

## **Factors that affect the state and development of the hotel industry in Ukraine**

**Introduction.** Hospitality is a key component of the tourism industry in Ukraine. Development of national and international tourism is largely related to the level of logistics of travel agencies and variety of network quality and quantity of services offered by the hotel industry. The geographical position of Ukraine permits to promote tourism, and consequently the hotel industry of the state. Its peculiarity lies in the fact that Ukraine is at the crossroads of transport and tourism flows from Europe to Asia. Regulation of Ukraine between the Black Sea and Baltic Sea provides links with these regions. And this fact permits to generate large projects for tourism, transportation, retail trade, public catering, security, culture and art, architecture and design, excursions and advertising industry.

My aim is to study the main factors influencing the development of the hotel industry in Ukraine. Despite favorable location for the development of tourism and hospitality industry, today Ukraine occupies one of the last places by number of hotels in the list of European countries. In Ukraine there is only one thousand of residents on an average for two hotel rooms, while in Europe the figure is at least 14-18. The number of hotels in Ukraine is insignificant compared to the recognized tourist centers of the world. In the UK, for example, there are about 26 thousand hotels. In Ukraine, the figure is 1420 for hotel-type business.

Today Ukraine is attractive to foreign companies engaged in the hotel business, because there is low level of market saturation and high demand for hotel services. Now in Ukraine there are hotels managed by international hotel operators – “Rezidor Hotel Group” (Belgium), “Hyatt Hotels” (U.S.), the Turkish network “Rixos”, networks “Accor” and “Holiday Inn”. At the Ukrainian market wants to join global networks such as “Marriott”, “Hilton”, “Sheraton”, and others. At the present stage of economic development in Ukraine there are only two national hotel operators – “Premiere-Hotels International” and “Reikartz Hotels” & “Resorts”.

“Premier Hotels” is a collection of luxury hotels 4 and 5 stars in their own different, but equally luxurious, welcoming and cozy. Each hotel retains its unique atmosphere, the history, the spirit of the city where it is located. The structure of “Premiere-Hotels” hotel consists of seven units: “Premier Palace” (Kyiv), “Oreanda” (Yalta), “Dniester” (Lviv), “Star” (Mukachevo), “London” (Odessa), “Aurora” art- hotel “Cosmopolitan” ( Kharkiv). It was created with conventional strategies, as is the union completely different in concept, a set of services for hotels in major business and tourist center of Ukraine. Due to the specificity of each individual hotel chains don't solve the same problems related to the uniformity of the product. This kind of

association allows to double the competitive advantage associated with market positioning and brand awareness , as well, taking advantage of all the hotels of a single booking system.

“Reikartz Hotels & Resorts” unites 14 hotel: “Atlantic” (level “2 stars”) in Sevastopol and 13 hotels of 3 and 4 stars, which are located in major cities and resort areas attractive Ukraine and Dnepropetrovsk, Zaporozhye, Kamenetz- Podolsk , Kirovograd , Krivoy Rog, Lviv , Mykolayiv, Pochaiv, Sevastopol and Kharkov. Two hotels - in Kharkiv and Kyiv - are preparing for the opening. In 2012 it is planned to open after. The reconstruction hotels are developing in Zhytomyr, Mariupol and Odessa. The network plans to open 20-25 hotels in the national market by 2015.

In addition to the formation of the first hotel chains in recent years , Ukraine has made several applications for management companies to create multiple groups of hotels or the promotion of hotel brands. Clearly reflects the corporate identity hotel “Donbass Palace” (Donetsk) and “Opera” (Kyiv) lets talk about the possibility of the formation of another national hotel chain . These two hotels are part of a worldwide hotel – “The Leading Hotels of the World”, which represents more than 430 hotels in 80 countries, the overall capacity of more than 80 thousand rooms . The Leading Hotels of the World offers its members a global network and infrastructure of sales and marketing at international brand. Hotels that are part of the association remain unique individual character , getting all the benefits of joining the brand Leading Hotels.

Nowadays the topic of the hotel industry is quite popular. Indeed, despite a number of positive resources , the industry is underdeveloped . The level of tourist service does not meet international standards. Enterprises hotel industry require significant upgrade of its services

The main drawbacks of the hotel industry at the moment are:

1. A large number of hotels 4-5 stars category , and a small number of businesses and youth 1-3 star accommodation, such as a motel, rotel , camping . While in Europe they make up 2 /3 of the hospitality industry. That is why Ukraine hotel occupancy rate is 75% , and in Kiev - only 30%.

2. The low level of competition, and as a consequence - the price disparity level quality hotel services. The cost of living in the Ukrainian hotels are 2-3 times the cost of accommodation in hotels of a similar level in Europe. This is due to improper regulation of this area .

3. Low qualification level of the attendants of the hotel and similar accommodation . According to international studies in 2012, only 40 % of workers in the hotel industry have appropriate education and skills for visitor services in a time when in Europe the figure is 80%.

4. Lack of clear regulation of the rights and obligations of foreign investors. Despite the fact that the service sector Ukraine has high resource potential , foreign sponsors are afraid to invest in its development because of imperfect legal framework of the country.

5. Limited solvency of the population and a low standard of living Ukrainian .

6. Weaknesses in the financial - banking system.

**Conclusions.** By eliminating these problems is amending the legal framework of the country, the introduction of innovative technologies , changing services according to the needs and demands of consumers , increasing qualification of personnel, attracting new investors , creating Ukrainian hotel chains and hotels for the accession to the world, enhancing the quality of service.

### **References**

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