

Determinants of sustainable development of the North-West region

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Abstract. One of the most important factors of sustainable development of the regions of the Russian Federation in modern conditions is the balanced development of all industries. Tourism and hotel business are among the most dynamically developing industries in the North-Western region of Russia. The high level of competition, as well as the intensive growth of the market in the hospitality sector, requires new solutions from representatives of this business to increase competitiveness. The purpose of the study is to assess the level of balanced development of hotel business enterprises on the example of four-star hotels in St. Petersburg, which is one of the important factors in ensuring the sustainable development of the region. The article proposes a methodology for assessing the competitiveness of four-star hotel enterprises. The article uses comparison methods, graphical methods, and the method of analysis. As a result of the study, the factors of sustainable development of the hospitality industry were identified, the competitiveness index of these enterprises was proposed and calculated, which can be used in the future to develop measures to ensure the sustainable development of the region. **Keywords:** sustainable development, factors of sustainable development of the region, competitiveness of enterprises

1 Introduction

Currently, the term "competitiveness" is firmly established in the field of tourism and hotel business. The functioning of the global and information economy forces hotel companies not only to form their competitiveness and maintain it, but also to make forecasts considering national and global development trends. By studying all this, you can create a competitiveness strategy that will help the hotel business to function despite difficult situations [1].

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Competitiveness has been a subject of study in the manufacturing and related sectors since the early 1990s. However, it is only recently that researchers have begun to study tourism and hospitality competitiveness, both conceptually and empirically, with a particular focus on destinations and the hospitality industry. The functioning of the global and information economy forces hotel companies not only to form their competitiveness and maintain it, but also to make forecasts considering national and global development trends. This process is constant and at the same time dynamic, it actualizes the scientific search in the direction of research related to forecasting the international competitiveness of companies [2].

The basis of the already developed theoretical and methodological foundations for forecasting the international competitiveness of hotel companies depends on many different factors. The need for their in-depth further justification is due to the need to develop an activity strategy that requires a quick response to changes in the internal and external environment, the study of the range, pricing, search and use of non-price methods for the hotel business [3]. The hospitality industry is very sensitive to any changes in the environment and can be said to be the main indicator of the difficulties or prosperity of the economic sphere. For example, one of the main indicators of the hospitality industry is the occupancy of hotels. A sharp decline in performance is typical for the industry in 2020. At the same time, in the next 2 years, the industry is developing and gradually approaching the indicators of the pre-pandemic period. The average occupancy of hotels by category is shown in Figure 1.

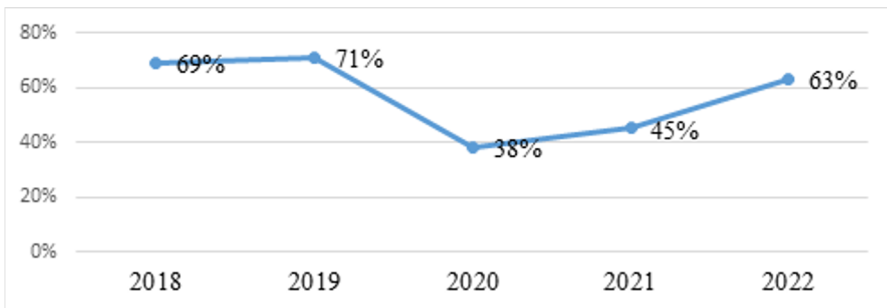


Fig. 1. Average occupancy of hotels in the category from 3 to 5 stars in the St. Petersburg's regional market from 2018 to 2022

Like many other industries, the hospitality industry continues to recover from the pandemic. In St. Petersburg, there is a gradual resumption of the tourist flow, which has a positive effect on the booked rooms in four-star hotels.

While some hotels have not yet reached pre-pandemic occupancy levels, the overall number of four-star hotels in St. Petersburg is growing [4]. In recent years, new hotels have opened in the city, which has increased the offer on the market. In addition, many hotels continue to be renovated and modernized to meet the standards and expectations of guests.

In modern business conditions, the success of a hotel company in the competitive struggle largely depends on the forecasting of its tourist flow, which is associated with the cost of tourists for a trip. The average cost of 1 tourist for 1 trip for different types of tourists is different. If a tourist from far abroad brings 113.5 thousand rubles to the sphere, then a tourist from the regions - 39.7 thousand rubles, which is approximately 2.86 times less (Table 1).

