UDC 338.488.2:640.4
JEL L80, M11, Z31
DOI: 10.26906/EiR.2023.1(88).2876

HOTEL CHAINS IN UKRAINE: STRUCTURAL AND SPATIAL ORGANIZATION AND THE TRENDS IN THE HOTEL BUSINESS CORPORATIZATION

Igor Pandyak*, PhD in Geography, Associate Professor,
Ivan Franko National University of Lviv
Halyna Kushniruk, PhD in Economics, Associate Professor,**
Ivan Franko National University of Lviv
Pavlo Telish*, PhD in Geography, Associate Professor,**
Ivan Franko National University of Lviv

**ORCID 0000-0001-8060-4389*
***ORCID 0000-0002-0242-9746*
****ORCID 0000-0002-2319-0367*

Стаття отримана редакцією 18.02.2023 р.
The article was received by editorial board on 18.02.2023

Introduction. Corporatization of hotel business constitutes an important component of the hospitality and tourism industry, with a trend towards embracing a larger market share. The presence of hotel chains in the macro-regional and national markets differs considerably depending on the simultaneous effect of internal corporate factors (company size, resources, corporate strategy, international experience, degree of internationalization, etc.) [10], as well as the country-level (regional) specificity – economic capacity, purchasing power of local residents, political stability, taxation system, import tariffs, local competition, etc. [5]. Depending on the joint effect of the above factors, availability of hotel chains in the regional markets differs considerably. For example, in the USA and Canada they stand for 67 % of the room stock, in Western Europe – 26 %, in the Asian and Pacific region – 28 %, in the Middle East and Africa – 23 %, in Latin America – 20 %, while the share of corporatization of the market of hotel services in the countries of the Central and Eastern Europe is low, with some of them having the share of rooms in the chains under 5 % [21].

The focus of the article is on the development of corporate forms of hotel business in markets with low level of competition, development of consolidated types among the national and international operators, the causes of the dynamic nature of the processes, reflected in qualitative and quantitative chain indicators. Considerable differences have been traced between the national and international hotel operators in terms of the market expansion strategy. Ukrainian operators are lagging behind international ones as far as organization's experience, assets are concerned, and they are guided by the highest demand.

Analysis of recent research and publications. The first researches of hotel chains in Ukraine were launched when such chains appeared in 2003. However, the researches of Lyubitseva O., Melnichenko S., Buryak T., Shevchuk V., Bordun O. are mainly focused on the narrow aspect of the formation and development of corporate forms [12; 14; 18]. Modern strategies of highly competitive organization of hotel chains were studied by I. Pandyak [17]. Ivanova M., Ivanov S. & Magnini V. note in their research that corporate consolidation strategy in production and sales of goods and servicing with additional competitive edges has become the core tool of the hospitality market internationalization [11].

Many researches, including Assaf A., Josiassen A. & Agbola F., stress the importance of a set of factors characteristic of a specific country in the choice of hotel chain placement [1]. Development of national and international hotel operators in Ukraine in the researches of scientist I. Bezugliy is viewed through the prism of business and tourist attractiveness of the country [2].

Objectives of the article. The purpose of the article is to analyze special development characteristics and to identify the effect of the core factors on the structural and spatial organization of hotel chains in Ukraine.

The core objectives include the following: to characterize the theoretical and methodological principles of hotel chain study as the main trend in modern hotel business development; to analyze modern approaches to the development of corporate forms in hotel business; to trace the relation of corporatization in Ukraine to the development of hotel chains in the previous social and economic system; to analyze modern structural and spatial organization of hotel chains in Ukraine; to trace special characteristics of expansion of the national and international hotel operators in the Ukrainian market; to clarify the correlation between the core characteristics of the development of regional urbanization centres as important factors of hotel industry corporatization.

Research methods. The research uses qualitative and quantitative methods. Qualitative methods include expert evaluation and expert interview and ensure understanding of the corporatization phenomenon, the features of expansion of hotel operators onto the market under study. The methods of classification, systematization, and taxonomy have been used to ensure understanding of the expansion depth. These methods provide for scientific substantiation of the structural distribution of facilities by their type, their comparison, identification of significant characteristics, functions, connections, levels of organization.

Applied quantitative methods of identifying the relationship between corporatization factors, of tracing dependence between them and effect on hotel chains include statistical, sociological, mathematical method, correlation method [19]. Statistical methods have ensured clarification of the dependence between the main criteria of city development and hotel chain parametres. Sociological method has been applied to study the factors influencing corporatization, and the data of the rating agency “Euro-Rating”, rating journal “Focus” and others has been used as the basis. According to this data, city ranking has been established for the cities where chain hotels are located on the basis of the total score within each criterion.

