
Innovative Quality Improvements in Hotel Services

E.Y. Nikolskaya¹, N.I. Kovaleva², M.E. Uspenskaya³, N.I. Makshakova⁴,
E.N. Lysoivanenko⁵, K.A. Lebedev⁶

Abstract:

The paper is devoted to the development of approaches for the improvement of quality of hotel services on innovative basis. It has been established that in the market of hotel services, innovations are being introduced successfully for the purpose of attracting as many customers as possible.

All this ensures development of new technologies of constructing hotels, appearance of new market segments satisfying a diverse demand of visitors. It has been proved that to improve the quality of hotel services, it is necessary to develop a strategy and tactics of development of hotel business on innovative basis.

It has been determined that introduction of innovations must be realised both at the level of the state and at the level of separate hotels. Further innovative growth will allow improving the quality of hotel services in the world market of hotel real estate.

However, this is possible in case of normalization of the economic and political situation in the country and creation of conditions for investment attractiveness in hotel business.

Keywords: *Quality, hotel business, investment attractiveness, hospitality, policy, capital, effectiveness*

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¹Plekhanov Russian University of Economics, nikolskaya@gmail.com

²Moscow State Institute for Tourism Industry n.a. Yu.Senkevich

³Moscow State Institute for Tourism Industry n.a. Yu.Senkevich

⁴Moscow State Institute for Tourism Industry n.a. Yu.Senkevich

⁵Moscow State Institute for Tourism Industry n.a. Yu.Senkevich

⁶Institute for Tourism and Hospitality, qwer20003@rambler.ru

1. Introduction

Running hotel business is one of the most profitable directions of investing one's own capital. States with developed steady-state economy require a developed hotel segment in the economy's structure. In this case, hospitality is a necessary constituent of the foreign policy of a state, and organisation of accommodation and board – an irreplaceable attribute of a large-scale business in different aspects. Large-scale hotel chains and separate hotels are the place of holding various symposiums, conferences, presentations and other public events of large-scale business. Various events, which are held at the level of large-scale enterprises, are frequently concentrated within the framework of one or several closely arranged hotels.

In conditions of active development of the economy, the state is undoubtedly in need of development of hotel business. Then innovations, their financing, innovations' introduction and needs for them with their further use in hotel and restaurant enterprises are at a high level. In these conditions, the problem of innovations arises when the country and, in particular, economy is in a state of crisis. Large value is attached to the relevance of innovations in hotel business. In conditions of the worsening of economic circumstances in the Russian Federation, the themes of hotel sector renovation are a pledge of stability of market economy. Since the hospitality facilities in its essence require fundamental renovation and technological reequipment, they are potentially important investees.

In modern conditions, the predominant number of enterprises of hotel business cannot afford introduction of innovations owing to high risk of not crossing the border of break-even over the period, indicated in the business plan. This means forced rejection of innovations, which are not verified by the empirical method. At the same time, innovations that require an insignificant level of investments are promoted actively in hotel business.

These innovations do not require payment for licensing use, lumpsum payments, one's own innovations related to an organisational structure, personal qualities of the workers' association, formed at the level of the hotel business enterprise by means of an experiment or adaptation to specific conditions. Key peculiarities of such innovations are reflected in the spontaneous way of their introduction, unwillingness of managers to process further the results of innovations, i.e. conscious limitation of the growth of social effectiveness caused by innovation.

The research for improving the quality of hotel services on the innovative basis has been reflected in the works of Alymbekova (2016), Berlin and Shishkina (2013), Kusina *et al.* (2014), Kutsenko (2015) and Suzhaeva (2014). Nevertheless, the problematic issues, concerning complex analysis of diffusion of innovations in hotel business, remain insufficiently unveiled.

2. Methods

The following general scientific methods is a methodological basis of this research. A method of analysis and synthesis – when conducting analysis of the existing theoretical and methodological approaches and provisions, scientific developments on the problems of improving the quality of hotel services on the innovative basis, a structural and logical method – when systematizing factors influencing the introduction of innovations in hotel business, a method of factor analysis – when determining the influence of the factors on the level of customers' satisfaction with the quality of innovative hotel services.

An information basis was legislative and statutory legal acts, statistical materials of state authorities and local governments, scientific publications of domestic and foreign scientists on the problems of improving the quality of hotel services on the innovative basis (Chia-Jung and Pei-Chun 2014; Keith and Simmers 2013). During the research, it is planned to develop approaches to improve the quality of hotel services on the innovative basis, to substantiate the strategies of innovative development of enterprises of hotel business. Besides, the task to substantiate approaches to assessment of competitive capacity of hotel business enterprises, to determine and to formulate the main directions of innovative development of companies of hospitality industry at the regional level is set.