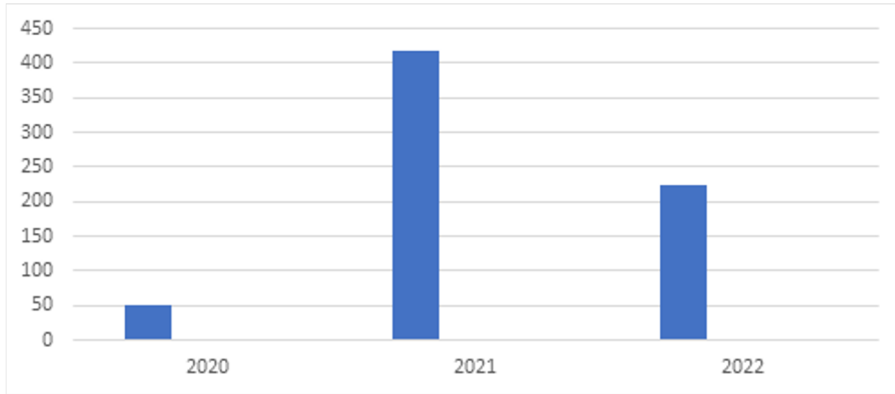


Fig. 2. Dynamics of growth in the number of rooms in four-star hotels in the St. Petersburg's regional market, excluding apartments.

Table 1. The amount of expenses for 1 trip by different types of tourists in St. Petersburg

Category of tourists in St. Petersburg	Expenses of tourists for 1 trip, thousand rubles per person
Tourists from abroad	113.5
Tourists from neighboring countries	64.5
Tourists from the regions of the Russian Federation	39.7

Before planning the activities of each company, it is necessary to assess its competitive position, which will allow you to outline the directions for the necessary changes that contribute to the acquisition of competitive advantages.

2 Materials and Methods

Many authors believe that market competition is a struggle between companies for the consumer, which they carry out in the market. Companies seeking to increase their own benefits in the competitive struggle simultaneously promote public interests [5-7].

Among the trends in the development of the hotel industry in the world, it should be noted the trend towards an increase in the number of international hotel chains (associations of hotels with centralized management and forming a single economic complex). This situation is positive for the country's hotel industry as a whole in terms of corporate regulation of the quality of hotel services, client awareness of the hotel brand, however, the disadvantages of network formation are the loss of competitiveness of small hotel establishments operating in a particular region [8].

A SWOT analysis was conducted to analyze and identify the main challenges and opportunities in the industry (Table 2). The analysis highlighted the main strengths and weaknesses of the development of the hospitality industry, as well as identified opportunities and threats for the Russian market as a whole. The emergence of some opportunities has influenced the emergence of some threats. For example, low employment, which could have been an opportunity to hire workers at lower wage costs, has meant that most of the country's residents do not have the means to travel. That is why many people prefer to stay at home, relax in the country, visit guest houses as part of gray tourism, etc. An increase in the flow of domestic tourism has become one of the opportunities for the Russian market, however, the tourist flow of international guests has noticeably decreased. All this must be considered in order to analyze the work of the hospitality industry.

Table 2. SWOT analysis of the hospitality industry in the St. Petersburg's regional market

External environment	Opportunities	Threats
	1. Increasing the flow of domestic tourism; 2. Support by federal and local authorities of the sphere with supporting measures; 3. Low employment of the population; 4. Popularity of thematic tours and routes; 5. Orientation to the market of Asia and Africa; 6. Simplification of visa procedures for tourists.	1. Reducing the tourist flow of foreign guests; 2. The outflow of the population to other countries; 3. Decreased income of the population; 4. Non-compliance with global standards; 5. Underdevelopment of own technologies and software systems; 6. Travel slowdown and higher transport costs.
Internal environment	Strengths	Weaknesses
	1. Rich history and developed image of the destination; 2. Development of tourism infrastructure; 3. Convenience of transport infrastructure; 4. Development of tourism destinations (areas of interest) 5. Launching programs and interactions of interregional communication and partnership.	1. Seasonality of trips; 2. Lack of personnel reserve in the industry; 3. Unpreparedness of the BRC equipment and obsolescence; 4. Short period of visiting the destination; 5. Strengthening the position of "gray tourism".

Table 2 presents the opportunities, threats, as well as the strengths and weaknesses of the hospitality industry in St. Petersburg. For further analysis, the influence of each of the points on each other on a scale from -3 to +3 was assessed in order to identify patterns and influence on the development of the sphere in the city. The result of the SWOT analysis is the compilation of a matrix that demonstrates the general state of the hospitality industry. The data is shown in table 3.

