Assessment of Mechanisms for Managing the Competitiveness of the Hospitality Establishments under Quarantine Conditions

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Abstract. This paper discusses the main problems associated with the limitations that have arisen against the background of new realities of operation and competitiveness of the hotel and catering businesses during the pandemic. The purpose of the study is to comprehensively investigate the existing stages of establishment of personnel management system and attract new marketing levers and strategies for flexible adaptation of enterprises in a changing environment, and thus increase the competitiveness of the hospitality establishments. In the furtherance of this goal methods of information gathering, comparative analysis, scientific research and theoretical generalisation were used. Surveys were used as primary data to gather information. Secondary data were the results of the work of researchers and developers in the field of new technologies. The object of research is a number of measures and tools to improve the competitiveness of institutions, including personnel management systems and the general and most acceptable types of innovations to protect business. Alternative online services for reengineering common processes have also been identified to reformat into a new consumer interaction format during pandemic. The paper considered in detail and characterised the issue of social media marketing as one of the main known methods of combating the current crisis in the business sector. It is difficult to overestimate the importance of adaptation conditioned by new marketing innovations and a new approach in the establishment of the management system to new market conditions and consumer demands. A conceptual approach to media marketing for enterprises based on the POST method was proposed, which, in fact, is a set of basic goals based on strategic accents, a kind of task plan, the implementation of which provides business units with their own positions in the market of services considering the current conditions. In addition, given the specific nature of the hotel industry, the need to improve the human resources management system and to introduce the latest technology has been suggested.

Keywords: Hospitality Industry; Hotel and Catering Establishments; Pandemic Period; Competitiveness; Innovations; Media Marketing; Market Conditions; Customers; Strategy.
JEL Codes: M10, M31, O32.

1. INTRODUCTION

It is important to note that the hotel and restaurant industry had a significant growth rate in the period before the first lockdown. Experts noted exceptionally positive dynamics and predicted excellent results for this business sector for several years. Not surprisingly, new cozy cafes and fancy restaurants opened every year, former Soviet-style markets were transformed into European food courts, hotel owners received many benefits from the state to run their own business, investors launched powerful programs to build tourist attractions in Ukraine (Bernoff, 2007; Bloom, 2020; Meghashyam, 2020; Agafonova, 2002).

However, the pandemic made significant adjustments to their operation and entrepreneurs were faced with new market conditions. The rapid spread of the COVID 19 around the world has reshaped the basic approach to doing business in a relatively short time. The pandemic hit the least protected business segments the hardest, including restaurants and hotels in the country. Particularly sensitive to market fluctuations, the hotel and restaurant business has begun to fight openly for the opportunity to maintain its own position and not lose years of achievements. Representatives of the hotel business received a weaker blow and were able, for the most part, to maintain the status of a business entity. This is more conditioned by the longer cycle of interaction with the con-
sumer: it is easier for hotels to adapt to the emerging conditions, given that the demand for recreation remains stable. Within the existing restrictions and established criteria, the representatives of the hotel and restaurant business should resort to the development of a new creative approach and, as a consequence, the use of available innovative mechanisms for the necessary adaptation. Only once the main objectives have been achieved can businesses expect to implement the main strategic courses of action.

The spread of pandemic showed the weaknesses of business structures, which led to significant changes in the basic approach to the organisation of economic activity. It is becoming increasingly clear that the competitiveness of enterprises is determined not so much by the structure, size and availability of powerful resources, but by the flexibility of the existing system of management and adaptation to change, defining basic consumer needs, and arrangement of interaction with potential customers. The study notes that the approach to personnel management in the hotel and catering business is beginning to play a leading role. In addition, based on the assertions of most researchers about the effects of the pandemic, the foundation of the management system is the personnel policy of companies (Balatska, 2020; Davidova, 2017; Davidova and Polstyana, 2012).

It is natural that the content of personnel policy and the tools of the personnel management system undergo a certain list of improvements and adjustments, which is determined by the change of priorities and goals of enterprises in the context of the pandemic. Institutions that have managed to withstand the first blows note the importance of the process of creating conditions for the merger of highly qualified and competitive staff, which would provide the ability to flexibly adapt to market demands in the shortest possible time. The purpose of this study is to investigate the problem substantiate the current strategies and steps that would help transform the development of the selected business sector in Ukraine, given the limitations of the coronavirus pandemic (State regulation…, 2020). The practical significance of the study is the theoretical substantiation of the need to introduce qualitatively new forms of personnel management of hotel and catering enterprises as an additional lever of competitiveness in the market during the pandemic. The study result should be the development of theoretical recommendations that would increase the effectiveness of marketing activities during the introduction of the next lockdown (Klapchuk et al., 2015, Lebedeva and Golubeva, 2018).