The main material of the study. Appearance of international and national hotel operators in the Ukrainian hospitality market was caused by more rigid competition in the market of services, global corporatization and monopolization trends in the global economy. Corporatization in hotel business is caused by the advantages of high production capitalization, different forms of consolidation of hotel business and other types of business, a considerable increase in the level of servicing and organization of tourist flows, a considerable effect on the consumer of quality brand [13]. Today international hotel chains have become an important system-shaping power transforming basic advantages of countries, regions and their competitive edges into almost absolute ones.

In the experience of countries with high level of monopolization in the market of hotel services a leap-like effect in the improvement of the level of servicing could be traced with the appearance of hotel operators, however, later, as the result of moral ageing, technical characteristics of the service were not upgraded. Other important drawbacks include financial and economic losses resulting from outflow of considerable assets abroad by investors of international corporations. Investors of luxury brand hotels invest a lot of money into chain expansion in the most attractive tourist centres and areas, making local independent hotel companies close or re-locate to less attractive areas [15].

International hotel operators often import qualified staff, depriving the staff of local hospitality institutions of any opportunities for professional and career growth [3]. Brand companies prefer import equipment, technical provision, beverages, etc. [4]. Introduction of unified standards of servicing levels the developed national hospitality features manifested in moral and ethical as well as material forms. That is why the strategy of corporate form development in the hotel industry of Ukraine should rather aim not just to engage international operators, but to contribute within the market balance to the development of national highly competitive hotel operators capable of efficient expansion onto the national and global hospitality market.

According to global trends, the future of hotel business is with national hotel chains which, similar to international operators, standardize their hotel product adjusting it to cultural characteristics of the country of their location. The choice of the country, region for placing a hotel chain is characterized by some special features stemming from the hotel industry characteristics: chain location, capital intensity, and, most important, demand [19]. Unlike in case of goods and most services, it is the consumer who chooses the point of business or tourist attraction. Thus, hotel companies are more dependent on the factors of the macro-environment of their prospective location and are particularly vulnerable to economic, political, and environmental changes that do not promote business and tourist attractiveness. That is why hotel chains mainly expand using not joint-stock entry methods, like management contract, franchise, lease, marketing consortium [6]. Such forms of expansion enable hotel operators to expand with no requirements of having capital for construction, acquisition of hotel property, reduce the risks of developing networks caused by anti-monopoly legislation, and other barriers on the way to market corporatization [8; 9]. Besides that, such forms of management make it easier for hotel chains to leave politically and economically unstable countries, regions.

The basis of considerable hotel business capitalization lies in high profitability that is reinforced in Ukraine due to favorable conditions of unsatisfied demand for services of the international quality level. Modern corporatization of the Ukrainian hospitality market results from the evolution of political and economic as well as social systems in the state. The first consolidated forms of hotel business were created back in the early-mid 20th century [7]. Hotel chains Inturyst and Suputnyk were monopolists in the tourist infrastructure back then. Inturyst, Suputnyk a bit less, focusing on foreign guests, did not meet the then international standards of the quality of servicing, the range of services anticipated by foreign tourists and businessmen. Newly built hotels were designed under the standards characteristic of the residential sector, were characterized by inconvenient planning of premises, in particular residential ones, low-quality equipment. The tourism sector focused on large hotel companies located in attractive largest cities open for foreign guests. Subordinated to the state or trade unions, tourist companies were viewed as non-profit and non-priority for development.

When unions, associations, managing companies started popping up in the late 1990s – early 2000s, projects were launched to establish a model of national chains in Ukraine, and foreign operators started appearing in the market. The first national operators faced the problem of lack of experience of centralized management in market conditions, common company style, standards of servicing, marketing, and effective sales, brand development. On getting some experience of corporate management, in particular thanks to foreign investors, consulting companies, the operators expanded their portfolios of participants with new companies, while some of them diversified by projects implemented abroad.

The hotel services market of Ukraine is currently at the stage of formation, that is why corporate forms have not acquired an important role in its structure. As of early 2019, there were 1,626 hotels functioning in Ukraine, of which 113 (6.9 %) belonged to chain hotels [20].

It is expedient to divide the market of corporate hotel forms of Ukraine into two groups by its structure – international and national chains. As far as market coverage is concerned, national hotel chains prevail over foreign operators. They account for 93 (82.3 %) enterprises that geographically and structurally are more uniformly dispersed between all market segments.

According to the main criteria, hotel chains are unions of companies under the general brand, with common standards, management strategy, own sales system, developed portfolio containing several thousands of rooms. Two operators can be considered recognizable in Ukraine – Premier Hotels and Resorts and Reikartz Hotel Group. In 2019 there were 8 national chains functioning in the market of hotel services in Ukraine, and they have been developed out of 93 companies, 2 of which are general national ones, and 6 – local.

