

Diagnostics of Hotel Business: Features and Specifics

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Abstract

In all countries of the world, the market of tourism services and hotel business is expanding every year, including in the Republic of Azerbaijan. This was facilitated by a number of serious measures adopted by the leadership of the country, among which are: the law on tourism (1999); UN programmatic development to increase the competitiveness of the tourism sector (2009); development of industrial tourism in accordance with the strategic plan of the Road Map (2016), etc.

Currently, the tourism services market acts as one of the important connecting links along the entire chain of market processes, including almost all sectors of the economy. In addition, thanks to the expansion of the tourism market, many social problems are being addressed.

In recent years, new areas of tourism services and the hotel industry have appeared, among which investment-innovative can be distinguished; financial credit and many others.

All this contributed to the fact that the tourism market and hotel business of the country began to solve not only domestic, but a number of international problems.

1 Introduction

A distinctive feature of the diagnosis of hospitality enterprises from tourism enterprises is that they are somewhat limited in the spatial system and are mostly fixed in nature. If tourism enterprises carry out their main function outside their system (departures, travel, etc.), then hotel enterprises carry out their activities within the enterprise (services, services, etc.), i.e. directly in hotels.

For these reasons, it is proposed to diagnose hospitality enterprises in the following sequence:

- the main indicators of hotels and hotel-type enterprises;
- the number of persons accommodated in hotels and hotel-type enterprises;
- the average monthly number of employees of hotels and hotel-type enterprises;
- distribution of hotels and hotel-type enterprises by ownership;
- income and expenses of hotels and hotel-type enterprises in general and by ownership.

In addition, it is separately recommended to conduct an analysis of catering facilities (as part of hotels or outside) in the following sequence:

- main indicators of catering enterprises;
- the volume of food supply;
- food turnover indices.

The following is a specific analysis of the activities of enterprises of hotel guests in the above mentioned areas.

Diagnostics of the main indicators of hotels and hotel-type enterprises in the republic showed a number of positive developments in this area. So, in 2011-2016 their number increased from 508 to 548, the one-time volume of seats - from 31979 to 40042, and the number of rooms - from 14815 to 20330 (Antones V.Q., 2017).

A significant increase is observed in the number of person-days spent for the night from 1504312 to 2125266 (including foreign citizens - from 673811 to 1406264), and in number - from 510162 to 1122068 (including foreign citizens - from 257987 to 776784).

For the purpose of recreation and entertainment, the number of persons accommodated increased sharply 172797 to 565738 (including foreign citizens - from 48647 to 367067); business trips - from 185094 to 258299 (including foreign citizens - from 124264 to 188652).

At the same time, a decrease in accommodated persons in hotels, stay for treatment and other tourist purposes.

Qualitative shifts are observed in the expansion of the hotel industry. In particular, during the study period they increased - from 2746.9 thousand square meters to 3642.3 thousand square meters, of which the living area - from 442.3 to 553.0.

2 Methodology

The number of employees in hotels and hotel-type enterprises has also increased from 6198 to 9838; incomes of enterprises - from 114.7 million manat to 240.1 million manat; expenses - from 88.7 million manat to 204.8 million manat.

	2011	2012	2013	2014	2015	2016	2016/2011 %
Number of hotels and hotel-type enterprises, unit	508	514	530	535	536	548	107,9
Disposable capacity, space	31979	32 834	33 951	35 652	37 278	40 042	125,3
Number of numbers, revelation	14815	15 898	16 559	17 363	17 953	20 330	137,2
Number of nights, man-night	1504312	1640863	1674065	1687457	1644056	2125266	141,3
Total number of placed people, people	510162	624924	666348	672345	838145	1122068	2,2 d
for relaxation, entertainment	172 797	225 646	226 464	237 506	256 285	565 738	3,3 d
for business purposes	185 094	247 304	232 796	206 234	275 896	258 299	140,0
for the purpose of treatment	27 533	15 145	45 060	70 981	68 896	11 450	41,0
for other tourism purposes	40 242	32 863	42 617	35 922	37 282	33 814	84,1
for other purposes	84 496	103 966	119411	121 702	199 786	252 767	3,0d
Total area owned and (or) used by enterprises, thousand sq.m.	2 746,9	3 020,6	3073,3	3 563,1	3 463,5	3 642,3	132,6
Living space from the common area. 1000 sq.m.	442,3	518,2	526,5	516,0	507,8	553,0	125,1
Number of employees. People	6 198	7 321	8 259	9009	8364	9 838	158,7
Income earned by enterprises, thousand manat	114686,1	153980,9	171255,9	181047,3	183055,1	240 112,7	2,1 d
Costs of production of goods and services, thousand manats	88 680,4	110684,0	1454683	147068,1	171730,8	204852,3	2,3 d
Taxes paid to the budget, thousand manats	27 966,5	18 058,8	29 951,3	28 201,5	28 098,5	38 525,7	1,4 d