The study draws attention to a number of research papers devoted to the investigation of various aspects of the hotel and catering industry: A.D. Nesheva (2013), O.Yu. Davidova (2017), M.V. Klapchuk (2015), T.E. Lebedeva (2018), J. Bernoff (2007) – these studies provide a fundamental explanation of the processes that are directly related to the causes and consequences of the development of new approaches and strategies. However, sound research models do not in any way describe the approximate hypothetical situation that has developed and within which economic units must survive.

Also, the paper considered in detail and characterised the issue of social media marketing as one of the main known methods of combating the current crisis in the business sector. Social media marketing (SMM) (also known as digital marketing and e-marketing) is the use of social media—the platforms on which users build social networks and share information—to build a company’s brand, increase sales, and drive website traffic. In addition to providing companies with a way to engage with existing customers and reach new ones, SMM has purpose-built data analytics that allow marketers to track the success of their efforts and identify even more ways to engage.

2. MATERIALS AND METHODS

Any new theoretical idea has its origins in observation and accumulated information. In this study the theory of development of hotel and catering industry was taken as a theoretical and methodological basis, methods of information gathering, comparative analysis, scientific research and theoretical generalisation were used. In addition, the studies by Ukrainian and foreign researchers were considered.

Achieving this goal helps the authors to comply with the relevant rules, requirements and principles, the set of which forms the chosen method. Following a certain method allows determining the sequence of actions and solutions to achieve the goals of research. To solve hitherto unknown problems, it is necessary to obtain new knowledge, which is formed as a result of a sequence of steps based on the research method. Both primary and secondary data were collected for this study. Surveys were used as primary data to gather information. Secondary data were the results of the work of researchers and developers in the field of new technologies. For comparative analysis were used the data of the developed methods and techniques designed to improve and accelerate the possible process of adaptation and re-profiling of the traditional business process management system in a pandemic.

Research and study of the problem of adaptation of hotel and restaurant business to the forced modern conditions was carried out in several stages:

1. At the first stage the authors carried out a theoretical analysis of methodological approaches to the problem, presented in scientific papers and journals by experts in the field. At this stage, the relevance of the topic, problem, purpose, object and subject of research were identified.

2. The second stage was marked by the identification of existing barriers in the industry and the determination of the patterns of common consequences for each individual hotel and restaurant. Methods are used not only to collect information, but also to compare, where the author with the help of statistical data informs about the feasibility of new strategic approaches in the management and conduct of business. At this stage, the conclusions formed at the stage of theoretical substantiation were assessed.

3. Finally, the third stage became final in the research process. The theoretical and practical conclusions were compared and the results summarised in the process of studying and researching the subject matter.

The scientific originality of the results obtained in the research process lies in their theoretical substantiation and in the improvement of the scientific approach to the adaptation
of tools and levers of personnel management of hotel and catering establishments. Theoretically, a possible way out of the crisis created by the spread of the pandemic should be innovative technologies and organisational innovations as a tool to increase the competitiveness of the hotel and catering businesses. The purpose of scientific substantiation is the need to preserve the existing work unit with the possibility of maximum renewal of skills, considering modern realities. The system and way of introduction of qualitatively new forms of management of restaurant and hotel enterprises, attraction of the newest technologies to methods of improvement of competitiveness of establishments, for the purpose of preservation of existing positions in the market and attraction of attention of potential consumers of goods and services are the basis of practical value.

3. RESULTS AND DISCUSSION

Today's civilised society has faced a powerful obstacle, a challenge to every area of human activity. It turned out that the modern world was not ready for such consequences: the spread of the pandemic brought significant changes for all countries. Entrepreneurs took the first economic blow from the quarantine restrictions: theaters, restaurants, hotels, fitness clubs, shopping malls, beauty salons, travel companies – the overall decline in revenue in some places reached 80%. In the end, some institutions were forced to close, as crisis management showed low efficiency in difficult-to-predict conditions. In particular, the hospitality business found itself in a very difficult situation: almost immediately after the pandemic, the government introduced so-called quarantine restrictions, which prohibit mass gatherings indoors, and cooking is allowed only if delivered to the customer.

