

Modern Methods and Approaches to the Management of The Hotel Services Promotion

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ABSTRACT: The study presented in the article is devoted to the development of innovative methods and approaches to the sale of hotel services to various target groups. This issue is relevant because the number of hotel enterprises grows every year, which contributes to the development of the tourism and hospitality industry, but at the same time it creates a lot of difficulties and risks for both beginner businessmen and experienced representatives of the hotel industry. In this regard, the level of competition in the market for hotel services is rapidly increasing. In order to stay “afloat” and be a profitable enterprise, hoteliers are forced to constantly monitor marketing trends that are sometimes hardly noticeable, in addition to closely monitoring the service provided. The innovative methods of sales have been reviewed in the study by the example of hotel type enterprises offering their services to various target groups, based on the analysis of trends in the development of sales channels for hotel services. The systematic approach and the following research methods were used as the methodological basis of scientific and applied developments: spatiotemporal, descriptive, analysis and synthesis, estimation and forecast methods. The main product sold in the hotel industry has not changed much – like several centuries ago, it is the provision of accommodation, but the ways and methods of selling the service undergo constant changes. It is not enough just to open a hotel and set a goal of achieving the maximum profitability today – this will not distinguish it from other hotels. The marketing plan should include the way for the organization to best lobby its interests in a specific market niche in a limited time.

Keywords: management, hotel services, tourism, innovation, promotion technologies.

INTRODUCTION

The sales channels are described by their length, the number of participants and their functional purpose. In practice, there are two distribution channels: direct and indirect, as well as a mixed one. In the case of using an indirect channel, fewer or more intermediaries are involved in the sale of goods, due to which the chains can be short or long. The chains with one intermediary between the producer and the consumer are called short. Long chains include two or more intermediaries. Aside from direct and indirect channels, there are also mixed ones. When selling through mixed channels, some of the products are sold through direct supplies, while others are sold through intermediary links. In times of economic uncertainty, hotel enterprises cannot control the economy as such, but they can implement strategically well-designed marketing

policies, thereby increasing sales and profitability, regardless of the market environment (Kryukova E.M., 2018).

In this study the authors have studied trends across three sales channels for hotel services: hotel websites, global reservation systems, and online travel agents. As investment flows increase through these three Internet channels, hoteliers simply need to use them if they want to maintain their customer base, improve the hotel image, and gain a competitive advantage in the market. The Internet made marketing more mobile and volatile. Many statistical indicators were invented that were not paid attention to before. Due to this, hotels manage to increase their profitability indicators by concentrating on the most productive sales channels. If the services are competently offered through the website, a double effect can be achieved: the product price will be the lowest, but the overall profitability of the enterprise will grow due to increased sales. In addition, the customer base will expand, which may subsequently become the guarantor of the economic growth of the hotel. Online travel agents and global reservation systems also make a positive contribution. They allow hotels to offer their products to a wider range of consumers, thereby increasing the occupancy of rooms during “low season” (Rostanets V.G. et al., 2018).

Each Internet channel for the sale of services plays an important role in the marketing policy of the hotel: the website reflects the state and emphasizes the identity of the hotel, as well as its competitive advantages, online travel agents help increase occupancy, and global reservation systems form the general connection of the hotel with the tourism industry, popularize it, and diversify the customer base. An efficient marketing strategy begins with defining the goal and selecting the market niche. When the hotels know more about their customers, they can better understand how to make their products more attractive. It is very important for hoteliers to understand the electronic marketing channels for hotel services in order to increase profitability, and this is possible only if the daily activities of these channels are analyzed. It is not enough to analyze the average room rate per night and the total income of the enterprise for a certain period in order to understand the growth prospects of the hotel today — one also needs to pay attention to the methods and ways of sales: websites, global reservation systems, and many online travel agents that reach a wide audience of consumers. Of course, such studies are not carried out for free.

