

# INNOVATION DEVELOPMENT PERSPECTIVES IN A HOTEL INDUSTRY BY EXAMPLE OF RADISSON HOTEL CHAIN IN UKRAINE

TETIANA KONOVALOVA<sup>1</sup>, GRAŽINA JATULIAVIČIENĖ<sup>2</sup>

Vilnius University (Lithuania)

## ABSTRACT

The article aims to show that the main and most important prerequisite for successful hotel business growth in current promptly changing business environment becomes development of innovation in the hotel industry. Though the term innovation is already widely defined by many researchers, it is considered in the article as a subject for future discussions leading to proposed scientific classification of innovations based on selected criterions. Evaluation of the process of innovation appearance in the hotel market allowed creation of the model, presenting the main influences and attributes of the whole innovation process in a hotel industry. Afterwards, the article discusses some specific innovation tools that are essential for hotel enterprises and which could be challenging for hoteliers in Ukrainian market nowadays. Based on the empirical research results, the obstacles which hinder up-to-date innovative operations in Ukrainian Radisson chain hospitality market are discussed. As well, concerning prospective innovation trends for Radisson Hotels in Ukraine, advices for future innovation implementation were proposed.

KEY WORDS: *innovation, hotel industry, innovations development.*

JEL CODES: D81, O31, O32, L83

DOI: <http://dx.doi.org/10.15181/rfds.v15i1.981>

## Introduction

Dynamic changes in technology, the struggle for the consumer and increased competition forced the hotel enterprises consider the entire marketing activities in a new set of issues. Orientation on consumer demand, and tendency of implementation of scientific and technological innovation proceeding have become the main ideas of a new management philosophy in the hotel industry. Innovation – as an expression of human creativity and lateral thinking – is not the result of economic development, but rather the source of sustainable economic and social progress. The hospitality industry makes no exception. In the current economic context, hotels generate, disseminate and use innovation in order to gain or maintain long-term competitive advantage. Therefore, there is need for a detailed analysis of the hotel services innovations and their changes in development orientation.

For last decade in Ukrainian hotel market appeared sufficient amount of chain hotels and final part of the European Football Championship in summer 2012 encouraged and accelerated that actions. But nowa-

<sup>1</sup> Tetiana Konovalova – graduate student, Vilnius University, Faculty of Economics. Scientific interest: innovations, hotel industry

E-mail: [tetianakonovalova777@gmail.com](mailto:tetianakonovalova777@gmail.com)

Tel.: +370 688 902 77

<sup>2</sup> Gražina Jatuliavičienė – associate professor, doctor of social sciences, Vilnius University, Faculty of Economics, Business department. Scientific interests: entrepreneurship, innovations, export promotion

E-mail: [grazina.jatuliaviciene@ef.vu.lt](mailto:grazina.jatuliaviciene@ef.vu.lt)

Tel.: +370 5 219 32 29

days the situation turned in the opposite direction – because of different barriers, large amount of the hotel enterprises are experiencing the range of difficulties. Consequently, nowadays the question of hotels rehabilitation and improving the competitiveness on the hotel chain market in Ukraine is an urgent question for hoteliers. Thus, innovation implementation, as an instrument of a new creative idea can be very beneficial on the way of restoration of hotel structures. Relevance of this article is specified by a need to find new and better methods of innovative changes to achieve competitive advantage in the hospitality market.

An object of the article is an innovative process of a hotel business development.

The aim of the article consists in exploration of new areas of innovation development in Ukrainian hospitality market. To achieve this purpose, the following objectives were identified:

- to provide understanding of theoretical foundations of innovation processes in a hotel business and to present theoretical model “Innovations in a hotel industry”, where are reflected main components of innovation process;
- to explore Ukrainian market of Radisson hotel chain and to analyze development trends in the field of innovation in recent years;
- to conduct empirical research and to determine expansion perspectives of innovative changes as well as obstacles, which hinder the development of these innovations.

Research methods: analysis and synthesis of related scientific literature, interpretation, descriptive method and empirical research.

## 1. Theoretical foundation of innovation processes in a hospitality industry

Concept of innovation. In the modern global economic literature concept of innovation is interpreted as the transformation of potential scientific and technological progress in the real new products and technologies. Ambiguous interpretation of the concept is associated with the fact that some authors have studied it in terms of subject-technological approach; others highlighted action-functional essence of innovation. In the first case innovation discussed as the finished result. But while discussing activity-functional approach, it is generalized common understanding of innovation as a process of production of a new product. Combining both options determine innovation as the ultimate result of creative activity to originate and implement new or improved products and technologies.

It should be mentioned that the exceptional role in revealing the concept of “innovation” belongs to prominent scientists J. Schumpeter, which considers innovation as an invention that is fundamentally changing management as well as technology with a new combination of resources (Schumpeter, 1934).

As Drucker said (Drucker, 1992), innovation should appear as an opportunity. The result of these opportunities is the creation of a new service and product or changing both options. Innovation cannot be only an idea or philosophy; innovation can be defined as a practice, a process or a product.

In the literature, there are hundreds of definitions of innovation. For example, on the basis of the content or the internal of innovation, there are technical, economic, organizational, management, etc. Thus, according to various Russian authors often under innovation are implied: the result of creative ideas (Философова, Быков, 2008), first practical application of the new solution (Голдякова, 2006) new products, ideas, objects, solutions which are qualitatively different from existing ones (Яновский, 2004), material result, received from capital investment in a new technology (Балобанов, 2001).

Classification of innovation. Basic classification of innovation was proposed by German scientist Gerhard Mensch (Mensch, 1979). He proposed to distinguish innovations into three groups: basics, improving, and pseudo-innovation.

