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## CONCEPTUAL PRINCIPLES OF HOTEL AND RESTAURANT BUSINESS DEVELOPMENT

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**BACKGROUND AND OBJECTIVES.** In Ukraine, not all issues relating to modern theoretical, methodological and applied foundations of enhancing the development of hotel and restaurant business are covered. There is a need for in-depth scientific research of theoretical aspects of the formation of methods of organizational and financial resource provision of tourism development at the national and regional levels, the definition of priorities and determination of ways to improve the efficiency of management of the complex use of the rich recreational and tourist potential of Ukraine.

**METHODS.** Methodology of scientific research are general scientific and special research methods: dialectical method of research of processes and phenomena in their interrelation and development, system-structural analysis (when studying the conceptual foundations and systematization of methodical approaches to management of development of hotel-restaurant business); methods of group analysis and statistical approaches, economic-statistical

methods, comparison (when analyzing social and economic preconditions, opportunities and motives of development of hotel-restaurant business), methods of analysis of the economic and social situation (when analyzing social and economic preconditions, opportunities and motives of development of hotel-restaurant business).

**FINDINGS.** The elements of functional support for the development of domestic hotel and restaurant business are substantiated

**CONCLUSION.** The study of domestic hotel and restaurant business, in particular the regional market of tourist services, is based on the assessment of the environment of market activity. It involves the use of a comprehensive approach to the application of theoretical and applied foundations of sectoral and territorial analysis and aims to form the leading levers of development of hotel and restaurant business

**KEYWORDS:** tourism potential; tourist services market principles of tourism and hospitality industry development management; hotel and restaurant business.

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## КОНЦЕПЦІЙНІ ПРИНЦИПИ РОЗВИТКУ ГОТЕЛЬНО-РЕСТОРАННОГО БІЗНЕСУ

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**Вступ.** В Україні висвітлені далеко не всі питання стосовно сучасних теоретико-методологічних та прикладних засад активізації розвитку готельно-ресторанного бізнесу. Існує потреба у поглибленому науковому дослідженні теоретичних аспектів формування методики організаційного та фі-нансово-ресурсного забезпечення розвитку туризму на загальнодержавному та регіональному рівнях, визначенні пріоритетів та окресленні шляхів підвищення ефективності управління комплексним використанням багатого рекреаційно-туристичного потенціалу України.

**Гіпотеза наукового дослідження** полягає у поглибленні теоретичних засад формування політики розвитку готельно-ресторанного бізнесу та обґрунтуванні методичних положень щодо напрямів її реалізації у контексті стимулювання організаційного та фінансово-ресурсного забезпечення галузі в регіонах України.

**Метою дослідження** є обґрунтування на теоретичному рівні елементів функціонального забезпечення розвитку вітчизняного готельно-ресторанного бізнесу.

**Методологією наукового дослідження** є загальнонаукові та спеціальні методи дослідження:

діалектичний метод дослідження процесів і явищ у їхньому взаємозв'язку й розвитку, системно-структурний аналіз (при дослідженні концептуальних засад та при систематизації методичних підходів щодо управління розвитком готельно-ресторанного бізнесу); методи групового аналізу і статистично-прогнозних підходів, економіко-статистичні методи, порівняння (при аналізі соціально-економічних передумов, можливостей і мотивів розвитку готельно-ресторанного бізнесу та визначенні пріоритетних напрямків рекреаційно-туристичної діяльності).

**Висновки.** Дослідження вітчизняного готельно-ресторанного бізнесу, зокрема регіонального ринку туристичних послуг, ґрунтується на оцінці середовища ринкової діяльності. Вона передбачає використання комплексного підходу щодо застосування теоретико-прикладних засад галузевого та територіального аналізу і переслідує мету формування провідних важелів розвитку готельно-ресторанного бізнесу.

**Ключові слова:** туристичний потенціал; ринок туристичних послуг; принципи управління розвитком туристично готельної індустрії; готельно ресторанний бізнес.

**Statement of the problem.** A characteristic feature of the transformation processes taking place in the economy of Ukraine is the intensification of the development of the hotel and restaurant business. The scientifically substantiated formation of a favorable financial, economic, legal and information environment in order to stimulate the development of the hotel and tourism industry in the regions of Ukraine is becoming increasingly important.

