukraine. The survey was conducted on March 20–21, 2020, it was attended by 205 representatives of the hotel business from all regions of Ukraine. The vast majority (96 %) of respondents stated a sharp decline in demand since

March 13, 2020. Quarantine and termination of international and domestic passenger services have led to a significant reduction in hotel occupancy. As a result, 85 % of all respondents either have already closed their institution, or are preparing to close or are thinking about it. «Among the surveyed representatives of 5-star hotels – 42 % said they do not plan to close the institution under any circumstances» [11].

In conditions of exacerbation of pandemics and crises, an important development strategy for the hotel and restaurant business is the use of innovative technologies not only in production activities, but also in management and finance. The main innovative technologies in management include the introduction of hotel and restaurant business management systems, in particular with the use of franchises, the formation of a new corporate culture based on trust, mutual understanding and customer centrism. In addition, the closed nature of the space should be an important element. This can be achieved through the creation of smart cities within hotel and restaurant complexes. It is important that managers look at the level of customer satisfaction: foreign and domestic citizens, passengers of various modes of transport, business people, government officials and government delegations, people on business trips, local people of different ages and employment in the national economy.

Such circumstances necessitate a combination of special knowledge in the organization of hotel and restaurant services in order to increase the efficiency of business activities in the field of services. There is increasing competition among 4–5-star hotels due to the significant volume of new offers that have appeared on the market over the past year; reduction of profitability of hotels of the elite segment against the background of increasing supply; Increasing investor interest in the low-budget hotel segment. A smart city within hotel and restaurant complexes is a concept based on a city that uses a variety of information technologies to operate more efficiently and meet the needs of its residents. The idea of such a city is to real-time information all city resources can be used more productively.

This allows to save money, act more efficiently and provide a higher quality service – that is, improve the living standards of service consumers. The main driving force in building a smart city is the collection and processing of large amounts of data (Big Data). Data management will allow the management of the hotel and restaurant complex to improve the quality of visitor service. The idea is to cover such areas of customers as: security, transport, medical services, utilities, landscaping and more. Data sources are video cameras, various sensors, sensors, information systems that are implemented in everyday life.

As short-term anti-crisis strategies, hotels around the world have begun to introduce new hotel products designed to accommodate guests and medical staff who are in self-isolation. An interesting experience of the Russian hotel operator «GOST Hotel Management» was called a «hybrid discovery» at the first stage of the pandemic: when new guests can be accommodated, but other services are not yet available: F&B, swimming pools, SPA, etc. [12]. Based on this logic, the company's strategy is based on the consistent market supply of several global programs, the «flexibility» of which depends on the stage of weakening. For example, «Safety Oasis» and «Safety Oasis: all inclusive». These are flagship products for self-isolation with hotel service, without or with full meals (of course, in the Room Service format)

and included services (from personal protective equipment to included subscriptions to streaming or live broadcasts from the hotel, such as yoga or master classes from the chef).

3. Research results and discussion

At the moment, it is very difficult to determine how long the pandemic will last in Ukraine and in the world in general. That is why the following measures are proposed to accelerate the recovery of this area in the face of increased epidemic risks:

- to develop and implement comprehensive health programs in the regions with appropriate natural and climatic indicators for the occupancy of the hotel fund;
- to implement the mechanisms of the state order in the field of rehabilitation on the territory of Ukraine;
- search for new alternative ways of close interaction and cooperation between enterprises in the industry;
- exempt the hotel and restaurant business from income tax and allow the payment of salaries without single insurance premium, to reduce the cost of the sphere;
- to conduct information and advertising campaigns under the slogan «Rest in Ukraine», aimed at promoting recreation in domestic resorts to create demand for domestic tourism. The implementation of the proposed measures will increase the competitiveness of enterprises in this area, not to close small enterprises, ensuring their further development at the national level [13].

Of course, any epidemic processes in nature have a certain cycle and end after a more or less long time. Already today, despite the still difficult epidemic situation, the global hotel business is building long-term strategies based on new trends in the post-pandemic world.