Other authors distinguish innovation by mechanism of implementation, innovation potential, peculiarity of the innovation process, their effectiveness (Пригожин, 1989), on purpose, shape and location of the application (Балобанов, 2001); subject and scope of application, type of needs satisfaction (Quintane et al, 2011); on the degree of novelty, scope and place of use, time of use (Титов, 2001).

While assessing the various points of view in innovation systematizing question, it was selected the basic criteria for the classification and proposed a generalized scheme of innovation classification (see Figure 1).

Proposed classification of innovations is based on scientifically based criterion: the degree of novelty, the breadth of use of the subject application, and the effectiveness of implementation.

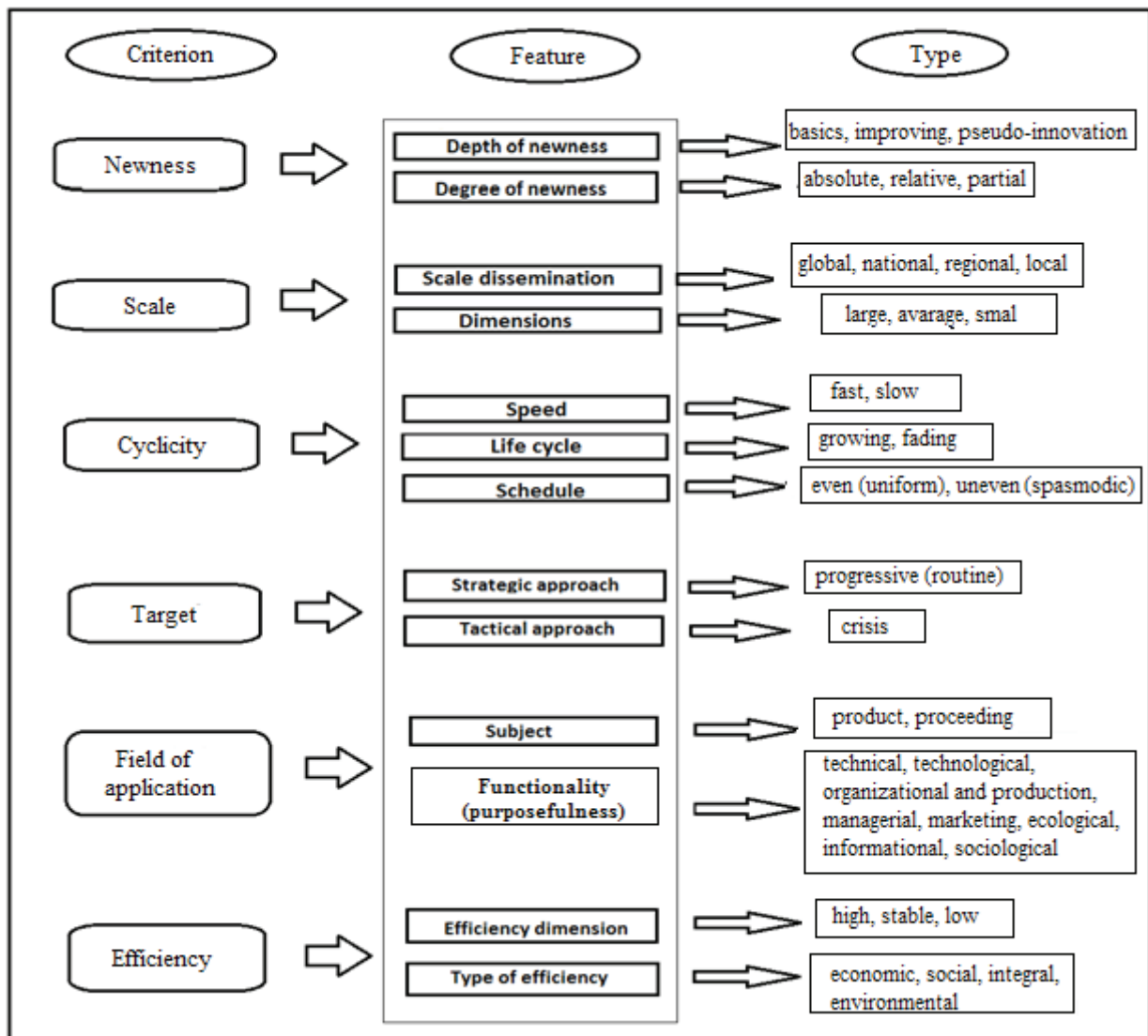


Fig. 1. Innovation classification

Source: made by authors, based on: Балобанов, 2001; Голдякова, 2006; Яновский, 2004; Евдокимова, 2007; Пригожин, 1989; Сурин, Молчанова, 2008; Титов, 2001; Наседкина, 2009.

**Innovation process concept.** Innovation process is the process of scientific knowledge converting into innovation, i.e., sequential chain of events, during which innovation grow from idea to a specific product, technology or service and distributed in practical use. The basis of the innovation process is the creation and development of new technology.

The innovative process comprises the following steps (Васильева, Муравьева, 2005).

- search for innovative ideas;
- selection of the most promising ideas;
- assessment of viability of the selected ideas;
- development of a detailed business plan of innovation project;
- expert evaluation of the business plan;
- experimental production of innovative products;
- adjustment of production schemes;

- promotion of innovative product;
- mass production of an innovative product.

Afterwards, the most acceptable innovation process stages, which were made by Jennings (2011), who specializes in strategic renewal and business model innovation, include:

Step 1: Setting the Stage – clarification of innovation goals.

Step 2: Discovery of the current situation, customers, their needs, challenges, etc. The main aim here is to find and identify opportunities for business model innovation.