**Analysis of recent research.** Recreational science has been developing most intensively in Ukraine since the 1960s. Today such scientists as O.I. Shabliy, N.Yu. Nedashkivska, M.I. Dolishniy, M.S. Nudelman, S.V. Trokhimchuk, G.S. Bachynsky, V. Kravtsiv are especially actively engaged in the development of the tourist and hotel industry. In the future, tourism and the hotel industry, as relatively new objects of interdisciplinary research, are constantly in the spotlight of economics. A large array of economic literature highlights the features and prospects of tourism and the hotel industry.

**The purpose of the study** is the formation of conceptual foundations for the development of hotel and restaurant business in the state.

**Presentation of the main material.** In support of these facts in the modern world prevails the economic concept of world tourism, which is manifested in the fact that the economic aspect of hotel and restaurant business prevails over others, encouraging the development of production, services, rational use and reproduction of tourist resources.

However, these characteristics of the hotel and restaurant business in the world will look incomplete and one-sided. A more detailed analysis of it, along with impressive quantitative indicators, reveals other aspects of this industry. Thus, in the absence of proper planning and management, the development of the hotel and restaurant business can lead to such socio-economic problems as:

- excessive use of natural ecosystems (forests, mountains, lakes);
- destruction of natural systems for tourism facilities;
- harmful emissions of vehicles;
- generation of garbage and other household waste;
- negative impact on the culture and customs of the local population;
- destruction of historical and architectural heritage;
- increasing population density in tourist centers.

Since the preserved natural environment and socio-cultural sphere are the most necessary conditions for full recreation, their observance becomes an important economic factor in the development of the hotel and restaurant business and for those who determine policy in this area. Therefore, with a seemingly unshakable economic concept from the beginning of the twentieth century. In the field of tourism regulation, the concept of sustainable development is becoming increasingly important, which requires taking into

account the long-term interests and consequences of the industry, limiting the scale of tourism so that the host territory saves its resources for future generations. Using the principles of the Concept of Sustainable Development, the hotel and restaurant industry can not only overcome the so-called "side effects", but also act as a driver that will lead other industries on the path of sustainable development. Priority efforts to implement the principles of sustainable development should minimize the negative environmental consequences of tourism. This task becomes especially relevant, given the rapid development of the industry, which is expected in the coming years, and, accordingly, the growth of its burden on the environment. After all, in the end, the industry will be able to develop only with the rational use of natural recreational resources. Therefore, in the future, transport and hotel services, catering, waste disposal, etc. must be organized with much greater diligence and environmental friendliness than today. However, successes in the fields of environmental protection and socio-cultural environments, care for them depend primarily on the initiative of the state and local administrations, public and private organizations that coordinate the development of tourism. The role of the state is especially important because it develops the necessary strategic basis for planning the tourism industry: ensures the development of valuable recreational areas and tourist centers, conducts basic research and monitoring, and assesses infrastructure needs and their consequences. The development and practical implementation of the concept of sustainable development for recreation and hotel and restaurant business should be carried out in cooperation with all stakeholders, especially the private sector and local people, taken into account in the development of practice-oriented state and regional programs for recreation and tourism. In order to ensure a sustainable structure of consumption and production within the tourism sector of the economy, it is necessary to support the national capacity to develop and implement policies in areas such as planning in kind, conducting economic activities and assessing their consequences, regulation in information exchange, education and marketing. Sustainable development of tourism can ultimately lead to sustainable development of the entire territory, while carrying out nature protection, cultural protection, social and economic development. An example of the expediency and prospects of such an approach in ensuring the transition of the regions of Ukraine to the principles of sustainable development can be the western region. Given that the priorities for this region, along with other industries, are tourism, recreation and health resort, the issue of scientifically sound approach to managing their development today is of particular importance. Due to radical changes in the socio-economic life of the state and new socio-political guidelines, the role of further research into the development of the hotel and restaurant business is growing.

Existing methods of research of domestic development of hotel and restaurant business, in particular the national market of tourist services, are based on an estimation of the environment of market activity, definition of factors of effective work of subjects of tourism and size of their influence on final economic results. They provide for the use of an integrated approach to the application of theoretical and applied principles of sectoral and territorial analysis and pursue the goal of forming the leading levers of national tourism policy.