3. Results

Innovative activity in the hotel sector is aimed at the creation and introduction of innovations. In this case, the innovations may include: use of advanced information and telecommunication technologies; perfection of the technology of rendering hotel services; creation of new types of hotel services; models of hotel business; formation of strategic alliances; introduction of modern forms of running hotel complexes.

In these conditions, hotel business has recently changed grossly as a result of introduction of innovations. The central tendencies of its development are: formation of hotel chains; deepening of hotels' specialization; development of a network of small enterprises of hotel business; introduction of advanced telecommunication technologies; orientation to ecological compatibility; increase of roominess of some new hotels.

All these are provided by the fact that hotel enterprises are formed as a result of interaction of organisational and socio-economic relations. To enhance the competitiveness in the market, they are united into chains, which try to extend their influence in the world at the expense of increasing the number of hotels and promoting high standards of servicing.

In hotel business, globalisation processes are traced best of all by the example of the sector of accommodation facilities for tourists, in which transnational corporations

are in the form of international hotel companies, international hotel chains and international hotel consortiums. Over the last years in the Russian Federation, the concept of creation of hotel chains gained greater popularity, the number of which is increasing considerably. Their hotels offer tourists services of highest level, the informative database, gain the reduction of the total costs, have work experience in both domestic and international markets.

In the meantime, the Russian Federation is taking the first steps towards globalisation of hotel business. Well-known world hotel chains began to develop actively the Russian hotel market. As of today, in the Russian market, there is a majority of large-scale international hotel operators, who provide services of both direct control of hotels and franchise.

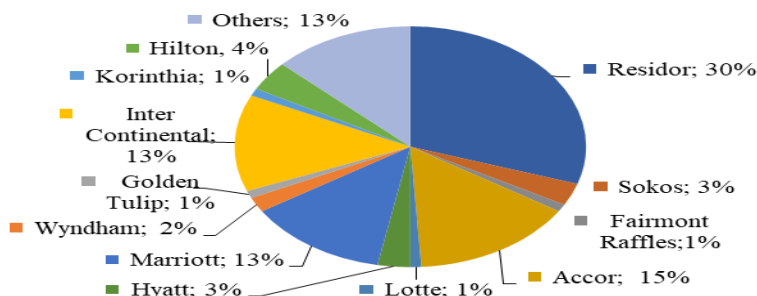
However, the absolute number of operating facilities, branded under international operators, is still negligibly small: as of today, in the Russian Federation, only 107 hotels out of 9316 are included in international networks. Taking into account predictive calculations, by 2019, 257 facilities will have been functioning in the market. The year of 2017 turned out to be productive from the viewpoint of extension of the presence of international hotel chains – over the last year, 13 internationally branded hotels entered the market, such chains as Carlson Rezidor Hotel Group, Accor Hotels, InterContinental Hotel Group and Marriott International remain the leaders of the Russian market (Figure 1).

Carlson Rezidor Hotel Group is still coming to the fore in the market, numbering 25 operating hotels with 7720 hotel rooms in its portfolio at the end of 2017. In the nearest 5-6 years, the operator is planning to bring the number of hotels to 48 units with 12854 hotel rooms. As of January 1, 2018, Accor Hotels is running 19 hotels with 3788 hotel rooms on the Russian territory. The company management adheres to the claimed aggressive development strategy, and in the course of the following five years, the company aims to open 45 hotels with 7942 hotel rooms under its own brands, which will bring the chain to the fore by the number of facilities in its group.

InterContinental Hotel Group is represented by 13 operating hotels with 3345 hotel rooms. The Group is planning to expand its presence in Russia up to 25 hotels, thus its accommodation inventory will reach 6339 units. All well-known hotel chains promote high quality standards in the world market, have a certain level of servicing; however, in Russian hotels, the service level has just started to approach the international level.

Appearance of the world-renowned hotel brands on the Russian Federation territory has the following advantages: rise of the common level of providing hotel services; improvement of the country image; stimulus to enhance the servicing level of the national operating hotel industries; a positive influence on the volume of tourist flows.

Figure 1. Presence of international hotel operators in terms of the volume of accommodation inventory at the end of 2017.



All in all, an insignificant portion of the hotel room stock in Russia is under the international administration, which is evidence of an extremely low degree of penetration of international operators into the Russian hotel market. A significant share of Russian hotels, operating under the administration of the international operator, is in Moscow. But the business indicators of the leading hotels depend on the political and economic circumstances, existing in the Russian Federation as of today and affecting the plans of development of international operators in the country. Therefore, because of limited financial resources and negative dynamics of operational results, the introduction of new hotels is postponed until the socio-economic situation of the country improves.