Step 3: Development and Design. This is creative part, where ideas of portfolio visualize the future estate and tools.

Step 4: Conversion is related with Implementation ideas into practice and turning them into innovations in the marketplace. The goal is not fully launch innovations, but to test real ideas within a limited scope to determine whether customers like the innovation and accept it.

Step 5: Commercialization is a feedback from business model innovations that have been successfully tested.

As Ashford (2002) states, three factors are required for innovation to happen in a company: *willingness* to change, opportunity to adapt existing or develop new technology for innovation, and *capacity* (technical or human skill based) to implement innovation.

## 2. Innovations and their processes in a hospitality industry

Over the last years introduction of the term “innovation” was discussed in the service literature, and more often different service enterprises felt a need to adopt new creative and innovative programs in their management processes. In addition, accelerating temps of evolution of service factor in literature has indicated significance of innovative processes in a hospitality industry and revealed that processes as a main factor of competitive sustainability.

Although Gyurácz-Németh, Friedrich, Clarke (2013) point out, that the innovation is not so popular in the hotel industry because the conservative and capital intensive nature of the structure, nowadays hotel industry is forced for promptly changes. To be competitive in such a dynamic environment, managers of hotel enterprises have to make proactive changes in order to meet technological interfaces and satisfy customer demands. Moreover, today’s hotel customers have made lower brand loyalty levels but continue search for the best value (Victorino et al., 2005). According to Allegro and de Graaf (2008), in the hotel industry the most innovative ideas come from those, who have an outsider’s perspective looking at the operation and they do not restricted by existing practices. In order to offer appropriate value to hotel guests, hotel managers must at the beginning understand wide variety of consumer preferences and after that prioritize and include these preferences to their service portfolio.

Innovation refers to a company’s ability to improve new services and products that either modifies business an industry operate or the way a customer uses or cooperates with business. In a hospitality industry it was a considerable innovation, made by Kemmon Wilson when he built first Holliday Inn hotel. His example introduces the residence properties such as Residence Inns and all-suite brand such as Embassy. Wingate Inn, for instance, reached high technology earlier and introduced in every room high-speed Internet access. In addition two-line speakerphones with data port, voice mail facilities and conference call were introduced in hotel service. After that, other hotels begun to offer the same facilities, however Wingate Inn was the first who innovated that novelties.

Yet despite slightly developed innovation processes in hotel sphere, nowadays hoteliers are increasingly using introduction of new and creative processes in the development of the hotel business. Moreover, this factor has active tendency for future development.

The study of scientific literature also determines importance of innovation processes in the hotel industry. Creation of innovations in the system of relations is arising in the simple process of planning, production and sales of hotel products and services (see Figure 2).

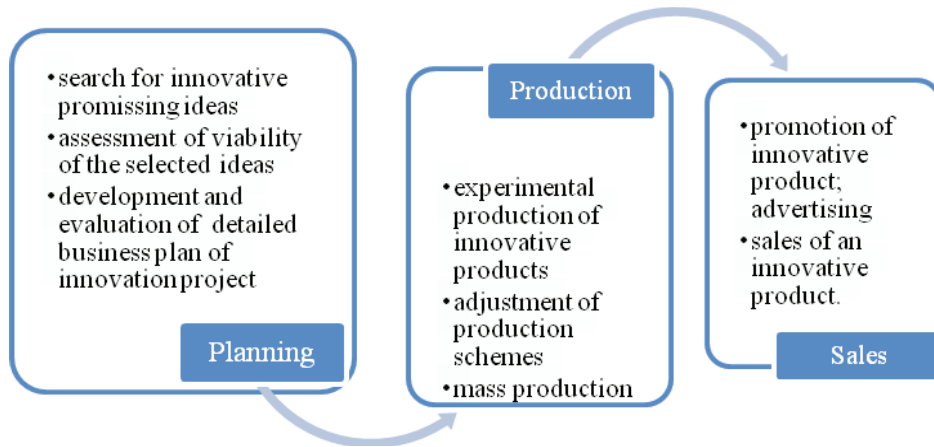


Fig. 2. Process of innovation appearance in a hotel market

Source: Made by authors, based on Васильева, Муравьева, 2005.

Innovation activity in the hotel industry should be based on strategic management principles, using scenario and simulation methods. Thinking strategically means being able to embrace innovation, however, it is right to suggest that the process of innovation is complex (Jatuliavičienė, Kučinskienė, 2010). Taking this into account, the key innovative units can be following areas of organizational and managerial innovations in the hotel business: modern typology of hotel enterprises; material and technical equipment of hotels; information support of processes; innovation infrastructure; security system. Innovative process system has a core position, which is capable to accept the innovation challenge and provides an innovative process of creating, implementing and reproduction of innovation. It is uniting others blocks: a typology of hotel enterprises; material and technical equipment of hotels; inquiry and communications support of technological and marketing processes; innovation infrastructure; staffing innovation.

After analyzing the works of scientists it was created the model, which shows theoretical conception and understanding of term “Innovations in a hotel industry” (see Figure 3).

