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MODERN SCIENCE: PROBLEMS AND INNOVATIONS



**ABSTRACTS OF II INTERNATIONAL
SCIENTIFIC AND PRACTICAL CONFERENCE
MAY 3-5, 2020**

**STOCKHOLM
2020**

MODERN SCIENCE: PROBLEMS AND INNOVATIONS

Abstracts of II International Scientific and Practical Conference

Stockholm, Sweden

3-5 May 2020

Stockholm, Sweden

2020

UDC 001.1

BBK 57

The 2nd International scientific and practical conference “Modern science: problems and innovations” (May 3-5, 2020) SSPG Publish, Stockholm, Sweden. 2020. 974 p.

ISBN 978-91-87224-07-2

The recommended citation for this publication is:

Ivanov I. Analysis of the phaunistic composition of Ukraine // Modern science: problems and innovations. Abstracts of the 2nd International scientific and practical conference. SSPG Publish. Stockholm, Sweden. 2020. Pp. 21-27. URL: <http://sci-conf.com.ua>.

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THE ROLE OF MARKETING IN THE SPHERE OF HOTEL AND RESTAURANT BUSINESS

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Marketing is the priority promotion tool in any business, and the same time the competition in the hotel and restaurant sector makes the use of its technologies mandatory. Marketing as a concept of a market orientation of management is determined by the need to quickly and effectively respond to market conditions and the tastes of guests. And here there isn't about limiting by advertising only. For example, hotel promotion is not only the sale of rooms and the placement of information on tourist sites, but also the creation of a competitive image for the hotel, bringing income to its owners.

Regarding goods, the philosophy and principles of marketing for each period of the socio-economic development of society are quite well developed. It is known, initially marketing was developed in relation to the sale of physically tangible goods (from everyday goods to special technological equipment). Starting from the 70's of the last century, the proportion of services in the consumption structure of economically developed countries begins to increase rapidly. So, during this period in the United States up to 90 % of newly created jobs accounted for the service sector, which began to essentially constitute one of the foundations of the economy [1].

If we consider the functioning of a business in the service sector, the specifics of marketing will be determined by the main characteristics of the services:

- ✓ Intangibility;
- ✓ inseparability from the manufacturer;
- ✓ instability of quality;
- ✓ non-preservation.

So, a consumer, making decisions about purchasing a service, to reduce the uncertainty generated by its intangibility, is forced to look for certain determinants that allow to evaluate its quality [1].

Thus, the first task of marketing in the service sector is to remove uncertainty for consumers, which in practice can be achieved by a set of measures both of material and non-material nature.

The second property of the service is the temporal and spatial continuity of production and consumption. The provision of services requires the presence of two parties: the manufacturer and the consumer.

A significant problem for marketing of the services is the instability of quality of the provided service, since it depends on the particular provider and current conditions. In other words, service quality is difficult to control. In the hotel and restaurant business this problem is somewhat simplified – a hotel and restaurant product has a significant physical component – the building of the hotel (restaurant), its design features and the interior are also decisive in the formation of the concept of quality, since the service component through the personnel policy and work with the staff can be relatively easily brought into line [2, 6].

Important to remember that the quality of services may depend on fluctuations in demand: with a high workload of the hotel (restaurant) and, accordingly, staff, it tends to deteriorate.

Thus, variability and fluctuations in the quality of service is the main reason for the dissatisfaction expressed by clients in the sector of hospitality industry. The problem of service quality can be solved in two ways. The first one is the implementation of a quality standard that the manufacturer should strive for; the second one, through marketing techniques, to explain to the client the specifics of the production of the service and skillfully manage it in the process of its provision.

The property of non-preservation of the services also plays a significant role in marketing (for example, a hotel room previously booked and then declined by the client incurs irreparable losses for the business, which on the one hand can be insured by prepayment. However, on the other – this demand can undermine the image of the

hotel). Therefore, the property of non-preservation of the service dictates the need to find a compromise between fluctuating demand and production capabilities of the hotel [2].

