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Article

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STRATEGY OF SALES AND COMMUNICATION OF HOTEL SERVICES DURING THE WAR

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Abstract. *In the conditions that have developed in the economy of Ukraine, the organization of processes in the hotel business and the formation of sales and communication strategies have undergone changes, as well as the tourism sector as a whole. Each hotel enterprise needs to clearly understand the plan of actions and decisions to ensure the correct operation of the enterprise, adapted to external changes. The purpose of the article is to study the essence and tasks of forming a strategy of sales and communication of hotel services during the war, studying the main aspects. After February 24, 2022, most Ukrainian businesses and enterprises, in particular hotels and restaurants, faced uncertainty and confusion about what to do next. The tourist flow came to a sudden halt along with air and rail connections. A significant number of workers lost the opportunity to be present at workplaces or went abroad. Due to the hostilities, the offer on the hotel market of Ukraine has decreased. The objective of survey providing in the study is the determination of regional trends in the development of the hotel market of Ukraine during the war and understanding the peculiarities of marketing strategies that affect the involvement of new hotel product consumers' segments through the booking channels and the formation of a positive image of hotels. Methods of generalization, analysis and synthesis, comparison, scientific abstraction and systematization were used to fulfil the set tasks and achieve the main goal of the research of strategy of sales and communication of hotel services during the war.*

Keywords: *sales, distribution, communication strategy, hotel services during the war*

Introduction

Since 24 February 2022, most Ukrainian businesses and enterprises, including hospitality and restaurant companies, have faced uncertainty and confusion about what to do next. Tourist arrivals came to an abrupt halt, along with air and rail services. A significant number of employees lost the ability to be present at their workplaces or went abroad. In 2022 during the war, it was confirmed the association between job insecurity and job stress, and the relationship between job insecurity and turnover (Ergun et al., 2023). As a result, the low pay level in the hotel and restaurant business influenced on decreasing of employment and migration of staff (Levytska et al., 2023). The hostilities, supply in the Ukrainian hotel market has decreased, with many properties not operating for security reasons, lack of demand, technical reasons or damage from shelling. For an effective recovery of hospitality

and tourism, Ukraine may take the experience of other countries. The war in Croatia destroyed a lot of infrastructure, cultural heritage and reputation of a safe destination. It took a couple of years to regain all of that to the starting position and then acquire the development of the same (Belin, 2021). Japan has experienced many crises caused by viruses, epidemics, natural disasters such as typhoons, earthquakes, tsunamis, and the ravages of war, which led to the economic stagnation (Hara et al., 2022). The problem with migration can be solved as in Sweden, where the refugees being there temporarily—as soon as the war ended, they were expected to return home (Nauman, 2022).

Currently, the state of the hotel market in Ukraine varies from region to region: how such facilities operate and whether they are open at all depends on the region in which they are located and how far they are from the war zone. Hospitality during the refugee crisis, apart from a cultural value and societal response to the protracted refugee influx,) is a discursive strategy of socio-spatial control used by humanitarian agencies, local and national authorities (Carpi & Pınar Şenoğuz, 2018). The hotel's orientation towards the reaction on the contemporary situation is closely related to the rebuilding its work in order to be useful and help those who left their homes because of the war (Petráková et al., 2022).

The demand for hotels in Western regions of Ukraine: Ivano-Frankivsk, Lviv, Ternopil and Zakarpattia was formed by international companies and diplomatic missions that relocated to safer regions. More than one thousand enterprises have been transported from the eastern and central part of Ukraine (Zhuravka et al., 2023). Hotels there are fully operational and there are no prerequisites for closing or suspending their operations. In Kharkiv, Sumy and Mykolaiv, the main goal is to preserve the facilities. The hotels have been suspended as accommodation facilities. The teams are focusing their efforts on volunteer support in the war against the Russian aggressor. According to (Korneyev et al., 2022), the Ukrainian business is gradually returning to life. Hundreds of enterprises are resuming work, and the state is contributing to this.

We should also pay special attention to the operation of international branded hotels: such accommodation facilities located in large cities have mostly suspended operations. This is due to security policies and foreign management. In addition, their audience is foreign tourists, who are not coming to Ukraine at the moment. Today, international hotels such as Hilton Kyiv, InterContinental Kyiv, both Radisson Blu Hotel properties, as well as Fairmont Grand Hotel Kyiv, Mercure Kyiv Congress, Holiday Inn Kyiv and others have resumed operations in the capital.

Analysis of research and problem statement

Actuality of the research: Hotels that did not stop operating had to transfer all business processes to an unprecedented new format. At the same time, they had to provide guests with the usual level of service and safety, help employees and their families, and engage in volunteering: providing shelters, hosting IDPs, providing humanitarian aid, etc. Often, this had to be done with a smaller team, as hotel staff also tried to move to safer places or emigrate abroad, or employees joined the ranks of the Armed Forces or the Defense Organization. However, if the main issue at first was how to assemble and retain a team, now it is how to load it in the face of low demand and a small number of guests.