The majority of participants of the commercial real estate market treat the possibilities of investment in development of new facilities cautiously. The practice has shown that from the economic viewpoint, construction of new commercial real estate projects is unprofitable, with the exception of putting facilities into operation at the closing stage of realisation through a significant volume of already invested money. In addition, one should not forget about the tendencies of outflow of foreign capital from the Russian market, which, first of all, is connected with macroeconomic instability and a desire to reinvest capital in less risky markets. Foreign investors note a whole series of problems, which they face in the Russian Federation. The results of this research among the parties of the real estate market allowed revealing the main factors, afflicting the innovative attractiveness of hotel business: unpredictability of the political situation in the long-term outlook; close ties between business and policy; unreasoned inspections; absence of mechanisms of counteraction to supervisory bodies when they press baseless charges against business; corruption; currency risks.

The quality of hotel services must be provided at the expense of creation of new national hotel chains and attracting them to transnational hotel groups. Now national hotel chains are at the stage of development. Not every management company has clear internal concepts concerning external control, its own internal standards of quality of provided services, standards of services, standards for all technological

processes, control standards. However it is impossible to dwell on the popularity of trade names; only experts of the sector know about them and consumers of hotel services - only to a small degree. Only after some time, trade names can be called brands. And one may disagree with representatives of some western hotel chains, voicing doubts about quite long-term existence of national hotel chains, appearing in Russia, and prognosticating the only prospect for them– to be subsequently absorbed by large-scale western operators. The research results are consistent with the fact that in the hospitality industry with the development of domestic hotel chains will improve the quality of provided services and allow reducing prices on these services owing to healthy competitive activity (Table 1).

Table 1. Major national hotel chains in the Russian Federation

Item No.	Company name	Hotels	City
1	“Geliopark Hotel Management”	Heliopark Empire, Heliopark Country, Heliopark Emmaus, Heliopark Thalasso, Heliopark Old Estate, “Heliopark Primorskaia”	Moscow, Moscow Area, Tver region, Pskov, Sochi
2	JSC “Intourist Hotel Group”	“Ural”, “Kosmos”, “Inturist-Novgorod”, boarding house “Kameliia”, “Pekin”, “Moskovskii Trakt”, “Severnaia”	Moscow, Velikiy Novgorod, Rostov Veliky, Sochi, Petrozavodsk, Pereslavl-Zalessky
3	LLC “Iumako»	“Katerina-City”, “Katerina-Iris”, “Congress Hotel”, “Katerina-Alpik”, TSGKK “Krasnaia Poliana”	Moscow, Krasnaya Polyana, Sochi
4	“Vela Invest”	“Pallada”	Moscow
5	International academic agency “Nauka”	“Akademicheskaya”, “Uzkoe”	Moscow
6	CJSC “Alrosa Hotels”	“Alrosa na Kazachem”, “Petropol”, “Pansionat AK Alrosa”, “Pur-Navolok”, “Zarnitsa”, “Poliarnaya Zvezda”	Moscow, St. Petersburg, Anapa, Arkhangelsk, Mirnyi, Yakutsk
7	“Hospitality Management Group”	Chain “Assambleia”, “Borodino”	Moscow
8	“Sretenskaya”	“Sretenskaya”	Moscow
9	Chain of president-hotels and health resorts of Russia	“Zolotoe Koltso”, “President-hotel”, “Arbat”, 20 boarding houses in the Moscow Area	Moscow, Moscow Area, Novgorod, Samara, Kursk, Tver regions, Stavropol Territory

10	“Amaks” (Amaks Grand Hotels)	“Amaks Premier-hotel”, “Turist”, “Msta”, “Valdaiskie Zori”, “Rossiya”, “Zolotoe koltso”, “Sputnik”, “Iuzhnaya”, “Kurgan”, “Turist”, “Azov”, “Safar-hotel”	Perm, Ufa, Borovichi, Valday, Velikiy Novgorod, Vladimir, Voronezh, Belgorod, Kurgan, Rostov-on-Don, Azov, Tambov, Kazan
11	“Novturinvest” (Novtourinvest Hotel Group)	“Beresta Palas”, “Volkhov”, “Sadko2, “Polist”	Velikiy Novgorod, Staraya Russa
12	“Grinekspress” GTK	“Baikalskie terema”, jurt-camping “Garmoniya”, tourist centre “Priiut Staratelei”	Irkutsk, Irkutsk region, Olkhon Island
13	“Permturist”	“Almaz Urala”, “Ural”, “Volna”, “Stalagmit”	Perm, Perm region

One of the leading national hotel chains is JSC “Intourist Hotel Group” – a subsidiary of AFK “Sistema” with a programme of establishing a chain of hotels of tourist class of 3-4-star category. As of today, JSC “Intourist Hotel Group” has 4 hotels in total or shared ownership, and 5 – under control. Until 2019, it is planned to invest 200 million US dollars in the programme.