Thus, the marketing-management in the hotel and restaurant business should combine techniques developed for the promotion of goods and services, in particular:

1. *The development of the staff*, whose work to the greatest degree determines client-oriented mentality and the real quality of the service. For this purpose, in the hotel and restaurant business on an ongoing basis, internal corporate marketing is carried out (a set of measures to create conditions that provide quality service).

2. *The method of materialization of non-material service*. This means the supply of potential clients of various kinds of materials, including of advertising nature, that contribute to the formation in the mind of a potential client of a holistic view of the hotel.

3. *Adaptation of supply to demand*. Researches indicate that the hotel and restaurant loading by more than 80% is accompanied by an increase in economic efficiency, but at the same time customer complaints about service deficiencies increase significantly; load reduction improves the quality of provided services, but leads to a drop in efficiency.

4. *The policy of flexibility*. Individual hotels in the dead season provide their resources for various corporate events (conferences, congresses, etc.), in other words exhibit flexibility in conducting market policies.

5. *Customer confidence regarding the quality of the hotel or restaurant product*. When choosing a hotel (restaurant) product by a consumer due to its incomplete tangibility, a good argument is past positive experience, which, on the one hand, is the basis for building customer loyalty, and on the other – significantly increases the effectiveness of marketing activities to attract new customers.

6. *Standards of service quality*. As one of the ways to reduce uncertainty in the conditions of maintaining the unchanged quality of product, the hotel or restaurant management has the problem of introducing the innovations that inevitably lead to a change in this quality itself. In other words, the desire to improve production

efficiency in the hotel (restaurant) business can change the quality expected by the client and thereby increase the degree of dissatisfaction, which will result in a slight drop in demand. But the lack of innovation leads to a loss of competitiveness. In this situation, it becomes fundamentally important to search for a compromise solution, which in the hotel and restaurant business is individual in each particular case [3, 6].

Generally, the main goal of marketing in the hotel and restaurant business is simple, concise and fits into the formula of Peter Drucker: «create yourself such a client so that he returns again», from which it follows that the basis of marketing is focused not on an abstract consumer, but on someone concrete and loyal [4].

A concise guide on how to conduct marketing in the hotel and restaurant business is contained in few theses by D. Morrison [5].

1. Customer needs. Number one priority is customer needs, it means that the only goal of all departments, managers and the entire work team is to satisfy customer needs; the more customer needs are met today, the biggest chance for them to become your customer tomorrow. Important to remember that client needs must be an object of constant care and subject of scientific research. Cooperation between hotel divisions is appreciated and welcomed – the more cooperation, the better the service and a more satisfied client.

2. Marketing researches and measurement. The priority of marketing researches is very high and they must be carried out continuously. Changes in customer needs should be recorded immediately; the need for new products and new types of services should be recognized in a timely manner. Measurements and evaluation of marketing activities are carried out regularly: effective marketing programs and strategies are repeated and developed; marketing costs should be used efficiently.

3. SWOT-Analysis. Periodic analysis of the strengths, weaknesses, opportunities and threats of the hotel or restaurant need to be done on time. Also the need for strategic planning should anticipate changes in customer needs and act accordingly, using all marketing opportunities

4. Clients' assessment. The way the client evaluates the provided services

should be known: products, services and advertising should be improved taking into account this assessment. The range of business should be extremely wide: opportunities that lead to better customer service or related activities should be transformed into capital.

The theses presented do not introduce anything fundamentally new into the theory and practice of marketing; they only, placing appropriate accents, adapt them to the market of the hospitality industry.

So, in our opinion, competent marketing in the sphere of hotel and restaurant business is the main tool with which you can not only minimize the effects of seasonality, not convenient location of the hotel and other obvious shortcomings, but also turn them into advantages in potential guests understanding.

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