Another challenge for hotels was the disruption of supply chains. Due to the lack of fuel

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and other reasons, some logistics processes were disrupted, which affected the provision of facilities with the necessary supplies for operation or launch. For example, at Ribas Hotels Group, logistics disruptions affected hotels under construction. And hotels experienced interruptions in the supply of products in the first weeks of the invasion. The curfew also changed the operation of accommodation facilities. Due to time constraints, the process of check-ins and check-outs is somewhat complicated, with the main workload falling on the day shift. In addition, due to the curfew, employees sometimes live on the premises of hotels. Restaurants and bars and other services, such as beauty salons, SPA areas, etc., are also limited. Some hotel services are not available during air raids. This is a separate point in the operation of facilities that have implemented enhanced security standards. They include notifying guests about air raids and their termination, arranging safe places/shelters where people can wait out the danger, etc.

Method

Data were collected from April 2022 to December 2022. The study adopted mixed research methods because it allows for the collection of both structured quantitative data through a survey and qualitative data through interviews with the hotel managers. The survey consists of 10 questions with the answers stated in different forms such as “yes or no”, multiple choice, open questions. The questions were based on exploring current situation focusing on peculiarities in hospitality sales during the war. 134 hotel managers from different regions of Ukraine completed the survey or were interviewed. MS Excel statistical tools were used to analyse the quantitative data gathered from survey, interviews to present the trends and market situation in hospitality in Ukraine.

Results

The current situation of the Ukrainian hotel industry can be described as a lack of a market. Except for some regions in the west of the country, where the situation is better. Such segments of guests as leisure and corporate are completely absent. Since the beginning of the full-scale war, two categories of guests have dominated the structure of Ukrainian hotels. First and foremost, it was individual guests who either temporarily stayed in accommodation facilities and then returned home or found permanent accommodation in a new city, or travelled further afield. There was also demand from companies and diplomatic missions that relocated their teams to safer areas. For example, in the city hotels of Ribas Hotels Group in Odesa, internally displaced people accounted for about 70% of guests in the first months of the war, but now they are relatively few - 10%.

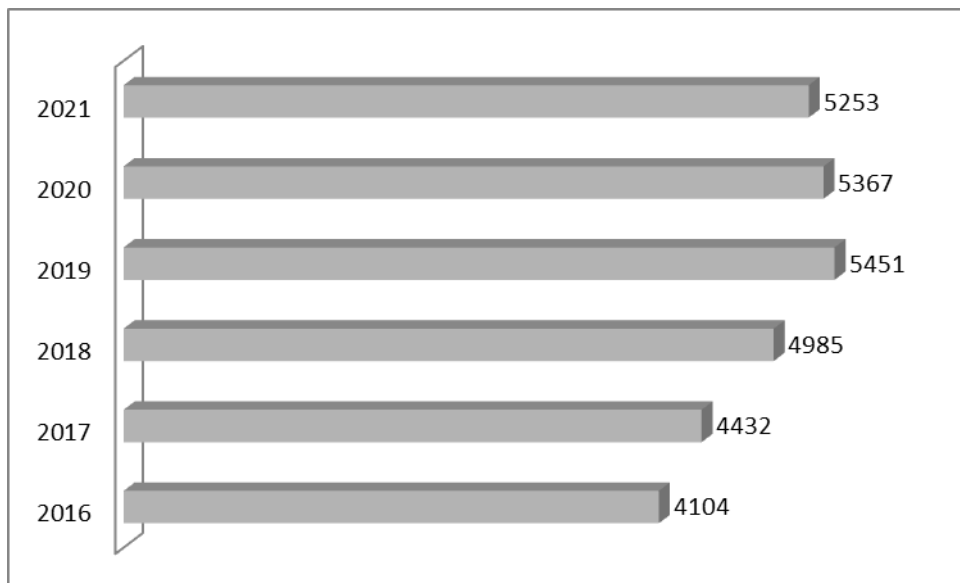
These are mainly people from Kherson and Mykolaiv. In March, Poltava's Premier Hotel Palazzo was almost 70% occupied by refugees from Kharkiv. The hotel hosted and fed people for free. In March and April, Premier Hotel Dnister in Lviv allocated a significant number of rooms for free accommodation for refugees and also converted one of its conference rooms into a free hostel. The second category of guests includes media representatives, diplomatic delegations, international volunteer organisations, etc. The operators especially note media representatives: at the beginning of the hostilities, some properties, such as the Bristol in Odesa and the Premier Palace Hotel in Kyiv, had so many

such guests that the hotels became a kind of hub for international journalists.