Choosing the right strategy for marketing planning is very important. Marketing differentiation is used to identify the most significant market segments, i.e., to identify the main target groups (for example, guests making individual reservations, organization of group arrivals (athletes, artists, etc.), corporate accommodation, accommodation for recreation, accommodation of business tourists, etc.). The choice of priority areas of development directly depends on the material and technical base, which is at the disposal of the hotel enterprise. The task of developing a marketing strategy is assigned to the commercial department (Arifulin M.V. and Morozova L.S., 2012).

The **object** of the study is the methods and approaches to the hotel services promotion. The **subject** of the study is the development of innovative methods and approaches to the sales of hotel services to various target groups. **Objectives of the study are as follows:**

- to study the existing methods of selling the hotel services;
- to analyze the development trends in the sales channels for hotel services; and

- to develop innovative methods of sales by the example of hotel type enterprises offering their services to various target groups.

The works of Russian and foreign scientists in the field of tourism organization and economics served as the theoretical basis of the study. A systematic approach and the following research methods were used as the methodological basis of scientific and applied developments: spatiotemporal, descriptive, analysis and synthesis, estimation, and forecast methods. The program of the socioeconomic development of the hotel industry, literature sources, and websites of hotel enterprises and tourist firms were the information base of the study. Regular customers bring up to 30 % of all income in some hotel chains. To maintain warm relationships, hotels should demonstrate their loyalty at all stages of providing guest service: at the reception desk, when showing the guest, a way to their room, information support via e-mail, etc. This ensures visible results only when all the procedures are carried out together. This approach allows to develop relationships successfully and constantly and to anticipate expectations at every stage of providing services: from requests during a telephone conversation to analyzing electronic applications, social networks, and guest personal accounts in the loyalty program system (Ekizyan V.V., 2019).

Hotels should be proactive, recognize potential guests' requests based on an analysis of their previous accommodations and reviews on global information resources (Izotkina N.Y. et al., 2016). It is obvious that when hoteliers know more about their customers, they can provide better services. The result of good service is the dedication and customer loyalty to the brand, which is the key to positive relationships. Even the best developed loyalty programs do not fully ensure customer loyalty to the brand today, which means that guests are not quite impressed to recommend the hotel to their friends or colleagues. This is because loyalty is born from the purely personal experience (Kiseleva E.S. et al., 2016). As mentioned above, digital technology is one of the key factors in building a genuine loyalty program. As such, digital technologies can make the loyalty program comprehensive and collect information from customers even when they are not traveling. Two goals should be pursued when improving the mechanisms of the loyalty program: the first is collection and systematization of the most complete and reliable information about the guests (of course, within the bounds of the law), and the second is the most important guideline – bringing the quality of the provided services to a new level. In order to achieve the above goals, let us formulate the tasks that the hoteliers should set for themselves:

1. To create an electronic account for each customer, which will allow to quickly receive information about the previous guest accommodations and preferences. It is called a guest information card. This card should be integrated into the property management system of the hotel enterprise on an online basis. In other words, all hotels should have access to this information if there is a hotel chain.
2. To create information platform that will generate as many guest reviews as possible by exploring and analyzing the Internet. It should be all kinds of reviews: complaints, positive reviews, recommendations, experience gained, etc. As many sales channels as possible should be analyzed: Twitter, Facebook, Instagram, Booking.com, Tripadvisor, and much more. Moreover, various kinds of polls, pictures, videos, etc. are subject to analysis, in addition to the reviews left by customers. It will allow getting more accurate detailed information about the stay of guests. In addition, an analysis of

reviews will allow building a very sensitive feedback system and responding to reviews left on various resources in a timely manner, exactly when customers expect it. Moreover, this platform can be used to encourage customers to leave new reviews, thereby giving them the opportunity to participate in setting guidelines for the enterprise development.

3. Fieldwork. Each hotel in the chain, and not only that, should serve as an information center and activist and pay considerable attention to ensure that others know about the services offered, promotions, and last-minute offers in real time. This will increase customer awareness and attractiveness of the hotel and result in a greater number of bookings. The content published by the guests on the Internet on various resources can be used to attract new customers. Of course, promotion on already proven resources should not be forgotten: the hotel website, social networks, global reservation networks, etc.