As compared to foreign hotel operators, Ukrainian operators take just a small share of the global market of hotel services, while most of which limit their activity to doing business within the national market. Quick capture of the Ukrainian market and foreign market entries by the operators testify to high capitalization in the domestic market, combination of management forms and segmentation in business organization. As far as organization is concerned, most hotels are fully or partially owned by hotel chains, and some of them function under franchising terms, and a small share – under management and lease agreement.

Considerable diversification of national operators is caused by non-uniform demand, resident differentiation by income, increased competition, challenges related to doing business. To meet the needs of prospective clients of different profiles, one hotel chain normally unites institutions of different categories and specialization. This special characteristics primarily refers to the Reikartz Hotel Group chain that meets consumers' demand for the 3–4 star quality, offering services both for business category, and for tourists coming for urbanistic leisure and resort recovery. Reikartz Hotel Group is the most successful hotel corporation in Ukraine with quick capitalization. In 2019 the average accommodation rate of all hotels in the chain made up 60 %, payback period of investment into facility reconstruction and completion made from 1.5 year. Cooperation with new members-chain participants is established by the managing company on the franchising basis.

Another consolidated group Premier Hotels and Resorts is the first national hotel operator founded in 2003. In 2019, the chain took the second place by the number of hotels and market share (18 and 19.4 %, respectively). The operator focuses on the 2–5 star segment, with location in large cities – centres of business activity.

The operator cooperates with partner hotels willing to enter the chain under the management contract and on the franchising basis.

Local integrated hotel business forms in Ukraine should be considered as the initial stage of national- and transnational-type hotel chain development. Such local hotel chains as Royal Hotel&Spa Resorts, Dzhem, Tourist Complexes Chain 365, Black Sea Hotels, 7 Days, Senator Hotels and Apartments have been established in Ukraine. Narrow specialization, absence of category, undeveloped brand, professional management are their common features, as well as spatially limited organization and the number of companies integrated into the network.

Ukrainian hotel operators are characterized by the following special features:

– all companies are at their establishment stage, that is why no common and unified brand standards have yet been developed. This is caused by the special characteristics of asset development mainly from the old USSR hotels reconstructed and with capital repairs, or residential buildings re-planned into the “business hotel” segment of the 3–4 star category;

– Ukrainian hotel operators are lagging behind international ones in terms of their experience of organization, assets, focusing on the niche demand developed mainly within the 3-4 star price segment. The 4-5 star market segment is saturated with international operators. The trends to opening of new middle-class hotels by Ukrainian chains will still be there since this price segment is mostly in demand;

– only two chains in Ukraine (Reikartz Hotel Group and Premier Hotels and Resorts) correspond to the status of national, with a well-developed portfolio of several thousand rooms, geographic coverage of the whole state and meeting the criteria of full-fledged organization;

– national chains are represented by small- and medium-sized businesses under different brands in order to correspond to considerable population differentiation by the level of income and to embrace a wider segment of services. Some operators are characterized by the conglomerate form of corporatization that combines consulting, construction, and management;

– prevalence of local chains over general national ones is caused by the lack of initial capital, market risks as well as experience, and, as the result, there is just a narrow interest of operators in structurally differentiated projects, prospects of cooperation with other hotel market entities, they generally often perceive this business as fragmentary;

– it is not characteristic of the national chains to reflect cultural identity in functional elements – name, interior, cuisine, and other components foreign guests primarily expect to see;

– Ukrainian national hotel chains are mainly developed out of own equity, their expansion occurs as the result of purchasing of new companies. Unlike Ukrainian ones, international chains have been trying over the recent decades not to possess assets, they are actively selling them, leaving only what they need for different forms of management services for business owners;

– managing companies of famous Ukrainian national chains are trying to embrace a large scope of organization not just due to asset acquisition, they are considering different options of partner, independent company engagement in the hotel business. Portfolios of such operators have the share of franchising, other management agreements, and they are also applied in a combined format.

Appearance of foreign hotel operators in Ukraine reflects quality changes in the national market of hospitality services. Today the global hotel economy mainly consists of the operators of post-industrial countries. American and European hotel chains that have entered the Ukrainian market are spreading new approaches to hotel business organization, introducing innovations, launching advanced production standards. The standards of international operators’ service in Ukraine are confirmed by official classification.

In 2019, there were 20 companies with the general room stock of 4.016 rooms managed by international hotel operators in Ukraine [20]. International hotel operators, while launching their facilities in Ukraine, focused on the “4-5 star” category of considerable capacity, over 100 rooms, and were located in the largest cities – centers of business activity, tourism, and resort economy.

