ASSESSMENT OF INTERNATIONAL COMPETITIVENESS OF ENTREPRENEURSHIP IN HOSPITALITY BUSINESS IN GLOBALIZATION PROCESSES

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ABSTRACT

The dynamics of the hotel entrepreneurship in the world are analyzed by 10 indicators: the capacity of the hotel fund, the growth rate of the hotel fund, the largest international tourist exchange, the highest rate of hotel construction, the number of hotels, the number of hotel rooms, the rate of growth of hotel rooms, The average load of hotels in the world, the average income in the world per room. It is proved that in the current competitive conditions of international competitiveness those companies that use non-price methods which have a communication impact on the consumer. It is proposed to use them, and namely: those that are formed within the company itself: the hotel's website, business reputation, flexible social and labor, and those that are formed outside of it on the basis of private-private entrepreneurship.

Keywords: Hotel Entrepreneurship, Market Globalization, Invisible Export, Hotel Fund, Communication Technology, Business Process.

JEL Classifications: I2, F6

INTRODUCTION

The functioning of the global and information economy forces hotel companies not only to shape their competitiveness and support it, but also to make forecasts taking into account national and world development trends. This process is permanent and at the same time dynamic, it actualizes scientific search in the direction of study concerning the predicting of the international competitiveness of companies.

The basis of the already developed theoretical and methodological foundations for predicting the international competitiveness of hotel companies depends on many different factors. The need for their in-depth further substantiation is due to the need to develop an activity strategy that requires a quick response to changes in the internal and external environment, study of the range, pricing, search and use of non-price methods for the hospitality business.

In modern business conditions, the success of a hotel company in competition largely depends on predicting its business activities, which are affected by the environmental changes, the emergence of new demands and consumer expectations, the improvement of information networks, the transformation of the role of human resources.

REVIEW OF PREVIOUS STUDIES

Analyzing all the available methods, dos Santos et al. (2017) state that before planning the activities of each company, it is necessary to assess its competitive position, which will allow you to outline the directions of the necessary changes that contribute to the acquisition of competitive advantages.

Many authors believe that market competition is a struggle between companies for the consumer, which they carry out in the market (García-Pozo et al., 2016; Đorđević et al., 2016). Companies, seeking to increase their own benefits in a competitive struggle, simultaneously promote public interests (Ramos et al., 2018; Pająk et al., 2017).

METHODOLOGY

In the hotel business, this is manifested in the fact that new technologies are being introduced for the production of services and customer service, modern personnel management methods based on the experience of Western management, rational use of company's resources, and the like. The company itself is interested in this. Effective activity of the hotel company is carried out in the interests of the whole society, and contributes to a more complete satisfaction of its needs.

It is advisable to use the *"SCORE"* model for collecting and analyzing information about the current situation and developing a forecast for future changes in the company's activity in hotel management implementation. The elements of the model are: Symptoms–visible signs of the current problem condition; Causes–factors contributing to the appearance of symptoms; Outcomes–goals that describe the desired condition, which should come to replace the problem condition; Effects–long-term consequences of results achievements; Resources–elements that are responsible for eliminating the symptoms, the causes of the results, the effects, and move the hotel company from the problem condition to the desired one by changing the abilities and skills of its employees.

RESULTS AND DISCUSSION

The conditions of globalization and market competition influence and modernize the activities of the hotel companies mainly working in close relationship with travel companies. The hotel companies produce complementary services for tourists. In addition, the services of the hotel companies play an important role in the processes of international integration, the development of economic relations and tourism, the formation of the country's image.

The international competitiveness of hotels in modern economic conditions cannot be assessed only by price factors. This is due, at least, to two powerful processes-the globalization of market and the informatization of society.

The main manifestations of market globalization are: internationalization of the world economy and trade; global security programs; technical progress, especially in the field of communications and information.

The market globalization has led to the fact that the price indicators of competition, which are mainly determined by the means of production and the technologies of production of goods and services, have become approximately the same and are identified by the main subjects of competition.

The income from inbound tourism (receiving foreign tourists) are related to export operations. They are called *"invisible exports"*, since foreign exchange receivables are not related to the flow of goods. This is an export of services provided by hotels, restaurants, travel companies, museums, transport companies and other enterprises and organizations to foreign tourists who come to the country.