Table 1. Key Indicators of Hotels and Hotel-type Enterprises *Source: (Antones V.Q.,2017)*

3 Results

A more detailed analysis of accommodated persons in hotels and hotel-type enterprises. As you can see, in 2011-2016 there is a decrease in the placed man-days in the public sector from 130657 to 112523, an increase in the private sector from 1148717 to 1817012. As for the number of people placed, they have increased in both the public and private sectors: from 20158 up to 41932; from 349416 to 976801 (Agaeva A.N., Vasilchenko T.Z, 2011).

	2011	2012	2013	2014	2015	2016	2016/2011 %
Number of nights, man-night	1504312	1640863	1674065	687457	1644056	2125266	141,2
including by types of ownership of hotels and hotel-type enterprises:							
state	130 657	67 793	72 366	61 177	108 672	112 523	85,5
special	1148717	1237678	1246669	1392 938	1321 601	1817 012	158,1
foreign	160 943	165 613	204 687	88 828	108 701	86 400	53,4
joint	63995	169 779	150 343	144 514	105 082	109 331	1,7 d
Number of placed people, total, people	510 162	624 924	666 348	672 345	838 145	1122 068	2,2 d
including by types of ownership of hotels and hotel-type enterprises:							
state	20 158	16513	18 172	14 398	31688	41 932	2,1 d
special	349 416	401355	468 163	550 626	679 053	976 801	2,8 d
foreign	85 964	134 173	111 129	31555	60 730	40 104	46,5
joint	54 624	72 883	68 884	75 766	66 674	63 231	

Table 2. Number of Overnight Stays and Accommodation in Hotels and Hotel-type Establishments, Persons

Source: (Agaeva A.N.,2011)

The growth is also observed in the number of employees in hotels and hotel-type enterprises, both in the public and private sectors: from 507 to 888; from 4737 to 7911.

	2011	2012	2013	2014	2015	2016	2016/2011 %
Average annual number of employees - total	6 198	7 321	8 259	9009	8 364	9 838	158,7
including by types of ownership of hotels and hotel-type enterprises:							
state	507	240	232	525	367	888	1,7 d
special	4 737	5 982	6 826	7366	6 894	7911	1,7 d
foreign	716	791	730	634	609	552	77,1
joint	238	308	471	484	494	487	2,0 d
The number of employees serving tourists out of the total number of employees	3 616	4 723	5 526	5793	5 670	5670	156,8

Table 3. Average Annual List of Employees in Hotels and Hotel-type Enterprises, People **Source:** (Artomova E.N., Kozlova V.A., 2005)

The distribution of the area of hotels and hotel-type enterprises by ownership forms shows that for 2011-2016 for all forms of ownership, their areas increased and accordingly amounted to (thousand square meters): total - from 2746.9 to 3642.3; state - from 154.5 to 242.6; private - from 2494.9 to 3294.6; foreign - from 52 to 60.1; joint practically did not change.

It should be noted that a significant part of the total area of hotels and hotel-type enterprises falls on the living space.