Table 3. The final matrix of the SWOT analysis of the hospitality industry in the St. Petersburg's regional market

SWOT analysis points	Opportunities	Threats	Total
Strengths	+40	-1	+39
Weaknesses	+9	-18	-9
Total	+49	-19	+30

The final score according to the SWOT analysis was +30, which indicates a favorable position for the company, but it is worth paying special attention to its weaknesses and risks, since if additional threats arise, the hospitality industry may find itself in an unstable position. The trends in the functioning of hotels around the world are that booking and payment for hotel accommodation via the Internet and travel agents are activated, average prices for hotel accommodation are growing, the demand for additional hotel services (saunas, swimming pools, gyms, access) is expanding via the Internet and iPod stations.

At present, non-price factors are increasingly coming to the fore, in particular, the image of the company, its trademark, brand and external communication influences (advertising, propaganda / public relations), Internet technologies, etc. are activated. Therefore, it can be stated that the globalization of the economy and international competition require a new approach to the theory of competition [9].

This approach lies in the fact that the three-factor models that were previously used to analyze competition (revenues, expenses, profits) do not quite reflect the trend of transition from a technological civilization to an information one. Models are needed that illustrate not only standard economic ideas (income-profit, distribution-profit appropriation), but political and moral ideas that are relevant to the whole society [10].

3 Results and Discussion

To assess the competitiveness of the hospitality industry, it is proposed to use an expert method for assessing the competitiveness of a hotel enterprise using a point scale [11]. The analysis of competitiveness was carried out on the example of the hotel "AZIMUT Hotel St. Petersburg 4*". As competitors for the analysis, the Oktyabrskaya 4* hotel and the Novotel St. Petersburg Center 4* hotel was selected. Competitors were selected based on the equivalence of stardom and equidistance from the Petrogradskaya metro station.

When assessing the competitiveness of the hotel company receives the necessary information that contributes to the establishment of goals and objectives, as well as to formulate the strategy of the hotel company. The information obtained during the assessment of competitiveness is used to make timely and effective management decisions in the field of company development. Considering approaches to assessing the competitiveness of enterprises, various authors distinguish the following methods [12]. In Figure 3, we consider these methods [13].

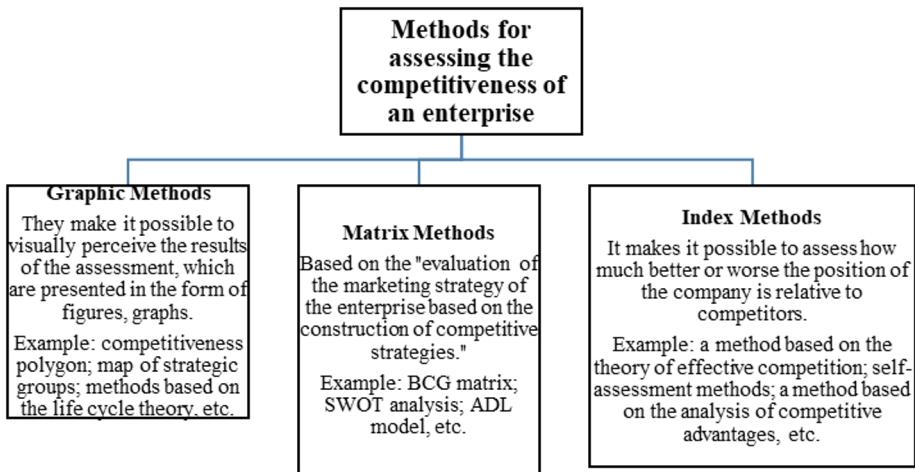


Fig. 3. Methods for assessing the competitiveness of an enterprise.

As an evaluation method, we will use the method of constructing a competitiveness polygon [14]. The main criteria for assessing the competitiveness of selected hotel enterprises [15]:

- availability of the site and ease of use;
- the level of qualification of the hotel staff;
- location of the hotel, proximity to attractions;
- material and technical equipment.

Further, based on the method of expert assessment, we will construct a polygon of competitiveness of the analyzed hotel enterprises (Fig. 4).

Next, we calculate the competitiveness index of each enterprise. To do this, we use the method of expert assessments. The method of expert assessments is one of the main methods for calculating the competitiveness index, which is based on the opinion of experts

in the hospitality industry. This method consists in polling a group of experts on certain indicators that reflect the competitiveness of these hotels. Experts with knowledge and experience in this area should rate each indicator on a scale from 1 to 15, where 1 is the minimum value, 15 is the maximum value.