The strategy of focusing on the narrow market segment considerably reduced regional expansion of foreign operators, while Ukrainian hotel chains focus on small facilities of the 3-4 star category and a wide regional expansion. Today, the companies of international operators are mostly concentrated in Kyiv – 14, Lviv – 4, in Odesa – 2, in the mountain resort Bukovel – 1. The structural and spatial choice of destinations of doing business reflects the perception of the Ukrainian market of hotel business by foreign operators since the hotel market of Ukraine is so far just potential market for them. They are mastering special characteristics of operation in the national economic conditions, trying to analyze the nature of demand, financial risks. That is why brands with considerable organizational and economic capacity and the least participation in terms of assets are entering the hospitality market of Ukraine, and in case of bankruptcy the losses for the corporation will be least noticeable.

The largest in terms of the number of companies, structurally and spatially diversified in Ukraine is French corporation Accor Group. It is represented by six brands: Ibis, Ibis Styles, Fairmont, Mercure, MGallery and Adagio. British corporation Inter Continental Hotel Group is represented in Ukraine by two hotel brands of the 4-5 star category, focusing on the business segment, and cooperation with owners occurs via management under the contract. Similar expansion strategy is being developed by Hilton Worldwide that functions within one hotel brand Hilton Hotel&Resort and one Hilton Kyiv (5-star) hotel. Hayatt Hotels Corporation has opened its hotel Hyatt Regency Kyiv, Marriot International is represented by 11 Mirrors Design Hotel (4-star) in Kyiv. American hotel operator Wyndham Hotels & Resorts is represented by two hotels of the 3-4 star category of Ramada by Wyndham brand, located in Kyiv and Lviv. Radisson Hotel Group consists of such famous brands as Radisson Blu and Radisson.

The main special characteristics of international brands in Ukraine include the following:

– in the Ukrainian market of hotel services there can be traced monopoly of European (50 %) and American (45 %) operators that have developed modern production standards, are implementing the mechanism of approval in correspondence with special regional characteristics, and are introducing innovations and technologies in the hotel business;

– foreign operators are represented by small groups, occasional hotels, and their nature of entering reflects the initial stage of expansion. The focus in the economic strategy is on minimum risks and financial efficiency, that is why, when they enter the market, companies invest not into assets, but into forms of management. Most operators function on franchising terms (75 %), and the other ones – 25 % – under management contracts;

– investment into large projects, with the capacity of more than 100 rooms, profitable under different forms of management;

– focus on the unfilled niche of high-category 4-5 star hotels functioning in compliance with international standards, in some cases – with a clearly manifested concept, less – on the 3-star category;

– specialization in two directions is noticeable among foreign operators: business segment, as well as recreation and active leisure;

– all foreign hotel operators work under unified principles and standards of hotel brands they belong to and are considered to be the least unprofitable in the system of hotel business organization forms, since at any time they can get the corporation's support;

– foreign operators are characterized by narrow functionality, they embrace consulting of hotels-candidates for the chain that is required for the sake of launching activity, developers, and they focus on management, in some cases also ensuring top management;

– foreign hotel chains have developed some competition in the 4–5 star segment are developing a new approach to hotel business organization, and they have considerably affected the quality of services;

– high culture of doing business is reflected in professional diligence, the declared servicing standards are confirmed through categorization with 100 % of companies;

– international operators are characterized by narrow regional expansion, they focus on the largest cities – centres of business, event, recreational activity, with expected quick profitability in currency.

A certain resource for foreign brand expansion is still there due to the lagging of the Ukrainian hotel business behind in professional management, outdated assets, irrational project organization, lagging behind in professional branding development, development of the original corporation model.

To trace the correlation between the main functional characteristics of the development of regional urbanization centres and hotel business corporatization, the score evaluation of cities has been applied (maximum 5 or 10 points). In most cases some correlation can be traced between the score of every city and the number of hotels (Table 1).

The total rating score of cities fluctuates within 14.3 (Kropyvnytskyi) – 53.7 (Kyiv). The rating score of Kyiv, Lviv, and Odesa is noticeably different by many criteria, since 55.9 % of all chain hotels and 90 % of international operators are located there.

The rating score correlates with the number of chain hotels in other cities – Kharkiv, Dnipro, and Poltava, where 2-3 chain hotels are located, while the total ranking score exceeds 25. Only Kherson is an exception here, with the score (18.7) that is attractive for national chains due to seaside location (Table 2).