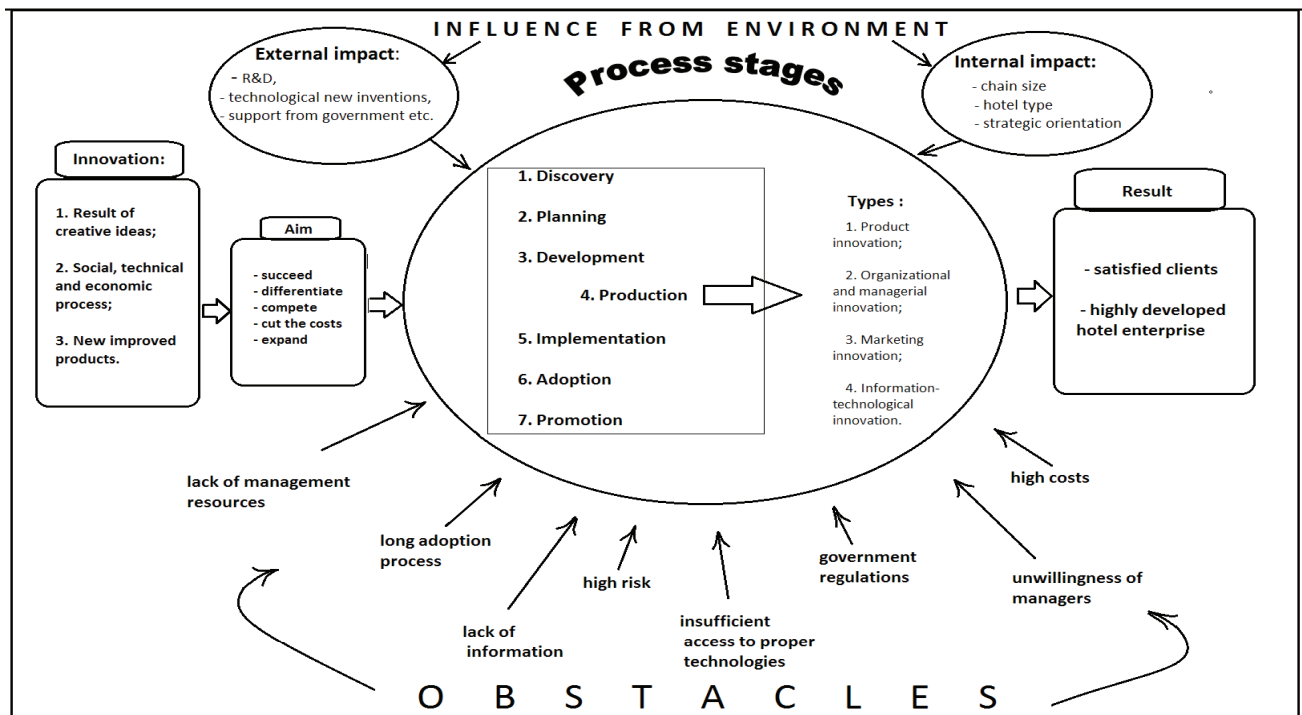


Fig. 3. Theoretical model Innovations in a hotel industry

Source: made by authors, based on: Балобанов, 2001; Евдокимова, 2007; Васильева, Муравьева, 2005; Drucker, 1992; Mastenbroek, 1999; Морозов, 2000; Kotler, Bowen, Makens, 2010; Перерва, 2005

Here are presented the main attributes, which help to understand the whole innovation process. Particularly, here performed such elements in innovation as: aims, stages, types, obstacles and influences, because all these features are the most important while exploring hotel innovation changes.

### 3. Empirical detection of innovative changes in Ukrainian hotel chain market by example of Radisson chain

Ukrainian chain hotel market is young and not yet overfilled, consequently, is prospective for both foreign and Ukrainian hotel operators. The situation began to change in the early 2000s, when the Ukrainian economy showed slight growth. In 2010 the hotel market of Ukraine was gradually recovering from the crisis, but that process was very slow. By 2012 in Ukraine began to appear wide variety of chain hotels, mainly in Kiev, Donetsk, Odessa and Kharkov. The sharp reason for that fact was European Football Championship in May 2012. But today, the situation again deteriorated significantly. Multitude of chain hotels does not have enough demand, or stand idle; they do not have a new investment projects and already initiated projects are closing. Partly this is the fault of the current difficult situation in the country: economic decline and political instability.

Nowadays, Ukraine is still an open market for international operators, which have been trying to enter the market for a long time, but not everyone can manage the newly opened chain hotel in a constantly changing environment and to confront illiteracy of Ukrainian hotel owners.

Over the past 6 years the situation has radically changed with the presence of large international hotel chains in Ukraine. Before such large global chains as “Hilton”, “Marriott”, “Sheraton”, “Radisson”, “Kempinski” or “Accor” didn’t pay any attention to the Ukraine, but now the situation has slightly changed. “Hilton” and “Radisson” hotel chains are pioneers in this regard.

Nowadays, Rezidor Hotel Group capacity in Ukraine is represented by five hotels in different regions, among them: Radisson Blu and Radisson BluPodil Hotels in Kiev, Radisson Resort & Spa in Alushta, Radisson Blu Resort in Bukovel (Ivano-Frankivsk region.), as well as mid-priced hotel Park Inn by Radisson in Donetsk (despite unstable political situation, this hotel remains in operation). Majority of them appeared in the hospitality market in a last few years.

Having explored these five objects of study in terms of innovation operations, there is a need to mention their current up-to-date changes. At the moment all Radisson hotels gradually introduce various innovative changes. For instance all of them providing guests with 100 % guest’s satisfaction program or grab & run service (breakfast to go). The majority of the hotels (two in Kiev and in Donetsk) can astonish guests with express checkout, 3 hour express laundry and “one touch” service in the room. Two resort hotels can boost with “green Key” program (conformity to the international eco-standards). All of these kinds of services are new in Ukrainian hotel market now, therefore the situation looks not so negative, but after having conducted sociological research (survey) and obtaining results, other side of this issue can be revealed.

For analyzing innovation processes in the Radisson chain hospitality sector of Ukraine, two groups of respondents were examined: directly tourists, who already stayed at Radisson chain hotel previously and hotel business employees and members.