4. Discussion

Reliability of presented approaches to improve the quality of hotel services on the innovative basis is confirmed by the fact that hotels are interested in introduction of innovations since it allows them to gain a competitive edge. This is typical, first of all, of international hotel chains, which have opportunities to invest considerable funds in development.

New technologies, which contribute to simplification of making reservations, to the increase in control over revenues, expenditures and employment are widely introduced in hotel complexes. Informatization of hotels is carried out in two main directions: 1) connecting them to world transnational chains for making prompt reservations from anywhere in the world; 2) workflow automation of running a hotel. In these conditions, visitors of hotel websites can familiarise themselves with room interiors, offered services etc (Agamirova *et al.*, 2017; Dzhandzhugazova *et al.*, 2016; Nacharyan and Markaryan 2011; Aliev and Sigov 2017; Bondarenko *et al.*, 2017; Polukhina *et al.*, 2017; Egorova *et al.*, 2015).

A new trend of accommodation sector development is constructing the most unusual and extravagant hotels to excite curiosity and aspiration to learn unusual feelings by one’s own experience. Such hotels are located in unbelievable places and conditions: in barrels, underground shelters, former prisons, fortresses, trains, etc. In Russia, unusual or nonstandard hotels have also appeared, spending a night in which is

already an adventure in itself. Every traveller, feeling a need for a quiet and homely hotel, can find such kind of a temporary house in different parts of the Russian Federation. The practice has shown that the hotel industry all over the world and in the Russian Federation is being developed taking into account ecologization, using modern equipment, up-to-the-minute technology and non-waste technologies. At that, architectural and layout implementations of the house must be affordable and ensure economization of its exploitation.

The quality of the hotel product is related, on the one hand, to the necessity of natural environment protection, on the other hand – to the growth of demand of tourists for environmentally friendly services and goods. During construction of hotels, it is necessary to take into account peculiarities of the surrounding landscape and the necessity of its protection, natural and climatic factors. Environmentally friendly materials, non-waste technologies must be used in their interior and equipment, and in the restaurants – ecologically pure products and drinks.

Introduction and development of innovations allow hotels to gain a competitive edge. This is mostly inherent in large-scale hotels, which have opportunities to invest considerable funds in development of innovations. JSC “Gostinitsa “Kuzminki” can become an example. This hotel has become a favourite place for holding business meetings in Moscow, diverse business events owing to a significant number of conference halls, their technical equipment and different configurations.

On the territory of the hotel, there is its own parking space. The visitors are offered anti-allergic bedding. The hotel is an active participant of the programme on environment protection and adheres to international ecological requirements. It was among the first in Moscow that started to introduce “green” loyalty programmes for their visitors. The studies have shown that introduction of innovations and high quality of servicing in hotels raise their competitive capacity and the rating in the market of hotel services. Incentivizing the best hotels with bonuses and publication of their ratings on the national, European or world levels can be considered as a sort of innovation, which offers a certain incentive to improve the quality of hotel services.

5. Conclusion

Summarizing, it is possible to note that in the market of hotel services, innovations are successfully introduced for the purpose of attracting as many customers as possible; arousing interest in one’s hotel, brand; attracting a visitor and making one a regular customer and, thereby maximizing hotel’s profits. In these conditions, improvement of quality of hotel services are ensured by diversification of hotel activity and a creative approach.

All this contributes to development of new technologies of constructing hotels, appearance of new market segments meeting a diverse demand of the visitors. An important innovation of hotel business development was the appearance of hotel operators. In the competitive fighting among hotels, uncommonness and uniqueness of hotel organisations are gaining increasing importance.

To solve the problems of further path of hotel business development, it is necessary to elaborate a strategy and tactics of its development, where the most important tasks of the sector, the mechanism and toolset, necessary for that, would be defined. An innovative strategy of improving the quality of hotel services must be aimed at realisation of innovations, taking into account internal and external factors and available resources. The innovative policy in hotel business must include a package of measures on creation of favourable conditions of developing the industry and all-round satisfaction of visitors' needs, creation of new competitive hotel products and services, introduction of modern technologies of management in the accommodation sector.

Introduction of innovations must be realised both at the level of the state and at the level of separate hotels. A further innovative growth will allow improving the quality of hotel services in the world market of hotel real estate. However, this is possible only in case of normalization of the economic and political situation in the country and creation of conditions for investment attractiveness of the hotel segment.

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