The volume of international competitiveness of domestic hotel companies or the export of hotel services is determined potentially by the number of hotel-type companies and the number of their rooms (Hilorme et al., 2018; Lakhno et al., 2018). Evaluation of the dynamics of the hotel company development and their other quantitative parameters gives the right to claim that the potential of international competitiveness, and consequently, exports, the supply of hotel services in the world are in constant growth. The comparison of trends in the hotel industry of the world gives the right to identify the one-type or different trends.

Thus, the dynamics of the formation and development of the hotel fund in the world can be represented by the digital data given in Table 1 (calculated according to the data of http://mkg-group.com/en/mkg-group-hotel-expert/).

Table 1 DYNAMICS OF THE HOTEL FUND DEVELOPMENT IN THE HOTEL INDUSTRY OF THE WORLD AS OF JANUARY 1, 2018		
Region	**Hotel (room) fund**	**Rate of growth of hotel (room) fund, %**
Europe	45% of the world hotel (room) fund	2%-2.5% annually
America	35% of the world hotel (room) fund (5 million rooms)	7%-9% annually
Asia	14% of the world hotel (room) fund (3 million rooms)	15%-20% annually
Africa	3% of the world hotel (room) fund (0.4 million rooms)	10%-15% annually
Australia and Oceania	3% of the world hotel (room) fund (about 0.4 million rooms)	5%-7% annually

As we can see, the structure of the hotel (room) fund by continent is different, as is the growth dynamics of the proportions of such a fund in the world. In particular, although Europe is leading in terms of the number of rooms, but its annual growth is rather slow. On the other hand, it is possible to observe the intensification of the development of the hotel industry in Asia and Africa, which is mainly due to the opening of these countries for tourists, the development of advanced hotel technologies and the development of resources in these regions, which makes it possible to provide tourists with more comfortable accommodation. Details of individual indicators of the development of the hotel industry by country are analyzed in Table 2 (calculated according to the data of http://mkg-group.com/en/mkg-group-hotel-expert/).

Table 2	
Dynamics of hotel industry development in the countries of the world as of January 1, 2018	
Indicator of hotel industry development	**Countries**

Capacity of the hotel fund	3.5 million rooms	USA
	1.65 million rooms	Japan
	1 million rooms	Italy
	0.5 million rooms	France, Spain, England, China, Australia
	0.3 million rooms	Austria, Mexico, Canada, Greece
	0.15–0.23 million numbers	Thailand, Russian Federation, Indonesia, Turkey
	Less than 0.15 million rooms	Switzerland, Brazil, Argentina
Growth rate of hotel fund		Turkey, China, Malaysia, Singapore, Morocco, Spain, Germany, Argentina
The largest international tourist exchange	More than 3 million hotel rooms	Turkey, China, Malaysia, Singapore, Morocco, Spain, Germany, Argentina
	More than 2 million hotel rooms	Germany, France, Spain, England
	900 thousand rooms	Austria, Mexico, Canada
	550 thousand rooms	Greece, the countries of the former Yugoslavia
The greatest pace of hotel construction		China, Turkey, Morocco, Singapore, Malaysia
World indicators of hotel industry development		
Number of hotels, thousand units		307.7
Number of hotel rooms, million units		11.1
Growth rate of hotel rooms fund, %		10-15
Number of employees of the hotel industry, million people		11.2
Average loading of hotels in the world, %		67.7
Average world income per room, US dollars		84.4

Among the tendencies in the development of the hotel industry in the world, there should be noted a tendency towards an increase in the number of international hotel chains (associations of hotels that have centralized management and form a single economic complex). Such situation is positive for the hotel industry of the country as a whole from the point of view of corporate regulation of the quality of hotel services, knowledge of the hotel brand by clientele, however, the disadvantages of chain formation is the loss of competitiveness of small hotel establishments operating in a particular region.

The tendencies in the functioning of hotels all over the world are the fact that booking and payment for hotel accommodation via the Internet and travel agents are activated, average prices for hotel accommodation are rising, the demand for additional hotel services (saunas, swimming pools, gyms, accesses) on the Internet and iPod stations) is expanding.

Now the first place is increasingly given to non-price factors, in particular, the image of the company, its trade mark, brand and external communication influences (advertising, propaganda/public relations), Internet technologies and the like are becoming more active. Consequently, it can be stated that the globalization of the economy and international competition require a new approach to the theory of competition.

Such approach is that the three-factor models that were previously used to analyze competition (income, expenses, profits) (Tetiana et al., 2018; Kvilinskyi & Kravchenko, 2016), do not quite reflect the tendency of transition from a technological civilization to an information

one. We need such models that illustrate not only standard economic ideas (income-profit, distribution—appropriation of profit), but political and moral ideas that are relevant to the whole society.