According to the results of the analysis of the market of hotel services it is established that in the structure of hotels of Ukraine 42% are hotels in big cities, their number by regions is 5253 objects (figure 1).

Figure 1. Number of hotels in Ukraine 2016 - 2021

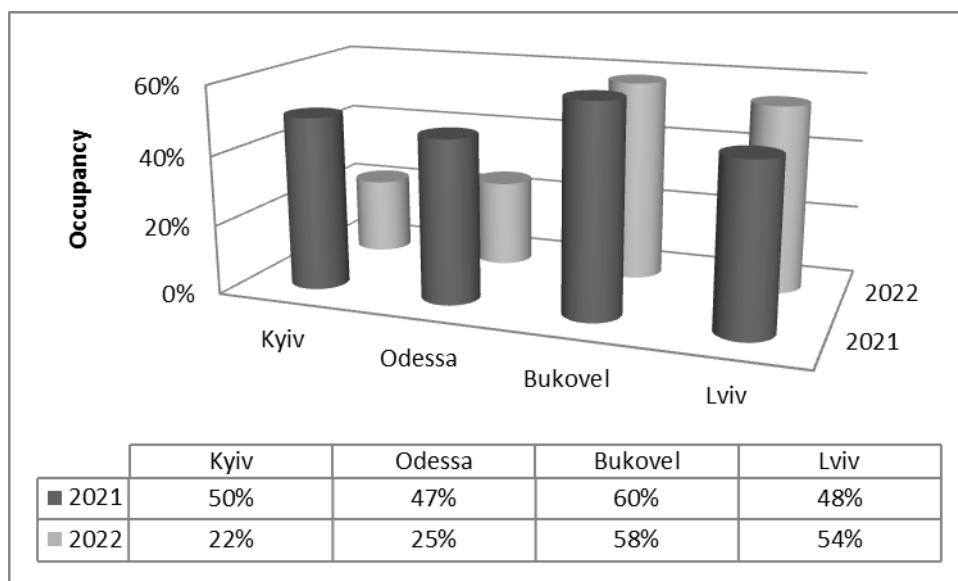
Source: Own development by authors



The number of hotels according to official statistics in 2022 were decreased compared to 2021. This is caused by occupation of part of Ukraine and because the number of certain facilities were destroyed (figure 2).

Figure 2. Dynamics of the occupancy in Ukrainian hotels in 2021-2022

Source: Own development by authors



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During the period of research, we observe that in 2021 - 2022 the occupancy decreased in Kyiv, Odessa during the war, and the same time we observe an increase in the hotel occupancy in Lviv.

At the same time, during 2022, the room occupancy rate ranged from 22 to 58%, which indicates a low level of attractiveness of hotels in central and south Ukraine, which indicates an insufficient response of new communication strategy.

How has the war affected the network and guests? Negative impact: lack of physical security due to the hostilities on the territory of Ukraine, which is on the list of countries not recommended for citizens of most countries. Lack of air travel, the departure of solvent Ukrainians from the country, unsafe location of hotels near government buildings become the logistical problems to ensure full operation. Positive effects: reduced competition - the list of competitors has been partially reduced due to the closure of hotels in Kyiv. Retention of staff, Ukraine is in the spotlight of the world community. Ukraine is a brand and visits from the press, international organizations and companies that were not present before. Having basements has become an advantage, as they serve as storage for guests, and proximity to the metro. What are the historical booking channels and customer segments? More than 65% are individual guests who book their accommodation directly at the reception, on the website or online resources. About 25% are representatives of embassies, government agencies and corporate companies, who mostly stay long-term and in large groups. The remaining 10% are loyal guests who stay regularly. Guests who have been staying since the beginning of the war: foreign journalists, whose number has increased significantly, international organizations, Ukrainians as individuals travelling through Ukraine and guests whose stays are funded by Ukrainian charities to support those affected by the war. Main sales channels: hotel website, hotel email, online booking channels, social media. Most online booking channels support Ukrainian businesses, so Airbnb had the opportunity to create a donate rate that anyone could use by making a charity booking to support the hotel industry. Another booking service, booking.com, cancelled the mandatory booking commission for Ukrainian hotels by the end of the year. As for the communication strategy of hotel services, absolutely no one has a magic methodology for communicating during such a period, but you definitely don't need to drop out of the information space. The concept of "communication" comes from the Latin word communication as a derivative of communicate - to make common, to connect, a way of communication, a form of communication. Therefore, communications are understood as the process of exchanging information between people using various signs, symbols, and communication methods. Communications are the subject of study in various sciences, including philosophy, sociology, psychology, political science, cultural studies, linguistics, economics, marketing, and others. Therefore, communication theory is a complex science that integrates knowledge about communication processes in various fields.