A powerful sector faces a difficult task: to transform its own strategy to the already existing external situation in the shortest possible time with limited resources, without experience and a hypothetical example. Addmittedly, the implementation of the strategy of development of hospitality business should be carried out due to a number of factors: economic, political, legal, climatic, demographic, historical, scientific and technical (Balatska, 2020). The rapid spread of the COVID 19 epidemic and the resulting mandatory sanitary measures to stop its spread have extended the list of factors whose introduction has brought about tangible changes in the development of businesses operating in the hospitality industry.

The limitations of the studied sector adopted at the state level caused a chain reaction in interdependent industries. Thus, the first lockdown was followed by a significant reduction in the production of alcoholic beverages, food, reduced efficiency of agriculture and fisheries (Official site…, 2021). This is conditioned by the fact that the hotel and restaurant business is the main component in the field of food and recreation, its purpose is a natural, socio-economic system and is part of the intersectoral regional cluster, and therefore actively influences the development of all sectors of the food complex (Davidova, 2017). To a greater extent, this, of course, applies to catering establishments. However, the primary source, which determines the process of development of hotel and restaurant business, is the end consumer of goods and services. That is why cultural orientation, financial and intellectual capacity, psychological and social uniqueness are considered to be the main values. Proof of this is the presence of class and individualisation of services.

The basis for meeting the consumer needs is a set of properties, including the level of service quality (Chuvatkin and Gorbakov, 2020). The quality of service in restaurants and hotels is a factor in increasing the competitiveness of institutions. According to K. Grenroos, senior managers are obliged not only to feel the mood of customers, but more importantly – to understand the concept of quality similar to the visitor (COVID-19 Implications…, 2021). The increase in rental rates in the conditions of strict quarantine and in periods of its weakening could not have a positive impact on the development of the industry. Many institutions did not survive this and closed. Ukrainians began to work harder and spend less time cooking. Before the crisis, the trend of ordering food from cafes and restaurants was developing significantly, which contributed to the development of bistro-type establishments. However, with the beginning of quarantine, the number of such orders declined sharply, as many specialists of the companies began to work at home and eat there, preparing food themselves. Restaurants and cafes are an integral part of the tourist infrastructure. And the sharp decline in tourist flows to Ukraine in 2020-2021 also negatively affected the development of catering (Survey among hotel market players…, 2021).

A variety of cafes, family bakeries, luxury restaurants, and well-known hotels among tourists – all of them were forced to change their strategy of interaction with the end user of the service. Given the restrictions, most companies have rapidly reengineered their business processes. Thus, most restaurants have redesigned their space for targeted delivery of ready meals. A striking example of instant forced transformation is the Salateira chain of alternative food restaurants. The company has been cooperating with the Glovo courier service for a long time, which provides their customers with a fast and reliable delivery of orders in a relatively short period of time. Notably, the company really had to reshape its approach to customer interaction, because previously the network was not very interested in the method of targeted delivery as a source of increasing competitiveness. The spread of the pandemic has led to a revision of business development tools, although, for now, the company’s representatives are still noticing a significant decline in the number of orders – and all because of the lack of couriers in the partner company. In social networks, people complain about technical failures, the system is overloaded, which once again indicates the absolute unpreparedness of modern business for a sharp change of circumstances (Balatska, 2020).

As for establishments that are not able to cooperate with delivery: cafes, hookahs, pubs – they are forced to compete for guests using all available methods, which includes promotional offers and discounts on self-pickup (Balatska, 2020). According to the conditions of a market economy, to maintain competitiveness and increase profits, company managers must ensure maximum return not only material resources but also human resources. Given the changes that most businesses were not prepared for, the importance of the HR function is growing. Currently, the issue of adapting business to constraints is a priority: the protection of people in the service is...
given maximum attention. The hotel and restaurant business has faced a powerful challenge, unable to predict in such conditions, the existing management format has lost its effectiveness, and the market needs new approaches to solving problems. Given the problems that arise, today it is important to approach the issue of maximum transformation in the hospitality business to develop and implement innovative approaches (Do I need to take precautions…, 2020).

Innovations always bring global changes aimed at improving life. In some places, the implementation of innovations changes the approach and worldview of an entire generation. In fact, innovations in the hospitality industry should be accordingly progressive, which would help solve the problem that has arisen and reshape the system of interaction with customers, considering external conditions and customer needs. Moreover, the implementation of innovation processes should open up hidden needs in consumers, bring the market of goods and services to a qualitatively new level, help hotel and restaurant business to find a new approach to its customers, which would facilitate the most comfortable interaction, and grow quality staff – together, all this will start the necessary process of modification (Overlooking the pandemic… 2021).