Table 1

The main criteria of social and economic characteristics of Ukrainian cities, 2019

	City	Average salary, thousand UAH	Investment attractiveness, bln. UAH	The cost of purchase of one-room apartment in the secondary market, thousand UAH	The price of one-room apartment lease, thousand UAH	Employment of work-capable residents, %	The number of schools that were included into the rating "100 best schools of Ukraine" in 2019, units	Emission of polluting substances into the atmosphere per 1 km^2, 2018	Depopulation of residents per 1 thousand persons, 2019	Crimes against life and health calculated per 100 thousand persons, 2019	Passenger flow of airports, thousand persons, 2018
1	Kyiv	16.2	242	630	7	69.5	44	34.8	0.4	5.5	15,400
2	Khmelnytskyi	9.1	156	440	3	64.7	1	1.1	4.2	4	0
3	Lviv	9.7	195	836	6	65.9	12	4.9	2.7	3.8	1,600
4	Poltava	10.1	213	431	3.5	65.2	1	1.8	5.3	6.1	1
5	Vinnytsia	10.3	198	670	4	66.2	2	3.7	4.4	6.9	61
6	Zaporizhzhia	10.9	152	400	2.6	66.9	4	6.4	5.2	7.4	400
7	Kharkiv	9.5	153	561	5	72.1	6	1.4	4.5	7.7	963
8	Rivne	9.4	166	573	3.3	62.4	1	0.5	1.3	4.8	6
9	Cherkasy	9.7	140	488	3	69	2	2.8	5.6	6	0
10	Ternopil	8.8	175	595	3.4	60.9	2	0.7	4	2.3	0
11	Dnipro	11.3	194	540	4	69.2	6	19.2	4.9	9.4	299
12	Mykolayiv	10.3	163	463	3.4	68	1	0.5	4.6	9.6	0
13	Lutsk	9.2	203	529	3	57.3	3	0.3	2	5	0
14	Ivano-Frankivsk	9.5	133	447	3.2	61.3	2	15.9	2.6	3.5	113
15	Sumy	9.1	119	420	2.3	67.6	2	0.9	5.6	7.7	0
16	Zhytomyr	9.1	147	483	3.5	65.7	0	0.4	4.7	8.1	0
17	Odesa	9.5	167	757	5.9	67	4	1.1	3.2	8.3	1,447
18	Uzhhorod	9.6	158	607	4	61.6	0	0.3	1.6	5.3	0
19	Chernihiv	8.7	97	459	2.9	68	0	0.9	7.5	7	0
20	Chernivtsi	8.6	147	731	3.8	59.5	2	0.3	1.9	2.8	72
21	Kropyvnytskyi	8.9	125	397	2.8	63.8	1	0.5	5.4	9.4	0
22	Kherson	8.6	90	543	3.5	68.5	1	0.4	4.3	8.6	150

Source: calculated according to: Most comfortable cities of Ukraine, 2019 [16]

Also, to identify the degree of connection between separate indicators, Pearson correlation factor has been used as an important factor affecting the presence of hotel operators in the main regional centers of Ukraine. This factor characterizes linear dependence and is widely used for measuring the degree of dependence between the two variables.

Correlation factor may have the value from −1 to +1. The +1 value testifies to the dependence between the two indicators X and Y, and all function indicators reflect Y growth in case of X growth. The −1 value shows that all points are located on the straight line that reflects Y decrease in case of X growth. If Pearson correlation factor approaches 0, there is no linear correlation between variables. The closeness of connection is considered to be high if the value of the indicator exceeds 0.5. In the research correlation has been traced between the most important functional characteristics of cities (average salary, investment attractiveness, average price of one-room apartment purchase and rent, passenger flows in airports, etc.) and the number of companies owned by hotel operators (Table 3). Functional characteristics of cities – absolute indicators and ranking score – are based on the results of the studies held by famous Ukrainian sociological centers and the State Statistics Service.

Calculation of the degree of linear dependence on the basis of Pearson factor has shown high correlation between the number of chain hotels in the regional centers and the volume of passenger flows in airports (0.97),

Table 2

Correlation between the distribution of chain hotels and the total rating score of the main functional characteristics of Ukrainian cities, 2019