In the current conditions, there is an urgent need to implement the following measures to support and further restore the industry:

- significant focus of efforts, resources and measures to support the state on the development of priority tourist areas, against the background of increasing their investment attractiveness;
- further promotion of local tourist destinations;
- easing tax policies for the most affected sectors of the economy;
- introduction of benefits and incentives to provide business support.

The most flexible objects of hotel business, quickly adapting to modern conditions and applying technological innovations, will be able to maximize the incomes and to improve quality of service of visitors, increasing their loyalty. This combination of technologies will allow to restore work most quickly after the crisis caused by a pandemic [14].

The new conditions in which the hotel business found itself have formed new technological trends in the hospitality industry:

- *Smile is an «icon of hospitality»*. It is important to keep smiling and behind the cover of the mask – guests see and feel it.
- *Person*. It is difficult for a guest to remember an employee in a mask. The solution is to print out and place a photo of the employee without a mask under the badge.
- *Contactless payment*. Guests are now waiting for the hotel to introduce a system of «Closing» services per room and contactless payment by card to avoid contact

with cash. Lack of such an opportunity – a serious decline in the reputation of the hotel.

– *Tips*. Reducing the number of tips due to the reluctance of guests to contact cash – the hotel is looking for new options for receiving tips in a contactless way to maintain employee motivation.

– *Phone*. Due to the calls of guests on the peculiarities of hotel accommodation and the order of the current restrictions, the load on the service of telephone operators is increasing. Given the not always positive experience of working with intermediaries during the pandemic, direct booking is used as the most important sales tool today.

– *Maids – front-line employees*. Bringing this category of hotel employees to the forefront for the most obvious demonstration to guests of compliance with all anti-epidemic requirements in the framework of various types of cleaning work in the hotel.

– *Extra things in the room*. minimization in the equipment of «unnecessary» textiles rooms (often placed on the bed or bedside table) as surfaces, the most actively accumulating dust and is a place of potential infection of the guest [15].

The problem of restoring and developing the business of enterprises in the tourism and hospitality industry in modern conditions, complicated by the COVID-19 pandemic, requires close cooperation and consolidated activities between enterprises in the industry, finding new ways of cooperation, one of which is the creation of combo hotels. This form of cooperation in the hospitality industry increases the competitiveness of enterprises in this area, allows small businesses to close and recover medium and large, ensures their further development at the national level.

The strategy of development of hotel and restaurant business should be formed taking into account modern tendencies of development. To do this, it is necessary to develop approaches that would reduce the level of risk caused by the emergence of negative customer expectations. To do this, a marketing and sales strategy must be used. The main role will be played by corporate culture, which will be the core of future strategic changes. Important for implementation is the innovation strategy, the implementation of which should take place through the creation of smart cities within the hotel and restaurant complex. This approach minimizes contact with the external environment and promotes a positive impression of service quality [16].

Summing up the study and summarizing all the above, it should be noted that the pandemic, which arose in connection with the spread of the new infection COVID-19, is an unprecedented situation that has affected all spheres of life in almost every country. The most affected sector of the economy is tourism, including the hotel business and air travel. The main strategic actions in the field of hospitality in the near future will be aimed at solving urgent problems and providing or expanding new business opportunities.

4. Conclusions

In the course of the study, general information about the state of the hotel industry during the period was obtained. The measures taken to ensure the hospitality of guests were also analyzed, in accordance with the recommendations of international and local standards.

Based on the research, it can be noted that there are several punctures in the introduction of punitive restric-

tions. Since they are not infected – there are difficulties at the time of international tourism. Unification of compliance with quarantine requirements at the international level will reduce the tension of tourists before traveling.

The complete restriction of the tourism sector (on the example of European countries) has a negative impact on hotel businesses. In the future, it is necessary to develop a single template for actions and restrictions set at the state level when introducing quarantine. That in this case to tour had the opportunity to continue to travel.

These research results can be useful in studying issues related to man-made disasters, environmental disasters and their impact on the tourism industry.

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