Two questionnaire lists (for two groups of respondents) were composed in September 2014. At the beginning of October messages with requests to fulfill questioner list were sent to respondents. Recipients were requested to complete the questionnaire as soon as possible. In one week later, the initial mailing messages were sent to respondents again. Expectation of responses lasted till end of October and then began the analysis of results.

With a help of the first group (tourists) hotel enterprises were analyzed outwardly. The target was to know how many guests were happy with the service, which kind of innovation services they enjoyed more and what innovation changes they prefer to see in future in certain hotel. With a second group of respondent, hotel structure from inside was investigated. In the survey, list for this group questions were directed on identifying opportunities, motives, advantages and obstacles while implementing innovative changes. Con-

sequently, combining both groups of respondents it was possible to evaluate current problems in innovation sector in Radisson hotel chain, as well as to offer recommendation for future directions for innovation implementation in Ukrainian market of this chain.

Total number of the first group of respondents was 152 people. The main quantity of them (42 %) belongs to the age group from 36 till 45 years old. Another two groups of tourists or guests (25 % each) belong age categories: from 26 till 35 years and from 46 till 55 years. The other 2 groups of respondents belong to the age group from 18 till 25 and from 56 and over – took part in a sociological survey in a lesser degree – 5 % and 6 %.

To the question – whether tourists trust their vacation or business trips to the Radisson chain hotels in Ukraine, significant amount of respondents – 82 % gave a positive answer. Nevertheless 18 % of guests gave negative answers.

Concerning tourist goals (see Figure 4), the majority (45 %) choose Radisson hotels because of business reasons.

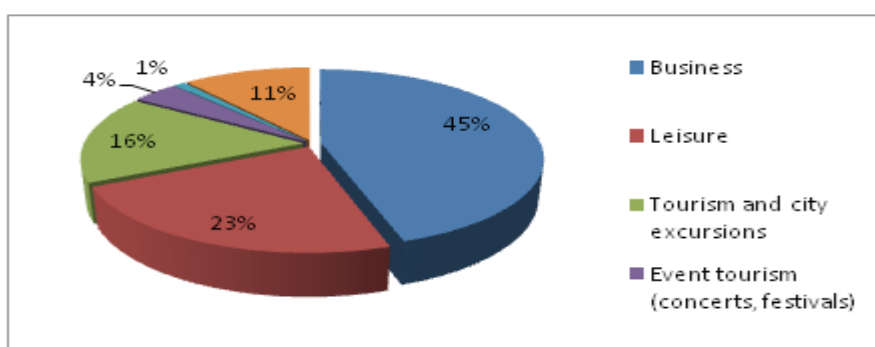


Fig. 4. Goals of guests to stay in Radisson hotels in Ukraine

Source: made by authors

Also not a small amount of Radisson hotels guests stay for tourism reasons (16 %) or leisure targets (23 %). In addition, European Football Championship in May 2012 affected not only on occupancy rate in hotels, but also on guests goals of visiting Radisson hotels. Therefore 11 % of respondents marked sport events as their primary reasons of staying in the hotels.

Later it was discovered guests satisfaction level concerning different kinds of services in a certain Radisson hotel. So it was proposed for respondents to assess 6 criterions concerning the hotel where they stayed. Based on the results of the votes it was discovered on an overall assessment score for all 6 criteria, which is expressed in a percentage ratio. Maximum from each criterion a hotel could get 100 points. Receiving an outcome from all votes following information for each hotel was found out (see table 1).

Table 1. Guests satisfaction evaluation in Radisson hotels with different kind of services (in %)

	Quality of service in the rooms	Price	Assortment of service	Cleanliness	Staff	Location
Radisson Blu in Kiev	71	67	81	77	85	91
Radisson Blu Kiev, Podil	69	77	85	93	89	90
Radisson Blue Resort, in Bukovel, Yaremche	81	81	89	80	79	89
Park Inn by Radisson in Donetsk	76	82	76	90	80	90
Radisson Resort & SPA in Alushta	80	81	90	88	87	90

Source: made by authors

So, to sum up the results of data from this table there is a need to emphasize, that the situation is ambiguous among all five items and there is no absolute leader among Radisson hotels in Ukraine. Nevertheless both hotels in Kiev have one of the higher scores almost in all parameters, while Park Inn by Radisson, in some meanings, is one of the decelerating in Radisson hotel arena.

In the last step it was specified guests opinion towards to their preferences in some innovation changes. So it was proposed a list of 6 different innovative directions for hotels, which respondents supposed to estimate in percentage ration according to the relevance and importance for the introduction in the first place. Therefore, such data were revealed.

Table 2. Guest's preference concerning innovation changes in Radisson hotels

Hotel	Expanding the number and quality of services (included in the room price)	More amenities from the stuff	Creation of specific deals and propositions	Improvement in the room equipment as well as interior /exterior of the hotel	Increasing the diversity of paid services	Improving the quality of cleanliness
Radisson Blu in Kiev	25 %	11 %	8 %	33 %	12 %	19 %
Radisson Blu Kiev, Podil	23 %	9 %	9 %	31 %	15 %	13 %
Radisson Blue resort, in Bukovel, Yaremche	23 %	15 %	4 %	35 %	11 %	12 %
Park Inn by Radisson in Donetsk	22 %	20 %	5 %	26 %	12 %	15 %
Radisson Resort & SPA in Alushta	23 %	7 %	3 %	27 %	18 %	20 %