With the onset of the pandemic, the approach to personnel management has also changed. Accordingly, about 70% of companies transferred employees to remote work. Admittedly, this affected the number of business trips, thus reducing the total number of hotel bookings, not counting the decrease in tourist flow, which provided more than 40% of hotel profits. Most hotels have followed the government's instructions with special care to introduce strict hygiene requirements during operation. Today, information technology is considered one of the most important factors of economic growth and development. Hotel and restaurant companies are actively using the Internet as a tool to influence customers and improve their own image. Modern life allows consumers to stay mobile anywhere: book a hotel room or order a restaurant – it seems quite common, but most importantly – an extremely convenient approach. The promising dominance of information and communication technologies creates not only the possibility of maintaining viability during the global fight against the pandemic, but also new prospects for the development of restaurant business enterprises through the introduction of alternative innovative solutions. Mobile applications in virtual objects have led to the emergence of creative directions for the development of restaurant businesses and their approach to consumers (Baletska, 2020).

For example, interactive technologies bring the customer as close as possible to the process of cooking a meal with the help of webcams installed in restaurant kitchens: Massimo Bottura was forced to stay at home from the beginning of quarantine and decided to create a new Instagram show "Kitchen Quarantine". Several times a week, he and his family prepare dinner and share culinary experiences. By the way, a number of foreign researchers revealed the issues of social marketing (Agafonova, 2002), which emphasise that the development of the restaurant business during the pandemic directly depends on the number of users of mobile applications. It is also worth mentioning the virtual tours of hotels: users of social networks still pay attention to advertising and recommendations, however, increasingly show commitment to those who allow "walk" through the corridors and cozy courtyards holding only a mobile phone, while being hundreds, or thousands of kilometres away.

Researchers also agree that the growing number of mobile applications in the hotel and restaurant business has many advantages, due to the need to penetrate and fix in the market, encourage potential consumers, simplify interaction, mitigate the problem of geographical constraints, and most importantly – elimination of intermediaries, which significantly reduces consumer costs and, consequently, increases the hypothetical profit of the supplier of goods and services, while saving customer costs (On temporary recommendations…, Meet the hotels in a new way…, 2020, Restaurant after quarantine… 2021).

Since the beginning of the pandemic, each hotel and catering company has tried all possible methods to save their profits: more than 60% agreed to reduce staff to optimise costs, 20% decided to reduce the cost of services to attract potential customers, the rest – using all available resources, left by improving the offered goods and services, which also includes the introduction of new technologies. Some respondents who did not have time to adjust their activities to the changes that took place were forced to repurpose unprofitable premises for rent to gambling establishments (Fig. 1). It is worth noting that those hotels whose revenue has increased or remained at the previous level, focused their efforts on the introduction of new marketing tools and the latest technologies, which allowed improving the products and services offered.

The beginning of the pandemic brought a lot of damage to most hotels; however, it forced entrepreneurs to change the traditional vision of doing business. Thus, a large number of hotel companies have hired qualified doctors, which has made it possible to identify facilities not only with the location of tourists, but with strategically important facilities during lockdown. Having collected preliminary research results, considering the conditions that limit and suppress the work of most enterprises, the study presents generalised recommendations for personnel management, which aim to increase the competitiveness of institutions:

- creation of a multifunctional headquarters with the function of coordinating and informing the existing departments on interaction with clients and employees;
- ensuring maximum cleanliness in hotel facilities, as a guarantee of safety of employees who must be in the workplace;
- introduction of rules of remote work, possibility of flexible schedule if necessary;
- establishment of a pool of workers to ensure the continuity of the process;
- development of an alert system for employees on current information on disease prevention;
- ensuring the availability of medical equipment to independently monitor the health of employees;
- introduction of corporate communication rules;
Implemented ways to save profits in a pandemic

- staff reduction
- reduction of service costs
- involvement of the latest technologies
- redevelopment of unprofitable premises

Fig. (1). Implemented ways to save profits in a pandemic.

- creation of a separate communication channel for employees of the institution;
- working out a plan of possible options for the development of events, providing additional response scenarios.

Despite the significant advantages in the field of interaction with customers, hotel and catering establishments have additional bonuses in the use of the latest technologies and the Internet. Thus, uniquely designed identifiers allow optimising the main costs of companies due to the implemented inventory management systems – RFID technology (radio frequency identification), which automatically identifies objects using the radio frequency communication channel (Meghashyam, 2020).