	City	Rating according to average salary, points (max 10 points)	Rating according to investment attractiveness, points (max 10 points)	Rating according to the price of one-room apartment, points (max 5 points)	Rating according to the price of renting one-room apartment, points (max 5 points)	Rating according to employment of work-capable population (max 10 points)	Rating in accordance with the number of best schools (max 5 points)	Rating in accordance with emission of polluting substances into the atmosphere, (max 5 points)	Rating according to depopulation of residents (max 5 points)	Rating in accordance with crimes against life and health (max 5 points)	Rating in accordance with passenger flow of airports (max 5 points)	Total Rating score	Number of chain hotels, units
1	Kyiv	10	10	2.7	5	8.2	5	0	5	2.8	5	53.7	32
2	Khmelnytskyi	0.7	4.3	0.5	0.7	5	0.1	4.9	2.3	3.8	0	22.3	0
3	Lviv	1.4	6.9	5	3.9	5.8	1.4	4.3	3.4	4	0.5	36.6	9
4	Poltava	2	8.1	0.4	1.3	5.4	0.1	4.8	1.5	2.4	0	26.0	2
5	Vinnytsia	2.2	7.1	3.1	1.8	6	0.2	4.5	2.2	1.8	0	28.9	1
6	Zaporizhzhia	3	4.1	0	0.3	6.4	0.5	4.1	1.6	1.5	0.1	21.6	2
7	Kharkiv	1.2	4.1	1.9	2.9	10	0.7	4.8	2.1	1.3	0.3	29.3	4
8	Rivne	1.1	5	2	1.1	3.4	0.1	5	4.4	3.3	0	25.4	1
9	Cherkasy	1.4	3.3	1	0.7	8	0.2	4.6	1.3	2.5	0	23.0	2
10	Ternopil	0.3	5.6	2.3	1.2	2.4	0.2	4.9	2.5	5	0	24.4	0
11	Dnipro	3.6	6.8	1.6	1.8	8	0.7	2.3	1.8	0.1	0.1	26.8	1
12	Mykolayiv	2.2	4.8	0.8	1.8	7.2	0.1	5	2	0	0	23.9	3
13	Lutsk	0.8	7.4	1.5	0.7	0	0.3	5	3.9	3.2	0	22.8	0
14	Ivano-Frankivsk	1.2	2.8	0.6	1	2.8	0.2	2.7	3.5	4.2	0	19.0	1
15	Sumy	0.7	1.9	0.3	0	7	0.2	4.9	1.3	1.3	0	17.6	2
16	Zhytomyr	0.7	3.8	1	1.3	5.6	0	5	2	1	0	20.4	1
17	Odesa	1.2	5.1	4.1	3.8	6.6	0.5	4.9	3	0.9	0.5	30.6	10
18	Uzhhorod	1.3	4.5	2.4	1.8	3	0	5	4.2	2.9	0	25.1	0
19	Chernihiv	0.1	0.5	0.7	0.6	7.2	0	4.9	0	1.8	0	15.8	1
20	Chernivtsi	0	3.8	3.8	1.6	1.4	0.2	5	3.9	4.7	0	24.4	0
21	Kropyvnytskyi	0.4	2.3	0	0.5	4.4	0.1	5	1.5	0.1	0	14.3	1
22	Kherson	0	0	1.7	1.3	7.6	0.1	5	2.3	0.7	0	18.7	2

Source: own elaboration

the number of best schools (factor 0.96), average salary (0.85), price of one-room apartment rent (0.80), polluting substance emissions (0.74), investment attractiveness (0.50). Instead, correlation of corporatization of the hotel business of cities with depopulation (- 0.43), population employment (0.37), price of one-room apartment purchase (0.35) is average. No correlation with the criminal situation has been traced (- 0.003).

Conclusion. Appearance of national and expansion of international hotel chains in the Ukrainian market of hospitality services prompted development of corporate forms, segmented the supply market in terms of the type and quality of the hotel product, urged the Ukrainian hospitality industry to come closer to the general global competitive conditions due to professional management, market monitoring, high level of trust in the trade mark, product uniqueness. National operators are mainly mastering the market with middle-class projects, are borrowing the experience of international brands in business organization, standard, technology dissemination, ensuring financial and economic performance.

Table 3

Pearson correlation factor between the number of chain hotels and the main functional characteristics of Ukrainian cities, 2019

Basic functional characteristics of Ukrainian cities	Pearson correlation factor
Average salary	0.852938598
Investment attractiveness of the city	0.504515094
The cost of purchase of one-room apartment in the secondary market	0.347900116
The price of rent of one-room apartment	0.797332486
Employment of work-capable population	0.373952961
The number of schools that were included into the rating "100 best schools of Ukraine" in 2019	0.957890498
Polluting substance emissions into the atmosphere	0.741563033
Depopulation of residents	-0.43395794
Crimes against life and health	-0.00327219
Passenger flow of airports	0.965517669

Source: own elaboration

In the future, it is necessary to expect a higher role of national hotel operators, deepening of their commodity specialization and segmentation in the quality component. It is necessary to expect higher activity of national operators in the international market with expansion not just onto the highly-competitive European market, but onto the markets of the neighboring post-Soviet states with a similar structural and spatial organization of the hotel business as in Ukraine.