Source: made by authors

As it noticed from the table, according to tourist's opinions, absolutely all hotels are requiring some innovation. In most cases, improvement in the room equipment requires more changes, especially in Radisson Blue resort Hotel in Bukovel. Secondly, for all of the hotels there is a strong requirement to improve number and quality of services (included in the room price). Thirdly, quality of cleanliness must be improved with a help of different sources (beginning from the housekeeping training courses till the purchase of new and improved cleaning equipment, which can accelerate and improve the quality of housekeeping). Further, guests are hoping for the diversity increasing of paid services (sauna, billiard, tennis, beauty salon, babysitting) and primarily it concerned Radisson Resort & SPA hotel in Alushta and Park Inn hotel by Radisson in Donetsk, where service infrastructure is currently less developed. It was also noted by respondents that some changes concerning staff amenities should take a place. In most cases it acts toward two hotels: Park Inn hotel by Radisson in Donetsk and Radisson Blue resort hotel, in Bukovel. As a result, the less important feature, where innovation should be involved is improvements in loyalty programs. While guests still complain about high prices, but realize what for they pay. Consequently, the quality of services in the hotels requires improving, because the level of these services still does not match the price level of Radisson hotels.

In study frames it was an urgent need to study and explore the situation in Radisson hotels from inside. In this regard, during the research it was collected data from managers, hoteliers, co-owners as well as from receptionists which are connected with Radisson hotels in Ukraine. 58 respondents took part in this survey; in this issue the following results were obtained.

Basing on the analysis of respondents answers it was evaluated efficiency demand for hotel service among different nationalities. Therefore the results showed that most of all Radisson hotels are sufficiently suitable for Russian businessmen and tourists (43 % of all gusts belong to this nation).

This fact can be explained that fact that large amount of Russian businessmen have a business trips to Ukraine (mostly Kiev and Donetsk). Moreover Crimea and the Carpathian region remained main tourist



destinations, where Russians often go for vacation. Particular in these two regions Radisson Blue Resort (Bukovel) and Radisson Resort & SPA in Alushta are located.

This may seem surprising but even Ukrainians stay in their Radisson hotels more rarely (34 %). It can be explained by the fact that these hotels are remaining expensive for Ukrainians. Nevertheless, the percentage of foreign tourists, businessmen and other guests in Radisson hotels is the lowest, but still considerable (26 %). This fact proves international guests' confidence in Radisson hotels, but still distrust for Ukrainian service organization.

Among employees of Radisson hotels the majority (62 %) are confident in the necessity of innovation implementation in their hotels. At the same time 38 % of respondents revealed a negative desire towards innovations in hotels.

Furthermore, respondents specified details which series of innovation changes they consider the most urgent. All summarized data were expressed in a percentage ratio (see Figure 5). Hence it's possible to make an output; there is an urgent necessity to inculcate a range of innovation changes in quality of service. It can be new room service concepts as, new equipment's for rooms, depending on guests' goals for staying or depending on their gender, ethnicity or even religious matter.

Next and very important section for innovation is personal management of staff. As in the majority of hotels staff proved their impoliteness and slow reaction on guests' problems, there is a need for organizing days of training seminars for receptionists, housekeeping as well for restaurant staff to rise up their competitiveness in their occupation field.

Another field that is expected also to be improved is – free services variation expansion. Therefore, managers have a lot of variation for service enhancement and diversification which is supposed to be deliberated and implemented for guests' satisfaction increasing.

Less expressed but also essential are specific deals and propositions for tourists, like loyalty programs, gift cards and certificates, as well as discounts, etc.

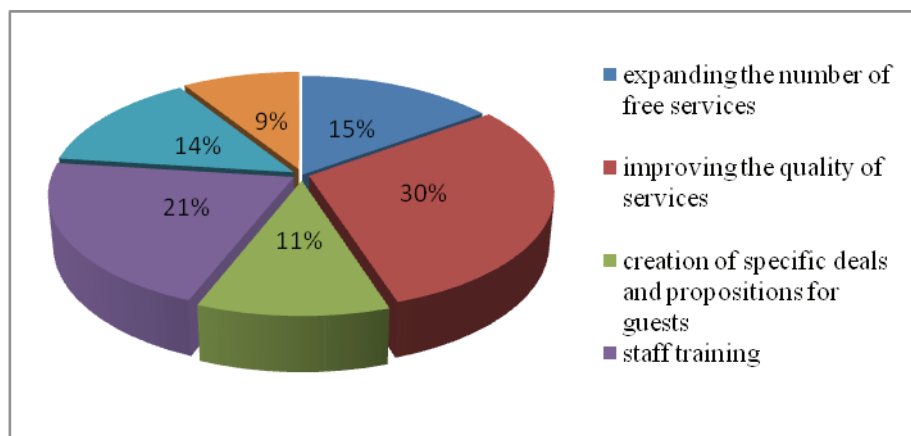


Fig. 5. Percentage ratio of different directions in Radisson hotels, where innovations, should be implemented (according to opinions of leading members of Radisson hotels)

Source: made by authors

Specifying advantages from innovation standards implementation in hotels, respondents distinguished a range of aims for innovative changes. The main reason is increase of success in guest's attraction (27 %). As well, very important issue in this case for hoteliers is reaching high competitive advantage among other hotels in Ukrainian market (20 %). Next two reasons earned almost the same points (16 %), they are: cost cuts in hotel enterprises and service quality advance and differentiation. In a less degree want managers to higher hotel's standards in comparison with others Ukrainian hotels (11 %) and minimize dependence from human resources. But their opinion could be wrong, and foreign managers have already understood long time ago, that exactly these two last issues will help to increase competitive advantage on the hotel market and attract tourists, what Ukrainian managers are hanker to achieve nowadays.

After all, the barriers toward innovation enhancing in Radisson hotels were explored. As a result, concerning this matter the following data were revealed.