	2011	2012	2013	2014	2015	2016	2016/2011 %
Total							
Total area of enterprises	2 746,9	3 020,6	3 073,3	563,1	2 433,9	3 642,3	132,5
From here:							
leased area	19,5	16,3	21,4	21,4	49,5	64,2	3,4 d
residential area	442,3	518,2	526,5	522,0	452,4	558,9	126,4
leased area	39,5	65,4	70,1	86,1	102,6	80,9	2,1 d
State							
Total area of enterprises	154,5	131,8	133,1	133,0	169,5	242,6	157,8
From here:							
leased area	1,7	1,5	1,5	1,4	4,3	2,2	129,4
residential area	48,9	40,7	32,6	40,2	36,0	49,5	101,2
leased area	0,1	0,1	0,1	-	2,8	0,8	-
Special							
Total area of enterprises	2 494,9	2 771,9	2 832,7	3320,3	2154,4	3 294,6	132,1
From here:							
leased area	13,6	10,9	17,2	17,4	41,4	58,2	4,1 d
residential area	347,4	423,0	438,9	426,2	363,9	460,1	132,6
leased area	30,3	42,4	43,9	56,9	76,9	74,5	2,4 d
Foreign							
Total area of enterprises	52,4	72,0	59,3	59,8	65,0	60,1	114,7
From here:							
leased area	4,0	1,4	0,1	-	-	-	-
residential area	30,0	36,7	34,0	34,6	33,8	30,7	1,02
leased area	9,1	17,9	17,9	19,2	17,9	0,6	6,6
Joint							
Total area of enterprises	45,2	45,0	48,2	50,0	45,0	45,0	99,5
From here:							
leased area	0,2	2,4	2,6	2,6	3,8	3,8	1,9 d
residential area	16,0	17,8	21,0	21,0	18,6	18,6	116,2
leased area	-	5,0	8,2	10,0	5,0	5,0	-

Table 4. Distribution of the Total Area Owned and (or) Used by Hotels and Hotel-type Enterprises by Types of Property, thousand sq. m. **Source:** (Almosov S.M., 2011).

In 2011-2016, the income structure for all items increased, including income from the sale of rooms, from the sale of food and medical and recreational activities (as a whole from 114.8 million manat to 240.1 million manat). There is also an increase in expenses for all items, including expenses for materials and equipment; salary of employees; energy, fuel and water; depreciation of fixed assets; rent; for repairs, etc. (as a whole from 88.7 million manat to 204.8 million manat) (Artomova E.N., Kozlova V.A. 2005).

The food market in the republic for 2011-2016 expanded more than 2 times, so the supply turnover increased from 565.5 million manats to 1215.4 million manats, including in the public sector - from 13.1 million manats to 15.6 million manats, and in non-state - from 552.4 million manat to 1199.8 million manat. The number of individual entrepreneurs engaged in this field has significantly increased from 9146 to 17295. The qualitative changes in the food system include the increase in seats in catering enterprises from 307.4 thousand to 660.2 thousand.

	2011	2012	2013	2014	2015	2016	2016/2011 %
Catering turnover, million manat	565,5	680,0	800,1	956,0	1 111,2	1 215,4	2,1 d
From here:							
state	13,1	12,0	13,8	14,8	15,2	15,6	119,1
non-state	552,4	668,0	786,3	941,2	1 096,0	1 199,8	2,2 d
Index of physical volume of food turnover, as a percentage of the previous year	122,6	118,8	116,0	118,2	114,0	100,1	-
state	113,0	102,3	113,8	105,7	101,2	93,6	-
non-state	122,8	119,2	116,1	118,4	114,2	100,2	-
Index of physical volume of food turnover, as a percentage of the previous year	9 146	9 502	11043	13874	15 645	17 295	1,9 d
From here:							
state	37	30	30	23	12	19	51,3
non-state	9109	9 472	11 013	13851	15633	17 276	1,9 d
Index of physical volume of food turnover, as a percentage of the previous year	307,4	326,9	378,9	504,5	575,7	660,2	3,2 d

Table 5. The Main Indicators of Catering Source: (Abdulov A.V., 2011).

If we analyze the supply turnover for a longer time (1995-2016), then it increased from 11.0 million manats to 1215.4 million manats, i.e. 110.4 times, and for 1 person - from 1.4 manats to 126.1 manats.