It can be concluded that any loyalty program requires the collection and processing of a huge amount of information from various sources in order to anticipate the expectations of guests at each stage of interaction. The rapid development of methods for delivering a particular service can be observed, while the product itself changes to a lesser extent. Like two decades ago, people prefer breakfast in bed. The level of service is therefore improving due to the development of ways to delivering and offering it, and the average level two decades ago was not the same as the average level that is being offered now. This trend in the service industry is observed in everything, and it will bear fruit in the future (<http://moscomtour.mos.ru/>, 2020). Hotel room pricing is a complex issue within a larger school of revenue management, and a lot of research has been done on this topic over the years. The balance between a healthy average daily rate (ADR) and high occupancy is at the heart of any discussion about pricing. The revenue per available room (RevPAR) is the metric able to measure this balance. Pricing strategies typically have three objectives: maximizing the ADR, maximizing the occupancy, and maximizing the RevPAR. Although each of these categories may be applicable in different situations, the only continuously working pricing strategy is the one that aims to keep the RevPAR at a stable high level (Kryukova E.M. et al., 2014). At the hotel level, the prices can be lowered within certain limits in order to create sufficient demand in its competitive group. The main task is to increase the net profit. However, the prices on digital platforms are transparent today. As such, by the time competitors begin to meet the reduced price, the first hotel that has lowered its prices is losing any benefit due to a sharp jump in demand, and the entire competitive group may face difficulties in raising prices. This is obviously commensurate with the increase in the cost of doing business. The goal of revenue management along with sales and marketing is to research each channel in order to create demand, increase market understanding, increase the number of bookings, and thus increase revenue (Dyachenko I. et al., 2015). Therefore, hotels will eventually need to study which channels they use, namely:

- Own hotel websites;
- Own booking department;
- Central Reservation System (CRS);
- Request for Proposals (RFP) (including specialized websites);

- Global Distribution System (GDS);
- Online Travel Agency (OTA);
- Travel agents;
- Call center;
- Mobile versions and applications; and
- Applications for booking hotels on social networks, such as Facebook.

It must be noted that not all independent hotels managed to make a quick transition from offline to online distribution, and they are often not able to compete for their market share. There is a misunderstanding that the Internet marketing is not an expense, but an investment with a very high ROI. Franchised hotels believe that the major hotel brands do the Internet promotion for them and thereby miss big opportunities for making profit in the local market (Ushakov, R.N. et al., 2020). Each channel has its own distribution costs; the range is wide: from 10 % to 50 % of the revenue. Hotel owners and managers have not always systematically measured the total costs of channels or accounted for them. The situation when prices are on the verge of prime costs is not so rare, if the costs of the online channel are not taken into account. As such, the hoteliers should start tracking metrics, such as sales per channel, channel costs, booking characteristics (execution time and day of arrival), and additional costs, in order to develop an optimal set of channels. Besides, a future revenue management strategy based on the data and execution time needs to be developed. The prices should be formed according to the dominant channel depending on where the hotel is in the booking window and strengthened accordingly.

RESULTS

In absolute value, hotel rooms are usually very similar. There is a bed, a bathroom, a TV, à la carte service, etc. However, Starwood Hotels are trying to bring innovation to the hospitality industry. Yahoo Travel representatives have recently been invited to Starwood headquarters in Stamford for a presentation of the rooms. The first thing that caught the eye was two large flat screen TVs mounted on the wall. The so-called Dual Stream TV system was used in the room, due to which the “battles” for the TV remote control evaporated. Each TV had a wireless connection with a pair of headphones, due to which two people could stay in the room and watch different TV programs independently (Zvorykina, 2019). However, the “smart” mirror was especially striking. It allowed guests to view weather forecasts and news. Moreover, the mirror was equipped with a touch surface, so guests could check their email. An exercise bike, which the hotel chain management was going to install in hotel gyms, was presented in the hotel lobby. Its feature was the use of augmented reality. The days when guests pedaled with their eyes fixed nowhere have long gone. Guests can now feel like they are cycling along the street, in the fresh air during their training, due to the augmented reality.