By making an overview from the last diagram, it's easy to conclude that the main barrier for innovation is financial insufficiency. Other significant problems are insufficient access to proper technologies and corporate resistance for changes. That means that staff is not ready to accept some changes while operation by usual manner is much appropriate for them. It should be also highlighted problems with governmental regulations, which negatively effect on innovation process in hospitality industry in Ukraine. Taking into account long adoption process of innovation changes, what makes general managers refuse at all these issues; it creates a danger for the whole implementation process of such innovations.

Some economic declines, as well as political instability in the country, also take place among other barriers. In addition to all above mentioned difficulties, one more important thing is connected with lack of knowledge concerning innovation changes in a hospitality industry. Indeed not all Ukrainian managers are interested in innovation improvement in their hotels, hence even don't know what is going on with services in their competitors hotels. Consequently, it makes a huge problem for further innovation development.

#### 4. Advises for prospective innovation trends for Radisson Hotels in Ukraine

Having considered the descriptive analysis and survey results concerning hotel Radisson chain in Ukraine it's possible to conclude the main issues and propose suggestions for management of these hotels concerning their future innovation development, especially in problematic fields where significant defects and weaknesses were noticed.

1. Primarily, it was noticed the problems connected with room service quality. Guests were not satisfied with a range of equipment, furniture, etc. Hotels managers in this case can diversify the segment of accommodation amenities with improvement of old compulsory service having added new services types. For example, purchase of beach accessories (in resort hotels), or purchase service of a business suites (in business hotels), which can be provided directly to the room. Hence, such tactic will facilitate guests with more necessary service during their staying

2. Another significant gap in organizational and managerial processes in Radisson hotels is a problems connected with incompetence and low qualification of staff, especially that range which directly has contact with customers, being the face of the hotel. It comes primary about to the administrators at the reception, concierge, waiters, bartenders and housekeepers. Indeed, these employees need to be provided with new training programs, which improve their skills above high standards of service. In this matter, the hotel manager may implement more advanced computer programs and other opportunities to facilitate staff duties. Also next recommendation can be connected with staff involvement into responsible work using different creative ways, such as financial or other incentive rewards and compensation opportunities programs. As well in this issue not less important attention should be paid for housekeeping improvement. Their functioning may also be facilitated, for example, by purchasing more convenient equipment for rooms cleaning that will improve the quality and speed of their work, and consequently bring positive feedback from the guests.

3. Considering the next recommendation, connected with a problem of service diversity in hotels, as an examples can serve: ticket sales for the circuses and concerts in the town, restaurants booking (in the city), flowers purchasing and delivering, decoration of the room, unpacking and packing luggage, cleaning and repair of footwear and organization of the meeting VIP delegation at the airport.

4. Then, there are recommendation related to the field of marketing strategies in regulations of the question concerning price correspondence to the quality of services. Due to the fact that a lot of complaints from hotel guests refer to high prices for accommodation, room services, and restaurant amenities, hotel managers should seriously ponder over this issue. Examples of solutions for this problem may be the introduction of new loyalty programs for guests, gift cards and certificates, discounts, special offers with package of free services, etc.

5. One more advice is connected with information and technological development in the hotel business. Ukrainian Radisson hotels require new service concepts and programs which will catch a special group of guests. Some examples of these operations, such as “100 % guest’s satisfaction concept” or “Green Key” program are already noticeable in the hotel market in Ukraine. Nevertheless more suggestions in this area can be proposed for future innovation developments, for example introduction of a “Green Eco-Hotel” in Ukrainian market. This type of hotel can boost such new technologies as water, electricity and other supplies saving and using alternative opportunities which are environmentally friendly. This concept undisputedly will bring a success in Ukrainian market, being already very popular abroad. European people, the number of which in the Radisson hotels is noticeable (26 %) will be glad to experience such innovation in Ukrainian hotel market, therefor this concept have a chance to succeed.

6. Eventually, general managers, as well as owners of Radisson hotels have a plenty of diversified directions of innovation changes for hotel services improvements, so this list has a tendency to expand the recommendation for these advancements consists of organizational and managerial, product, information and technological innovation changes. Such actions may lead the hotel enterprises to a new recovered level and heighten the image in hotel market in Ukraine.

## Conclusions

Hospitality industry seeks to increase income and looking for efficient ways to achieve the competitive advantages, as well as desired financial results. One of the beneficial methods in this case is innovation – an instrument of a new creative idea where new improved products and services are revealed with a help of technological and organizational processes.

In this article were analyzed main attributes which help precisely understand the meaning of innovation definition. These elements are directly innovation aims, process stages, types and future result of a new development changes.

In the course of the research was analyzed the hotel Radisson chain market of Ukraine and highlighted its main features in terms of service problems, innovation changes difficulties and obstacles as well as future recommendations concerning problems corrections with a help of innovative operations.

Nowadays, Radisson is one of the prominent hotel chains in Ukrainian market, which possess 5 hotels with business, SPA and resort orientation in Kiev, Donetsk, Bukovel and Alushta. In the matter of innovation, each of these hotels holds certain service diversifications, new for the Ukrainian market nowadays. But reduce the competitive position of these hotels significant amount of problems and imperfections in staff amenities, defects in room cleaning, insufficient range of services and high prices, which are not suitable for such poor service quality.

Having examined the Radisson chain hotels with a help of sociological survey it was distinguished the areas where innovation processes must be realized. Among all, the most important innovation changes supposed to be conducted in improvement of existing and in diversification of new services, in improvement of staff competence and in creation of specific profitable propositions for guests which will make these guests back again to the hotel for the next trip. Consequently, innovation changes in these fields will lead to increasing the economic benefits for hotel enterprises.

Thus, literate innovative approach to the hotel business is the main tool by which hotels can attract additional tourist flows, improve their economic performance and enhance their competitiveness in both domestic and foreign tourist markets.