The rating score and Pearson correlation factor between the core factors of development of large regional centres and the number of hotel chain companies used in the research reflect the largest dependence of operators on the direct pre-conditions of business activity, tourism, and recreation – volume of passenger flows, quality of education, salary size, price of housing rent, investment attractiveness, and less – on criminal situation, depopulation figures.

Slow expansion of international and national hotel operators onto the Ukrainian market is caused not just by social and economic as well as political problems of Ukraine. Uncertainty of the strategy of tourism and hospitality development in the state policy also plays an important role. One of the aspects is regulatory and legal uncertainty in relation to foreign investors in transactions with land, lack of systemic approach in the categorization that causes unequal competition with independent hotels, and, hence, financial risks faced by operators.

REFERENCES:

1. Assaf, A. G., Josiassen, A., & Agbola, F. W. (2015). Attracting International Hotels: Locational Factors that Matter Most. *Tourism Management*, 47, pp. 329–340. DOI: https://doi.org/10.1016/j.tourman.2014.10.005
2. Bezugliy, I. V. (2018). Innovative basis of formation of national hotel chains of Ukraine. *Global and national economic problems,* 22, pp. 136–141.
3. Čelić, I., Milićević, S., & Đorđević, N. (2021). Staff training and development: A comparative analysis of national hotels in Serbia and international hotel chains. *Megatrend revija*, 18(3), pp. 89–110. DOI: https://doi.org/10.5937/MegRev2103089C
4. Chen, L.-F. (2019). Hotel chain affiliation as an environmental performance strategy for luxury hotels. *International Journal of Hospitality Management*, 77, pp. 1–6. DOI: https://doi.org/10.1016/j.ijhm.2018.08.021
5. Cosma, S., Fleşeriu, C. & Bota, M. (2014). Hotel chain's strategic options to penetrate the Romanian market. *Amfi teatru Economic,* 16(8), pp. 1352–1365.
6. Cunill, O. M. (2006). The Internationalization-Globalization of Hotel Chains. In *The Growth Strategies of Hotel Chains: Best Business Practices by Leading companies*. New York: Haworth Hospitality Press. DOI: https://doi.org/10.4324/9780203820810
7. Dovhal, H., & Danko, N. (2017). International hotel chains: world experience for Ukraine. In *Modern trends in hotel and restaurant business development: international and national experience*. V. N. Karazin Kharkiv National University, pp. 110–127.
8. Franzoni, S., & Avellino, M. (2019). Sustainability Reporting in International Hotel Chains. *Symphonya. Emerging Issues in Management*, (1), pp. 96–107. DOI: https://doi.org/10.4468/2019.1.08franzoni.avellino
9. Graziano, H. (2021). Responsibility and Sustainability in International Hotel Chains. In F. Grasso & B. S. Sergi (Eds.). *Tourism in the Mediterranean Sea,* pp. 143–166. Emerald Publishing Limited. DOI: https://doi.org/10.1108/978-1-80043-900-920211012
10. Ivanov, S., & Ivanova M., (2017). Determinants of hotel chains' market presence in a destination: A global study. *Tourism: An International Interdisciplinary Journal,* 65 (1), pp. 7–32.

11. Ivanova, M., Ivanov, S. & Magnini, V. (Eds.) (2016). The Choice of Type of Affiliation to a Chain by the Individual Hotel. *Routledge Handbook of Hotel Chain Management*. London: Routledge, pp. 395–405.

12. Lyubitseva, O. O. (2002). *Market of tourist services (geospatial aspects).* Alterpress, 436 p.

13. Malska, M. P., & Pandyak, I. G. (2012). *Hotel business: theory and practice*. Center for Educational Literature.

14. Melnichenko, S., & Buryak, T. (2014). Hotel chains on the tourist services market of Ukraine. *Bulletin of KNTEU,* 3, pp. 5–15.

15. Morozova, E.A. (2013). Formation of a network hotel product in the context of trends in globalization and internationalization of foreign trade markets. *Economy and law,* 12, pp. 81–84.

16. Most comfortable cities of Ukraine 2019. Available at: http://www.ier.com.ua/ua/mci/Report_19-20 (accessed January 15, 2023).

17. Pandyak, I. (2016). Modern strategies of highly competitive organization of hotel chains. *Journal of Geography, Politics and Society*, 6 (4), pp. 72–76.

18. Shevchuk, V., & Bordun, O. (2020). Strategies of international hotel chains and determinants of planning their development in Ukraine. *Economic analysis*, 30(3), pp. 190–196. DOI: https://doi.org/10.35774/econa2020.03.190

19. Song, B. D., & Ko, Y. D. (2017). Quantitative Approaches for Location Decision Strategies of a Hotel Chain Network. *International Journal of Hospitality Management*, 67, pp. 75–86. DOI: https://doi.org/10.1016/j.ijhm.2017.08.004

20. State Statistics Service of Ukraine (2020). Official website. Available at: https://ukrstat.gov.ua (accessed January 15, 2023).