Starwood also experiments with the idea of creating a luminous floor in the rooms of the Element hotel. The plan is to install small square indicators equipped with RFID (Radio Frequency Identification) – a way to automatically identify objects in which data are read or written using radio signals stored in so-called transponders, or RFID

tags. If the guest steps in the dark, the indicators will illuminate the way to the restroom with soft light, for example. Such indicators can also illuminate the way from the elevator to the room. The most recent but not the last innovation of Starwood is a truly new way of checking in the guests called SPG Keyless. Its idea is a remote check-in via smartphone. The guest needs to download a mobile application, and the hotel sends them invitation messages with the room number upon arrival in a particular city. After that, there is no need to go to the reception desk to check in. The guest can simply proceed to the indicated room (Zvorykina et al., 2019). These developments are so far only available in the Starwood Hotel concept rooms, but their widespread adoption in the hotel industry is quite possible, given the rapid pace of the technology development.

Virtual reality has become fashionable in the technology sphere and the hospitality industry. The natural development of this technology, following the universal attraction of video, has become a trend, and now virtual reality is following the realistic interactive video. Virtual reality quickly attracted widespread attention, and Facebook even announced the formation of a development team in this area. It is not surprising that everyone became curious to know about the prospects of new virtual reality technologies for the hospitality industry (Khetagurova V.S. et al., 2018). *Why do companies need virtual reality?* Virtual reality (full immersion effect) and augmented reality (partial immersion effect) are expected to bring USD 150 bln in total revenue by 2020, of which USD 120 bln – from augmented reality, and USD 30 bln – from virtual reality, according to Digi Capital. Many industries, including the hotel business, are trying to catch a new wave to increase revenue. Hotel brands hope that one day virtual and augmented realities will help them increase the number of bookings, provide guests with entertainment, and create new types of services that will become a source of even greater revenue (Ushakov R. Netal, 2014).

Virtual reality as a sales tool - Guests need a lot of information when booking a trip. In addition to videos and photos that help people make instant decisions, the participation effect technology, such as 360-degree panoramic videos, virtual reality headsets, and others will further enhance the effect on guests. The idea is that the travelers can feel themselves at the hotel and see if it meets their wishes and needs. In other words, virtual and augmented realities allow hotels not to rely on the guest's imagination but to encourage the imagination in the best possible way. Such brands as Best Western, Shangri-La, Jumeirah, and Carlson Reizdor use virtual reality as sales tactics before guests arrive at the hotel (http://travel.vesti.ru/article_9296, 2020).

Provision of information and concierge services to guests - At its core, virtual reality is entertainment with seemingly endless possibilities. Hotels and other travel companies can use virtual and augmented realities to show people the surroundings and impressions from local services, as well as tourist locations. For example, the concierge can recommend the guest to fly a hang glider or go scuba diving, but the guest may want to see what it is like before deciding to try it. Virtual reality will give the guest an example of what it is. This saves travelers from possible uncertainty. When people travel, they find themselves in a new environment, and virtual reality can help people feel more comfortable.

Providing completely new impressions - Among other things, virtual reality can completely transfer guests to any corner of the world or even beyond this world. According to Skift, Marriott hotels tested virtual reality in New York, London, Chile, China, and Rwanda. This is an interesting and very unusual idea. A traveler goes on vacation to a city such as London or New York, but along with exploring that very city,

they can move to another place on the planet. One may wonder why go so far to end up in a completely different city instead of doing the same from home. Of course, this option is not suitable for everyone, but it can be a very interesting experience for business travelers who find themselves in the city not of their own free will. In addition, hotels can offer to try a “journey” into invented worlds. Imagine exploring a completely different world as if you were in a movie, but unlike a movie, you can control everything that happens around you (Radygina E.G., 2014).