## References

- Allegro, S., de Graaf, R. (2008). Key challenges in today's competitive atmosphere. In: M. Olsen, J. Zhao, (eds.). *Handbook of Hospitality Strategic Management*. Butterworth-Heinemann, Oxford.
- Ashford, N. A. (2002). Government and Environmental Innovation in Europe and North America. *American Behavioral Scientist*, Vol. 45 (9), p. 1417–1434.
- Drucker, P. F. (1992). *Managing for the Future*. New York: Harper Collins.
- Gyurácz-Németh, P., Friedrich, N., Clarke, A. (2013). *Innovation in special hotels – as a key to success*. Available at: <http://www.toknowpress.net/ISBN/978-961-6914-02-4/papers/ML13-301.pdf>
- Jatuliavičienė, G., Kučinskienė, M. (2010). Competitiveness and innovation synthesis in the integrated global economy. *Ekonomika: Mokslo darbai*, Nr. 89 (2), p. 76–94.
- Jennings, D. (2011). *A 5-step Process for Business Model Innovation*. Available at: <http://i360institute.com/2011/02/a-5-step-process-for-business-model-innovation>.
- Kotler, P., Bowen, J., Makens, J. (2010). *Marketing for Hospitality and Tourism*. Upper Saddle River N. J.: Prentice Hall.
- Mastenbroek, W. F. G. (1996). Organizational innovation in historical perspective. Change as duality management. *Business Horizons*, Vol. 39, p. 5–14.
- Mensch, G. (1979). *Stalemate in technology: innovations overcome the depression*. Cambridge: Mass.
- Quintane, E., Casselman, M. R., Reiche, B. S., Petra, A., Nylund, P. A. (2011). Innovation as a knowledge-based outcome. *Journal of Knowledge Management*, Vol. 15, Issue 6, p. 928–947.
- Schumpeter, J. A. (1934). *The Theory of Economic Development*. Cambridge, Mass: Harvard University Press.
- Victorino, L., Verma, R., Plaschka, G., Dev, C. (2005). Service innovation and customer choices in the hospitality industry. *Managing Service Quality: An International Journal*, Vol. 15, Issue 6, p. 555–576.
- Балобанов, И. Т. (2001). *Инновационный менеджмент*. СПб.: Питер.
- Евдокимова, Л. (2007). *Инновационный менеджмент*. Benefit. LLC “Andrew Publishing House”. 2nd ed.
- Философова, Т., Быков, В. (2008). *Конкуренция. Инновации. Конкурентоспособность*. Юнити-Дана.
- Голдякова, Т. В. (2006). Definition and classification of innovation. *Russian foreign Gazette*, No. 2, p. 20–27.
- Васильева, Л. Н., Муравьева, Е. А. (2005). *Методы управления инновационной деятельностью*. Москва: КНОРУС.
- Морозов, Ю. П. (2000). *Инновационный менеджмент*. Москва: Юнити-Дана.
- Наседкина, Е. В. (2009). Сущность и типы инноваций в сфере туризма. Available at: [http://www.rusnauka.com/16\\_NPRT\\_2009/Economics/47329.doc.htm](http://www.rusnauka.com/16_NPRT_2009/Economics/47329.doc.htm)
- Перерва, О. Л. (2005). *Экономика, организация и управление инновационными процессами на промышленном предприятии: теория, методология, практика*. Монография. Москва: Изд-во МГТУ им. Н. Э. Баумана.
- Пригожин, А. И. (1989). *Нововведения: стимулы и препятствия (социальные проблемы инноватики)*. Москва: Политиздат.
- Сурин, А. В., Молчанова, О. П. (2008). *Инновационный менеджмент*. Москва: Инфра.
- Титов, А. Б. (2001). *Маркетинг и управление инновациями*. СПб: Питер.
- Яновский, К. П. (2004). *Введение в инновационное предпринимательство*. СПб.: Питер.

## INOVACIJŲ PLĖTROS PERSPEKTYVOS VIEŠBUČIŲ VERSLE, REMIANTIS „RADISSON“ VIEŠBUČIŲ TINKLO UKRAINOJE PAVYZDŽIU

TETIANA KONOVALOVA, GRAŽINA JATULIAVIČIENĖ  
Vilniaus universitetas (Lietuva)

### Santrauka

Straipsnyje siekiama atskleisti, kad svarbiausia sėkmingos viešbučių verslo plėtros šiuolaikinėje dinamiškoje aplinkoje prielaida yra inovacijų plėtra viešbučių versle. Inovacijos sampratą nagrinėjo daugelis tyrėjų. Šiame straipsnyje, remiantis mokslinės literatūros studijomis, pateikiama inovacijų klasifikacija pagal

pasirinktus kriterijus. Inovacijų proceso ir jo specifikos viešbučių versle vertinimas leido sukurti modelį, identifikuojantį pagrindinius inovacijų procesui viešbučių versle įtakos turinčius veiksnius ir šio proceso etapus. Straipsnyje aptariamos ir specifinės inovacijų diegimo viešbučiuose priemonės, kurios leistų patobulinti esamus inovacijų diegimo procesus Ukrainos „Radisson“ tinklo viešbučiuose. Remiantis empirinio tyrimo rezultatų analize, nustatytos inovatyvių iniciatyvų diegimo kliūtys bei, vertinant perspektyvias inovacijų diegimo kryptis, pateikiama rekomendacijų tolesnei inovacijų diegimo plėtrai.

PAGRINDINIAI ŽODŽIAI: *inovacijos, viešbučių verslas, inovacijų plėtra.*

JEL KLASIFIKACIJA: D81, O31, O32, L83