Years	Catering turnover, million manat	Physical volume indices of catering turnover, as a percentage of the previous year	Catering turnover per capita, manat
1995	11,0	76,0	1,4
2000	18,4	106,7	2,3
2005	74,0	126,1	8,9
2010	417,8	116,3	46,7
2011	565,5	122,6	62,5
2012	680,0	118,8	74,1
2013	800,1	116,0	86,1
2014	956,0	118,2	101,5
2015	1 111,2	114,0	116,6
2016	1 215,4	100,1	126,1

Table 6. Catering Turnover and Physical Volume Indices Source: (Bezrutchenko Y.V., 2016).

A more visual representation of the success of the food market is indicated by index indicators of food turnover.

	2009	2010	2011	2012	2013	2014	2015	2016
1995=100	1 301,1	1 513,1	1 855,1	2 203,9	2 556,5	3 021,8	3 444,8	3 448,3
2000=100	822,8	956,9	1 173,2	1 393,8	1 616,8	1 911,1	2 178,6	2 180,8
2005=100	275,0	319,9	392,2	465,9	540,4	638,8	728,2	728,9
2010=100		100,0	122,6	145,6	168,9	199,6	227,6	227,8
2011=100			100,0	118,8	137,8	162,9	185,7	185,9
2012=100				100,0	116,0	137,1	156,3	156,5
2013=100					100,0	118,2	134,7	134,9
2014=100						100,0	114,0	114,1
2015=100							100,0	100,1
2016=100								100,0

Table 7. Physical Volume Indices of Catering Turnover, in percent Source: (Bezrutchenko Y.V., 2016)

Thus, the diagnostics of hotels and hotel-type enterprises in the republic showed that these enterprises are the main component of the tourism market and are closely linked with tourism enterprises. The results of the study showed a number of positive and negative aspects in the activities of hotels and hotel-type enterprises (Almosov S.M., 2011).

The positive aspects include the following: for the period from 2011 to 2016, the number of hotels and hotel-type enterprises increased by 7.9%, their one-time capacity - by 25.3%, the number of rooms - by 37.2%, and the number of person-days by 41.3%; during the study period, the number of persons accommodated increased 2.2 times, including vacationers - 3.3 times, business trips - 1.4 times, used total area - 1.3 times (including living area - 1.25 times), the number of employees - 1.6 times, profit - 2.1 times, expenses - 2.3 times, taxes to the budget - 1.4 times; a positive point can be considered an increase in the total and living space of hotels and hotel-type enterprises for all types of ownership - total (32.5%), state (57.8%), private (32.1%), foreign (14.47%), joint - no change (Abdulov A.V. 2015).

Considering the fact that hotels and hotel-type enterprises are directly related to food, very positive shifts are observed in this area as well, including: during the study period, the food turnover in the republic increased 2.1 times; the number of individual entrepreneurs engaged in catering - 1.9 times; the number of seats in catering facilities increased 3.2 times; index indicators of food enterprises are stably positive (Bezrutcenko Y.V., 2016).

The disadvantages of the activities of hotels and hotel-type enterprises are: during the study period, there is a decrease in the number of foreign citizens accommodated in hotels (53.4%); poor work of hotels and hotel-type enterprises in joint directed activities; low flow of visitors to hotels arriving for treatment (41.0%), etc.

4 Conclusion

Research on the problems of increasing the efficiency of the tourism market and the hotel industry in modern conditions yielded the following results:

1. Currently, research on the tourism market and the hotel industry is becoming an important area for the development of the non-oil sector of the country. The interconnection of enterprises of the tourism market and the hotel industry contributes to the expansion of trade, therefore, increase profits and incomes, and improve the living standards of the population.

Despite the development of the tourism market and hotel business in the republic, there are still many unresolved theoretical and practical problems.

The issues related to integration and integrated processes in the enterprises of the tourism market and the hotel industry remain slightly changed. This requires clarification of the categorical apparatus and identification of fundamental trends in the development of this sphere.