Amusement parks equip roller coasters with virtual reality headsets that completely change the experience. For example, roller coaster enthusiasts can ride side by side with Superman, soaring, diving, and rolling in the air in Six Flags New England. Visitors can also choose their own track. Imagine three people riding the same roller coaster, with one choosing a trip in the Amazonian jungle and the others experiencing rafting on a stormy river. Creative possibilities are endless (Novikov V., 2006). Virtual and augmented realities have not yet become mainstream, but hotels are already able to use them. Google offers companies its street view service – 360-degree spherical pictures showing the surrounding area from all angles. Now Google offers the same services by adding pictures of interiors. 360-degree spherical pictures will appear next to the images that guests are currently viewing. If the hotel hires Google to shoot, the video will also appear on Google search and on Google maps. The rest of the virtual reality solutions are still expensive and unavailable to many. It will be interesting to see what role virtual reality will play in the market in the next few years (Khetagurova V.S. et al., 2015). The trend of using virtual and augmented realities in the hospitality industry is in its infancy. Given the current state of technology, only major brands such as Marriott and Hilton will be able to capitalize on this experience. However, given the speed of implementation and cheapening of technologies, these solutions can soon become available.

CONCLUSION

As such, it must be noted in the summary that the assessment of the hotel’s competitiveness should be complemented by the analysis of the methods of the product promotion by the main competitors, namely the analysis of the following questions:

- What are the competitors’ plans for the hotel market share?
- Promotion strategy: today and in the future. What channels do they use to sell the products?
- What are their pros and cons?
- Forecast of the competitors’ activities in the future.

A thorough analysis of the data will help understand the logic of doing business by other players in the market and provide an understanding of what measures should be taken to improve the performance (Mosalev A.I. et al., 2018). The Internet in general and global search engines, such as Google and Yandex, allow hoteliers to timely respond to reviews and various requests of guests. Responses to reviews are of particular importance, because it is important to know not only the guest’s opinion, but also how the hotel reacts and, therefore, takes care of its guests, for a correct assessment of the level of services provided. It can be concluded that the world’s most popular search

engine does not stay aside from the modern trends in the hotel industry and invests a lot of resources in the development of search tools for hotels. This, in turn, requires hotel specialists to constantly monitor information about themselves on the network and to promote their hotel intensively. Over the past year, 74 % of the bookings in Europe have been made via the Internet. Google, whose popularity in the world is about 77 %, is the main business generator for the hotel industry, and ignoring cooperation with it means dooming to significant losses. While virtual and augmented reality has not yet become mainstream, now hotels can do something. Google offers companies its street view service, 360-degree spherical photos showing the surrounding area from all angles. Now Google offers the same services by adding pictures of the interiors. 360-degree spherical photos will appear next to the images that guests are currently viewing. If the hotel hires Google to shoot, the video will also appear on Google search and on Google maps. The introduction of such methods of product demonstration is recommended in order to increase the profitability of the enterprise. The rest of the virtual reality solutions are still expensive and unavailable to many. It will be interesting to see what role virtual reality will play in the market in the next few years. The trend of using virtual and augmented realities in the hospitality industry is in its infancy. Given the current state of technology, only major brands such as Marriott and Hilton will be able to capitalize on this experience. However, given the speed of implementation and cheapening of technologies, these solutions can soon become available. Information technologies expand the opportunities for interaction between the hotel and the consumer of services. Hoteliers should be able to provide the level of service that meets the highest expectations of sophisticated guests in this new, rapidly developing environment. They should properly establish feedback to ensure that the consumer choice falls on their hotel. This will be a decisive factor on the path to success (Kryukova E.M. et al., 2019). They should be proactive and recognize potential guest requests based on the analysis of previous hotel accommodations and their reviews on the global information resources. It is obvious that when hoteliers know more about their customers, they can provide better services. The result of good service is the dedication and customer loyalty to the brand, which is the key to positive relationships.

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