21. UNWTO World Tourism Barometer (2020). Available at: https://www.e-unwto.org/toc/wtobarometereng (accessed January 15, 2023).

UDC 338.488.2:640.4
JEL L80, M11, Z31

Igor Pandyak, PhD in Geography, Associate Professor, Head of the Department of Hotel and Restaurant Business and Food Technologies. **Halyna Kushniruk,** PhD in Economics, Associate Professor, Associate Professor of the Department of Hotel and Restaurant Business and Food Technologies. **Pavlo Telish,** PhD in Geography, Associate Professor, Associate Professor of the Department of Rational Use of Natural Resources and Nature Protection, Ivan Franko National University of Lviv. **Hotel chains in Ukraine: structural and spatial organization and the trends in the hotel business corporatization.**

The article improves the theory and methodology of the corporatization of the hotel services market of Ukraine by national and international operators. The main types of operators of the Ukrainian hotel market are highlighted. The peculiarities of the organization of international and national hotel corporations, economic and spatial expansion in the national market of hotel services are analyzed. The influence of factors of investment attractiveness, the cost of housing purchasing and rent, the average salary, the passenger flow volume in the airports, etc. on the presence of hotel chains has been determined. The main factor attracting hotel operators to Ukraine is identified – unsatisfied demand for hotel services, in particular of the international quality level. Clear differentiation and division of Ukrainian corporations into general national and local ones has been traced. National chains are characterized by geographical presence in all the regions of Ukraine. The market of corporate forms of hotel business in Ukraine is at the stage of formation, it is characterized by the involvement of foreign hotel corporations and the development of national hotel brands. The gravitation of international hotel corporations to the main centers of business activity and tourist destinations of Ukraine has been revealed.

Key words: hotel chains, corporatization of the market of hotel services, international and national hotel operators, spatial expansion, Ukraine.

УДК 338.488.2:640.4
JEL L80, M11, Z31

Пандяк Ігор Григорович, кандидат географічних наук, доцент, завідувач кафедри готельно-ресторанної справи та харчових технологій. **Кушнірук Галина Володимирівна,** кандидат економічних наук, доцент, доцент кафедри готельно-ресторанної справи та харчових технологій. **Теліш Павло Степанович,** кандидат географічних наук, доцент, доцент кафедри раціонального використання природних ресурсів і охорони природи, Львівський національний університет імені Івана Франка. **Готельні мережі України: структурно-просторова організація та тенденції корпоратизації готельного господарства.**

У статті удосконалено теорію та методологію корпоратизації ринку готельних послуг України національними та міжнародними операторами. Виокремлено основні типи операторів готельного ринку України, проаналізовано особливості структурно-просторової організації мереж, вплив на присутність мережевих готелів чинників інвестиційної привабливості, вартості купівлі та оренди житла, середньої зарплати та частки зайнятих, обсягу пасажиропотоків в аеропортах міст та ін. Виявлено основний чинник приваблення світових готельних операторів в Україну – незабезпечений попит на готельні послуги, зокрема міжнародного рівня якості. Охарактеризовано основні етапи в еволюції готельних мереж в Україні. Основну увагу зосереджено на структурно-просторовій організації готельних мереж в Україні. Проаналізовано особливості організації міжнародних та національних готельних корпорацій, економічну та просторову експансію на національному ринку готельних послуг. Виявлено серед українських корпорацій чітку диференціацію на загальнонаціональні та локальні. Національним мережам властива географічна присутність у всіх регіонах України, етапу формування відповідає бренд, стандарти сервісу, єдина стратегія управління, система маркетингу та продаж, набуття окремими компаніями статусу «міжнародних» з експансією на ринок Європи, орієнтація на середній ціновий сегмент, набуття досвіду управління аналогічного західним операторам. Ринок корпоративних форм готельного бізнесу в Україні оцінено як такий, що на стадії становлення, йому відповідає залучення іноземних готельних корпорацій та формування національних готельних брендів. Іноземні компанії, які ввійшли на український ринок, належать до відомих готельних брендів, формують новий підхід до організації готельного бізнесу, суттєво впливають на процес підвищення рівня послуг. Виявлено тяжіння міжнародних готельних корпорацій до основних центрів ділової активності та туристичних дестинацій – Києва, Львова, Одеси, Львівської та Івано-Франківської областей.

Ключові слова: готельні мережі, корпоратизація ринку готельних послуг, міжнародні і національні готельні оператори, просторова експансія, Україна.