2. Under the influence of integration and integrated processes, the market of tourist and hotel services undergoes a significant transformation: the national market of tourist services is being formed, the relationship between tourism industry enterprises and the hotel industry is being strengthened and complicated, the volume of cross-border movement of goods and services in the industry is increasing, the international division of labor is deepening, and more actively apply modern information and telecommunication technologies. Modern travel companies are increasingly focused on international standards of activity, the formation of international information and communication systems, modern organizational forms of integration and partnerships in the form of multinational companies and integrated network associations.
3. Studies have shown that the main component of the tourism market, a tourism product has a number of specifics, the main production resource is economic systems, the production and consumption process is multifaceted, characterized by its variability in quality and inability to store, which is why, in order to expand the market It requires the involvement of various sectors of the economy, including the hotel business, the formation of the relevant infrastructure in the regions.

The versatility of tourism products leaves its mark on various forms of integration processes and cooperation between tourism and hotel companies. Many integration and partner associations are created on a territorial-sectoral basis, in particular in the tour operator business, international associations of transport carriers, international hotel chains in the hotel business, international restaurant chains in the restaurant.

At the same time, the need for cooperation in the activity of these relations, the desire to expand the market and establish stable control over the market space, contributes to the emergence of intersectoral integration and partnerships under a single management system. The integration processes are based on the association of brands, the creation or purchase of new companies outside the home country. This is possible on the basis of the development of general rules and standards that ensure the maintenance of the corporate level of services by consumers, and the widespread use of advanced ITCs.

4. A promising direction for expanding the tourism market and hotel industry is the regionalization process, which is able to study the tourist specification of a particular region, to develop and implement national innovative projects for its application. The formation of the scientific provisions of tourist zoning helps to identify potential resources and other prerequisites for expanding the tourism market in developed areas; to

find new tourist areas; to reveal their tourist orientation, to use the advanced world experience in tourism development.

5. At this stage, certain scientific prerequisites have been formulated, basic organizational and economic concepts and methods have been developed for improving the public administration system for the development of the tourism industry in the context of overcoming the global economic crisis and increasing competition in the global tourism services markets. In developed countries, there is a transition from a model of centralization of regulation to decentralization of customization. At the same time, the goals of state regulation of tourism include: the integrated development of a sanatorium complex and infrastructure elements; preservation of cultural and historical values; creation of conditions for improving the quality of tourism and hotel services.
6. The studies showed that the conceptual model of integration of the regional tourism industry and the hotel industry is expressed in the diversity of multi-vector integration processes and legal impact. In the formation of this model, it is advisable to use an integrated approach that includes the following subsystems: market integration, based on the flows of resources and income in the system of the tourist market and the hotel industry, market integration, based on the identification of the main actors in the tourism market and the hotel industry; highlighting the objects of formation of a regional tourist product in the context of hotel services.

In the process of implementing the author's approach, the following scientific results were obtained:

- identified and calculated parameters of the effectiveness of the main components of tourism enterprises and hotels, which include the following: a general calculation of the effectiveness of the main parameters of tourism enterprises and hotels; determination of suppliers reliability indicators in tourism enterprises and hotels; determination of indicators of the availability of human resources in tourism enterprises and hotels; determination of the uniqueness of the product and services in tourism enterprises and hotels; determination of the indicator of the potential of the product and services in tourism enterprises and hotels; determination of consumer loyalty indicator in tourism enterprises and hotels; determination of the indicator of accessibility of contracts with clients in tourism enterprises and hotels.

- identified and calculated integrated and integration indicators of tourism enterprises and hotels in the following direction: a mathematical integrated assessment of the readiness of the external environment adopted for the implementation of innovations in tourism enterprises and hotels; determined the values of increasing indicators for each level of external factors on the activities of the integrated structure of tourism enterprises and hotels; the values of decreasing indicators were determined for each level of external factors acting on the activity of the integrated structure of tourism enterprises and hotels; the correlation of the influence of environmental factors on tourism enterprises and hotels is given; An integral indicator of the effectiveness of marketing activity in tourism enterprises and hotels has been determined.

- developed a block diagram of the formation of a regional strategic alliance in the tourism market and the hotel business; given a block diagram of the types of regional integration and integrated associations in the tourism market and hotel business; developed a block diagram of factors affecting the development of event marketing in the tourism market and the hotel business; a model has been developed for integrating the regional tourism industry into the hotel services system, which includes the subsystem: streaming, the interaction of objects and regulators.

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