According to the results of research, it is advisable to identify the following principles of development of hotel and restaurant business in the country:

1) assessment of factors of external and internal environment of functioning of development of hotel and restaurant business on the basis of the system approach;

2) a comprehensive analysis of the level of development of the hotel and restaurant business;

3) forecasting the directions of development of hotel and restaurant business and stimulating their activity. It will be useful to consider in more detail the above conceptual principles:

1. Assessment of external and internal factors of the functioning of the hotel and restaurant business on the basis of a systematic approach. The mechanism of analysis involves the division of all factors of influence into two groups: external and internal environment, and the principle of systematization allows a comprehensive assessment of their effect. The factors of the internal environment include those that have a direct impact on the functioning of the domestic market of tourist services. In particular, it is the state (through legislative activity), related to the tourist and hotel sphere of activity, consumers of the tourist and recreational product, investors, ecological, natural factors, etc.

The external environment provides an indirect impact on the state of the national market of tourist services and includes: political, psychological factors, socio-cultural environment, the state of the economy and STP, geographical location, international events and more. The algorithm for estimating the magnitude of the impact of these factors of the internal and external environment on the functioning of the domestic market of tourist services involves the use of economic and mathematical methods of analysis.

2. Comprehensive analysis of the level of development of the hotel and restaurant business involves the study of market conditions, assessment of the structure and level of consumption of tourist services, structural and territorial analysis of the market of tourist services and the state of the tourist industry. The analysis of the state of recreation and tourism should be carried out, taking into account the assessment of available logistical, financial, labor, natural recreational and tourist resources in kind, value and quality, in absolute, relative

or average values. The application of the method of integrated assessments to determine the level of development of recreation and tourism contributes to the complexity and integrity of the approach. The analysis of the dynamics of the leading components of the tourist process should be carried out according to the system of economic and statistical indicators, which should include the definition of average growth rates, variation scale, coefficient of variation. Territorial-dynamic analysis is designed to establish the structural and spatial dependences of the functioning of the market of tourist and recreational services and to prepare input data for forecasting its development and optimization of the territorial organization. In general, the purpose of a comprehensive analysis of the level of development of the hotel and restaurant business is:

- study of the state, structure, typology and territorial differentiation of the supply of tourist and recreational services and demand for them;
- establishing the level of development of recreation and tourism and the level of meeting the needs for tourist and recreational services;
- assessment of the market situation of tourist and recreational services and identification of existing disparities.

3. Forecasting the development of hotel and restaurant business can be considered the final or final stage of the analysis of the level of development of national and regional markets for tourism services and used as information support for the formation of tourism and recreation policy.

Forecasting should be performed using economic and mathematical methods (including factor modeling), programming methods to identify the effectiveness of recreation and tourism, depending on the impact of changes in internal and external factors. Particular attention in forecasting and planning recreational and tourist activities should be paid to the study of demand, supply of tourist product and optimization of their ratio in the market of tourist services.

**Conclusions and prospects for development.** The main task of modern management systems should be to ensure optimal conditions for the development of hotel and restaurant business. This includes the implementation of information, regulatory and legislative support, development of forecasts of tourist needs, coordination of tourist activities. The main areas of regulation include recreational nature management; staffing of tourist establishments with qualified workers; ensuring the work of institutions that provide special and household services to travelers; compliance with the requirements of living in recreational areas. The results of the analysis of the market of tourist services should be the basis of concepts and programs for the development of recreational and tourist sphere, which would solve the problems of the industry in the general context of socio-economic development and contain priority goals, main directions of their implementation, optimal location recreational facilities, activities to provide opportunities to meet the effective demand of the

population for spa, tourist and recreational services, taking into account environmental, socio-economic, resource constraints; as well as miscalculations of alternative directions of tourism and recreation development, socio-economic efficiency of their implementation. Socio-economic efficiency of the hotel and restaurant business development policy should be determined by implementing a system of multipliers that will help assess both direct and indirect effects of tourism development due to the projected change in tourist flows:

- income multiplier – reflects the dynamics of income of tourism and recreational entities;
- demand multiplier – reflects the dynamics of the real volume of effective demand for recreational services;
- supply multiplier – reflects the change in the real volume of competitive tourist and recreational services in the regional market of recreational product;
- multiplier of economic activity – allows to estimate the dynamics of employment in the tourism sector and related economic sectors;
- investment multiplier – reflects the dynamics of investment support in the tourism industry.

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