Table 4. Assessment of competitiveness indicators

Indicator	AZIMUT Hotel St. Petersburg 4*	Oktyabrskaya 4*	«Novotel St. Petersburg Center 4*»
Website availability and ease of use	9	7	9
The level of qualification of the hotel staff	6	7	8
Location of the hotel, proximity to attractions	9	10	10
Material and technical equipment	9	8	8
Average score	8.25	8	8.75

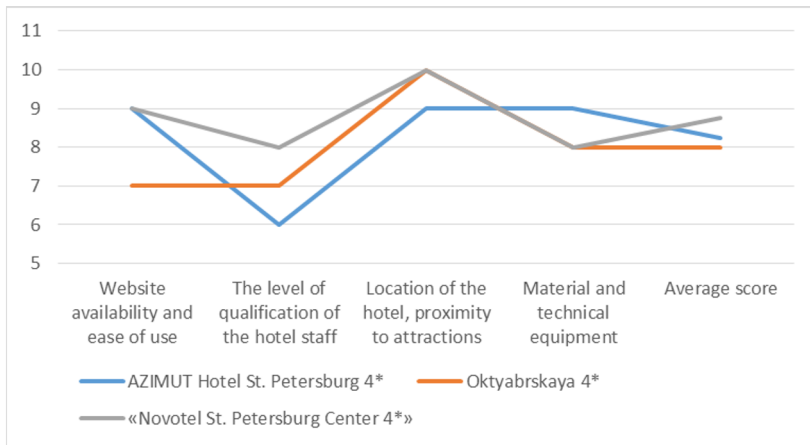


Fig. 4. The polygon of the competitiveness of the analysed hotel enterprises

Further, the results of the evaluation of experts are summarized and divided by the number of the expert group, after which the average value is determined. The competitiveness index is calculated on the basis of the average values of expert assessments. Thus, the table for assessing the hotel competitiveness index will look like this (Table 5).

Table 5. Evaluation of the competitiveness index

Indicator	AZIMUT Hotel St. Petersburg 4*	Oktyabrskaya 4*	«Novotel St. Petersburg Center 4*»
Website availability and ease of use	15	10	15
The level of qualification of the hotel staff	10	10	15
Location of the hotel, proximity to attractions	15	15	15
Material and technical equipment	15	15	15
Competitiveness index	13.75	12.5	15

The advantage of this method is the possibility of a more objective assessment of competitiveness, since it is based on the opinion of experts in this field. Figure 5 shows the competitiveness indices of the analyzed hotels.

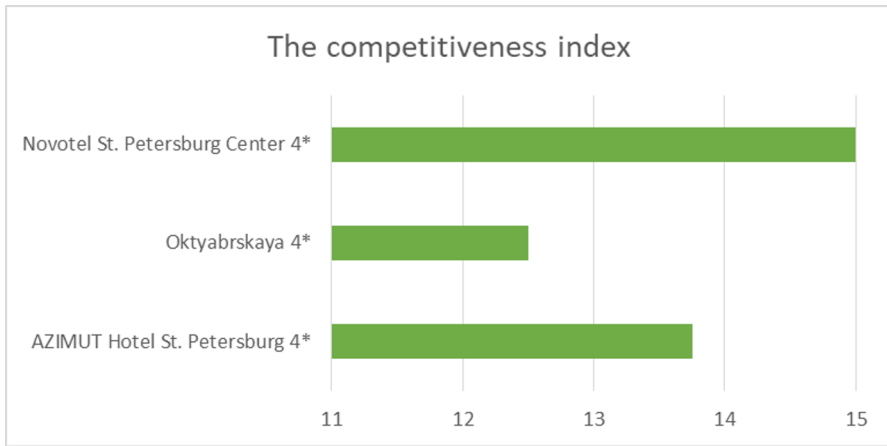


Fig. 5. The competitiveness index of the analyzed hotels.

As a result of the analysis, the Novotel St. Petersburg Center 4* hotel has the highest competitiveness. This is due to the fact that its location is closest to the Petrogradskaya metro station, and this hotel also has the highest rating (among the hotels we analyzed) on the aggregator site 101hotels.com.

4 Conclusion

Thus, competition as the main factor in the development of the global market is complemented by a vector focused on the competitive impact on the consumer, that is, the competition of consumer preferences. In fact, the communication impact on the consumer of services is increasing dramatically, and communication marketing has emerged and is developing rapidly. On the other hand, the requirements of consumers have become much more complicated due to the fact that the development of civilization is moving towards the formation of an information society, determined by new information and communication technologies. In response to these challenges, hotels began to create their own corporate websites.

The world has changed dramatically due to the introduction and development of communication technologies, and the speed of change in communication technologies is crucial. The key concept is the “speed” of change in the nature of the business, the operational management of business processes, the lifestyle of consumers and their demands under the influence of all available information. Each hotel company that predicts its competitiveness is obliged to plan its current and strategic activities, developing a new type of service for foreign guests, optimize costs, and also form competitive advantages over existing foreign guests or form potential ones.

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