Marketing communications is one of the components of the 4Ps, which is an important tool for promoting goods and services. Marketing communications are of particular importance in the digital society, which is characterized by significant changes in almost all areas of human activity due to new opportunities provided by digital technologies, digital infrastructure, mobile and cloud technologies, Big Data, digital codification of information, significant growth in computing power, integration of information technologies with

communication systems, digital automation and robotics. All this makes information accessible to consumers, changes their behavior, accelerates the development of society, stimulates economic growth, improves public administration and business management in all areas of economic activity, and improves human life. External communications take place between an organization and the target audiences with which it has to deal. Target audiences include shareholders, trade unions, consumers, financial and credit institutions (banks, stock exchanges), suppliers, competitors, the media, NGOs, regional (municipal) authorities, government agencies and other governmental structures. Internal communications are communications that take place within an organization between individual employees or departments of the organization. Communication in social media, on the hotel website and in the media is important from the first days of the war and should be a mandatory, continuous process. Hotels need to broadcast their social, political and volunteer position. Make open reports on volunteer activities, broadcast that the hotel business is working. Wartime marketing and communications have their own peculiarities. You cannot pretend that nothing is happening and that there is no war. It used to be that some people could afford to say "we are out of politics", but now everything that happens in the country is politics. War is politics. In addition to the usual content, patriotic publications should be added, and such content can be segmented as follows:

- military and social;
- national brand positioning;
- information about volunteering;
- transferring funds for the Armed Forces;
- discounts for Ukrainians, etc.

Communication strategy in hospitality is a process aimed at: Supportive-victorious - inspirational content about victory, affirmations, quotes, memes on military topics. Adapt them to your niche, so you will be on the same page with your audience.

Relevant and useful - post a message about your company's work or suspension of work, publish a list of active sales offices, their schedule, and current contacts. Hotel can also add a list of bomb shelters near the establishment.

It is especially important to show that there are ordinary people behind every business, add staff photos, live stories and broadcasts to your profile. If possible, actively cooperate with international media and give interviews. This way, you increase the level of trust in the brand. In order not to lose the loyalty of your audience, you should work on any feedback or comment, even if it is unpleasant. Work with free channels. Whenever possible, hotel managers have to actively cooperate with international media and give interviews. This is how to increase the level of trust in the brand. In order not to lose the loyalty of the guests, hotel should work on any feedback or comment, even if it is unpleasant. Hotel need to work with free channels. The immediate target of such savings is communication channels. Hotel should focus on the free channels that will have developed in the previous work (social media, newsletters, website) and analyses whether hotel really need the paid channels that worked before the war (targeted, contextual, display advertising). Promotion of hotel services, in particular the cost of advertising impressions and ads, has fallen in price amid a decrease in supply on the market, so it is worth seizing the moment and allocating a budget for promotion. The main marketing messages have also changed somewhat, and now the

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main emphasis is on safe storage, round-the-clock security, room alarm systems, long-term accommodation at a reduced price, etc. Before posting anything, hotel manager needs to read the news. Before hotel manager clicks publish on a new post, he needs to check what's happening in Ukraine and around the world. It is clear why he should not post about entertainment if there was an explosion in a shopping centre half an hour ago. Delete what turned out to be inappropriate. Something happens all the time, unpredictably. If a tragedy occurs half an hour after the post, don't be afraid to delete, move, or apologize. Do not speculate on values. Do not use the names "Bayraktar" or "Peremoha" - do not parasitize on things that inspire Ukrainians. But at the same time, keep track of social demands: you need to understand what people want and give it to them.

Conclusions

It should be noted that the sales and communication strategy in today's realities must be quickly adaptable and adjust to changes and current market offers. Now is a great time to try and test new hypotheses of promotion, implement new approaches to doing business, and find other ways to increase revenue. Free tools are especially worth noting. Hotel managers have to monitor the situation in the country and the world to be as relevant as possible in communication strategy. The unpredictability and dynamics of demand in the situation of war in Ukraine prompts hotels to the need to comprehensively and systematically form a policy of sales and communication with guests in conditions of increased risk. Therefore, accordingly, there is a need to implement new strategies, since closed borders, lack of electricity supply and the danger of missile strikes lead to the need to change the paradigm of providing hotel services. Therefore, an important approach is formulating a strategy of reorientation to new target segments, forming a brand and identifying the hotel as a safe place for the guest. In the conditions of war, the introduction of new strategies for the distribution of hotel services is a dynamic and prevailing trend, which is manifested in the use of transformed sales channels, communication with stakeholders. Therefore, the means of improving the effectiveness of sales and communications in conditions of war are the creation of a positive image, including through volunteer activities and cooperation with charitable organizations. For the effective implementation of such strategies, there is a need for optimal balancing of economic interests and the social component. Therefore, it is possible to identify certain possible outcomes of sales and communications strategies in the context of war.

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