Improving the service increases the loyalty of potential customers and allows expanding the existing opportunities to increase profits. Accordingly, the information obtained from the use of RFID tags can be used to adjust product purchases and to analyse popular dishes and services, which would correct the gaps. The information obtained can also be useful in developing new strategies for customer service and in finding new ways to meet the basic needs of consumers of goods and services. As for the function of employee control, it will help to track punctuality, respectively, will increase productivity. In addition, representatives of the hotel and restaurant business should pay attention to an effective tool of the Internet marketing, which would promote a product or service in the shortest possible time through the use of various social media resources. Involvement of social media marketing (SMM) provides an opportunity to improve the company's reputation, expand the target audience, and identify the existing needs of consumers through the efforts of users themselves. Tracking and interaction with social media simplify the process of advertising goods and services, shortens the way to convey the main idea to the target group (In Bukovel through COVID-19 restaurants will be closed…, 2021, Massimo Bottura launched the Instagram…, 2021).

Facebook, Instagram, and Twitter are just some of the popular platforms that are successful with users around the world. It is worth noting YouTube and Vimeo, and individual messengers WhatsApp, Viber and Telegram (Davidova, 2017). The effectiveness of the method of involving social media is based on the fact that marketers of the hotel and restaurant business have free access to the data of potential consumers, which allows the use of information for strategic analysis. Admittedly, SMM has its own features and terminology; however, it has a number of effective advantages, such as: rapid audience response, information intelligence of competitors and online monitoring.

According to research, it was found that marketers have received a sufficient number of ways to develop the hotel and restaurant business with the involvement of social networks in modern conditions. It is also worth noting the special criterion of this type of business: the company seeks to convey to customers the necessary information, as the sender, while hotels and restaurants separate the item of expenditure to receive feedback from consumers, already as a recipient of information. In the process of this interaction, it is possible to adjust the activities of enterprises to the requirements and wishes of existing and potential consumers. The main task of media marketing is to find and form qualitatively new ways of interacting with consumers and attracting the target audience. Given the current conditions, in the process of studying the consequences of the pandemic, the study suggests a conceptual approach to the hotel and restaurant business (Table 1), based on the POST method and aimed to identify the main emphasis to consider the strategic direction of the marketing plan in the short term on given conditions (Chronicles of the business crisis…, 2020).

The applied POST method (People, Objectives, Strategy, and Technology) was developed by J. Bernoff (2007) as an effective foundation for the process of creating new directions of social networking strategies. The conceptual approach proposed for the hotel and restaurant business is a consolidated list of the main goals, accents and tasks, which are designed to maintain and develop the hospitality industry, using all available levers in each department to attract new and retain existing consumers and services (How the restaurant business holds the blow, 2021).
When making management decisions, attention should be focused on the needs of a particular product or service, the product approach system determines the main list of actions and steps, while the system of tracking changes allows capturing the dynamics, which simplifies the response process. It is evident that the existing list of diversity of personnel management methods has an advantage, allows increasing the level of goods and services depending on market demand. Based on existing research, and analysing the needs of consumers, it is possible to make assumptions about the organisational adaptation of the structure of restaurants and hotels, primarily due to the high professionalism of the staff involved. Laying a strong foundation would increase the speed of response to changes in environmental conditions, and thus preserve the position of economic entities.

4. CONCLUSIONS

The realities of today paint a bleak picture: most restaurants around the world have had to cease to exist due to quarantine restrictions and the inability to interact with customers. Absolutely unprepared for the crisis, restaurants and hotels faced a difficult task, which resulted in a strategic transformation of enterprises. At present, industry must use all available resources to maximise flexibility and develop the necessary speed of response according to the business environment in which the business units in the changed market infrastructure will operate.

Given the consequences of the rapid spread of the pandemic, the hotel and catering industry has suffered some of the most devastating trials. Becoming hostages to the situation, businessmen are forced to transform the activities of enterprises, activating all possible resources. Modification of the process of interaction is inevitable, so it is worth paying attention to what the market suggests: today, information technology affects almost every area of human lives, respectively, computerised business must be as integrated as possible in the process of transformation.

The development of modern technologies at the level of valuable resources is becoming an important component in every enterprise, which helps owners to adapt to a new course during pandemic. This will not only preserve the existing hotel and catering establishments, but also qualitatively reshape the mode of interaction with consumers. Based on the new accents, to integrate the new rules of the game, a conceptual approach to media marketing for enterprises based on the POST method was proposed. The formed approach would allow adapting to the conditions that are dictated and to develop new areas. In addition, given the specific nature of the hotel industry, the need to improve the human resources management system and to introduce the latest technology has been suggested. The aim of the theoretical recommendations is not only to improve the skills of existing employees, but also to protect guests and staff as much as possible, considering the requirements of modern circumstances.

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