In the context of globalization, the economy must proceed from the consumer values of a person, that is, the market atmosphere must change. At the same time, additional factors in modern models of the economy are: consumer preferences, respectability, prestige, means of risk reduction, and the like.

Thus, in the modern conditions of the hotel business, we are dealing with models that are called complex adaptive nonlinear models that look more like biological than mechanical systems. In other words, the engineering approach/study of effect-the creation of a mechanism for this effect is complemented by a technological approach (complex combination of activities), that is, an economic multiplier (profit) is complemented by a technological multiplier.

Thus, competition as the main factor in the global market development is complemented by a vector focusing on the competition impact on the consumer, that is, the competition of consumer preferences. In fact, the communication impact on the consumer of services is sharply enhanced, and the communication marketing has emerged and is developing rapidly.

On the other hand, consumer demands have become significantly more complicated due to the fact that the development of civilization is moving towards the formation of an information society, determined by new information and communication technologies. In response to these challenges, hotels began to create their corporate sites.

The world has fundamentally changed in connection with the implementation and development of communication technologies, and the rate of change of communication technologies is decisive (Zareie & Navimipour, 2016; Yang & Cai, 2016; Karpenko et al., 2018; Nakashydze & Gil'orme, 2015). The key concept is the *"speed"* of changes in the nature of the business, operational management of business processes, consumers' lifestyle and their requests under the influence of all available information.

Thus, the communication impact on the consumer becomes very significant, and in business-even the decisive one. The main thing is that it is carried out mainly by non-price means of competition, which determine the competitiveness of the hotel company and are means of communicative marketing (marketing of non-price ways of competition), which includes: the creation of a database of actual and potential buyers; the possibility of feedback; the ability to further change the impact on the consumer.

A point of the current moment is set on the time axis-this is the present time. The management (together with the management team) should clearly define what it is not satisfied with or worried about. The signs describing this condition-symptoms are described. Subsequently, we determine what causes the time point in the past. The symptoms and the causes together form the current problem condition. This is the starting point of reference. After that, the next point on the time axis is determined-the future, which identifies Outcomes, that is, those that the company would strive to achieve (for example, to become a leader in the number of accommodation services provided for foreign guests in the region). This will be the desired condition, which should come to replace the problem condition.

Having formed their collective view of this, team members determine the Effects-the long-term consequences of achieving results-a stable business reputation, an attractive image, sustainability in the market, and an increase in the number of foreign guests. And this is a description of the final-the desired result.

The final step in the *"SCORE"* model is to identify those Resources that will eliminate symptoms, causes, and ensure the achievement of results and effects. Resources are the means of moving a company from a problem to a desired condition. Thus, change management is practically implemented in a company—its employees consistently change the activity of a company by acquiring new collective organizational skills.

And if traditionally guests use the hotel reservation system, then in high season hotels often are influenced by rebooking and price factors, while for hotel counterparties the position of the hotel company is important in relation to general economic factors, economic and territorial factors and factors of commercial attractiveness.

These studies are in accordance with the study of Attila (2016). In the conditions of market relations, personal interests influence the actions of participants in economic activities. Competition corrects their actions and directs them to the mainstream, which is favorable for society. As a result, the company that more successfully meets the needs and expectations of consumers wins (Tetiana et al., 2018a; Kwilinski, 2017:2018a:2018b:2018c:2018d). This is confirmed by the results of our study.

CONCLUSION

Each hotel company, which predicts its international competitiveness, is obliged to plan its current and strategic activities, developing a new type of service for foreign guests, optimize costs, and also form competitive advantages over already existing foreign guests or form potential ones.

For small hotels that are focused on independent functioning as an operating unit, the following indicators should be identified that will influence international competitiveness: company performance; effectiveness of achieving strategic and tactical goals of activity; effectiveness of control systems.

RECOMMENDATIONS

Hotel chains need to more extensively study the elements of competitiveness, as they operate globally. For such chains, which are known worldwide, the following indicators can be recommended that will influence international competitiveness: practicability of using the property of a company to achieve its strategic and tactical goals of activity; compliance with legal requirements and terms of use of the franchise; correctness of the operating remuneration for contract management by a professional hotel company; efficiency of the company in the hotel chain; effectiveness of control systems and the implementation of management decisions.

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