

Market conjuncture and methods of its study on the example of the hotel services market development

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Abstract. The article deals with the patterns of market conjuncture formation and changes, the nature of the market mechanism. The functioning of market structures in difficult conditions of formation and operation of the market mechanism requires regular assessments of the state of the market and the prospects for its development. The system of sales and purchase relations and the inevitable commercial risk, development of pricing and investment policies, regulation of market processes at different levels of management, etc. – all this requires the organization of constant and deep research of the market mechanism, its patterns and trends, forecasting the proportions of supply and demand.

1 Introduction

The functioning of market structures in difficult conditions of formation and operation of the market mechanism requires regular assessments of the state of the market and the prospects for its development. The system of sales and purchase relations and the inevitable commercial risk, development of pricing and investment policies, regulation of market processes at different levels of management, etc. - all this requires the organization of constant and deep research of the market mechanism, its patterns and trends, forecasting the proportions of supply and demand.

Among the most important tasks of market analysis is the study of market conditions. Moreover, this task is relevant both at the macro and micro levels.

The term conjuncture comes from the Latin word *conjungo* – connect, connect [1, p. 447].

Market conditions, or market conditions, are a specific economic situation that has developed in the market at the moment or for a limited period of time under the influence of a complex of forces and factors [2].

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The characteristics of the market situation can be viewed through the prism of its main parameters, which include the ratio of supply and demand, the level of stability of the main parameters of the market, the degree of business activity in the segment under consideration, the level of commercial risk, features of competition, as well as the position of the market at a certain point of economic or seasonal cycle and tendencies of its development.

The main goal of studying market conditions is to identify the patterns of its formation and changes, the nature of the market mechanism. Therefore, the analysis of market conditions begins with the study of the nature and degree of market balance, first of all, the ratio of supply and demand [3, p. 338].

2 The conjuncture analysis and its methods

The conjuncture is a complex and rapidly changing phenomenon, which reflects both the dynamism and spontaneity of the market development. Analysis of market conditions is a section of market statistics that studies the situation in the market under the influence of a complex of socio-economic, demographic, natural, organizational, socio-political, and also random factors.

Market analysis, which is a part of marketing research, is distinguished by its efficiency, wide use of qualitative, attributive and alternative assessments, descriptive reviews, the use of indicative characteristics and indirect calculations, logical conclusions, the use of preliminary and forecast information, expert assessments, development scenarios [4, p.92].

The next most important category of the market and the second indicator of market conditions is customer demand.

Consumer demand is a demand provided by money and presented in the market [2]. Demand is a dynamic phenomenon. It changes over time under the influence of a complex of factors.

Consumer demand depends on a range of factors. These should include: demographic factors (population size and growth, its age, sex and social structure, territorial settlement and some migration processes, size and composition of families, urbanization, cultural level); asocial and economic factors (income, prices, inflation, employment / unemployment, professional composition of workers, etc.); geographical and climatic factors, national characteristics; psychological factors, political conditions, as well as random influences [5, p. 178].

As a data source for market analysis, data from statistics of production, turnover and inventory, prices, finance, socio-demographic statistics and other sources are used. To collect additional information, methods of selective observation, special instant or periodic surveys, in particular panel surveys, are used.

A company operating on the market, as a rule, develops for its own purposes and for submission to state statistics bodies in-house reporting, the data of which is widely used in market analysis. Such reporting includes data on sales / sales of goods, costs, prices, etc. It is represented by the accounting department, the planning department, the sales department and other departments of the company. Some of this data is intended for state statistics bodies, some for the tax service, and some for the management of the company. Often this requires additional data development in accordance with the specific needs of the market analysis [6, p.94].

Consider a specially organized survey. A significant part of marketing information can be obtained as a result of organizing and conducting special observations (continuous or selective). These include the following: direct observation of the actions and characteristics of a certain contingent (for example, registration of prices of competing enterprises);

continuous and selective oral and written surveys of some contingents of consumers and responsible persons (Table 1).

Table 1. Methods of conjuncture market analysis

№	Method	Method characteristic
1	Panel	sample survey – survey of the population of respondents, conducted systematically or periodically
2	Application form	a table with a list of questions to be answered by the respondent. Questioning is a common survey method in marketing.
3	Delphi-method	the name originates from the ancient city of Delphi, famous for its oracle. The creation and mathematical justification of this method and the first application date back to the end of the 40s. The initial premise of this method is the hypothesis that a properly processed collective opinion of experts with the appropriate knowledge summarizes their individual assessments and has the necessary degree of reliability
4	Brainstorming method	The method of brainstorming is considered to be more operational and reliable enough to obtain estimates, primarily opportunistic ones. The brainstorming method is also used to predict the development of the market or its individual parameters

For conjuncture analysis, an important sign of a market situation is the characteristic of market development over time. The market, as we have already indicated, is a dynamic phenomenon; it is constantly changing, and time acts as an abscissa of the economic curve, reflecting market trends.

Market development trend is an economic and statistical concept that characterizes the regularity of changes in its main parameters over time.

Market development trends are determined based on the analysis of changes in its main parameters (supply, sales, prices, stocks). The term trend comes from Latin *tendere* - to aim, to strive. The dynamic series of growth rates or their graphic images (diagrams) are visually examined, and on this basis a descriptive characteristic is given [7, p. 472].

Market analysis aims to disseminate assessments of the actual market situation, found trends and identified cause-and-effect relationships for the future period. The forecast of further market development is of significant practical interest for marketing.

Consider the current situation in the hotel services market in Russia over the past 5 years.

For a long time we have seen the development of the hotel industry. This process depends on a number of factors: on the state of the economy, on political factors, on the development of science and technology. The active development of society and an increase in the level of its communications stimulates the need for frequent movements over long distances, the need to organize accommodation and meals away from home.

The situation in Russia in the last decade is characterized by the development of the hotel industry, primarily in such large centers of the country as Moscow, St. Petersburg, Yekaterinburg, Novosibirsk, Vladivostok, Sochi and other cities with a population of 1 million or more people [8, p. 49]. The activity in this area is justified by the rapid growth of tourism and, as a result, tourism infrastructure in large cities. Growth is observed in many regions, but to the greatest extent - in St. Petersburg and Moscow, since these two cities have been the leaders of tourist interest for many years and, as a consequence of this fact, the profitability of accommodation facilities in the capital is 25-35%. , and in the regions it is much lower – 15-20%.

Over the past two decades, the profitability of the hotel business has sharply increased, the practice of managing the hospitality industry has developed, universities began to train hotel service specialists according to the new developed standards, international companies

began to enter the Russian market of hotel services, investing foreign capital in the construction of hotels of various categories according to international standards ...

International hotel chains such as Hotels Group, InterContinental, Kempinski Hotels, Hilton Hotels Corporation, Marriott International are actively exploring the Russian market of hotel services in most regions of Russia. In addition to international chains, domestic hotel chains are formed and enter the market, which are developing the market not only in Russia, but also in the CIS countries and abroad.

The annual growth in the number of hotels is 16-20% and today there are more than 6,000 units (including boarding houses, sanatoriums), 630 thousand jobs. In monetary terms, the volume of the hotel market is up to \$ 4 billion, and half of the market is in Moscow, whose hotels are the most expensive in the world [9].

As mentioned above, the Moscow market has the greatest investment attractiveness, since for a year of use, each hotel room in Moscow brings its owner a net profit of 400 euros, which is 100 euros more than, for example, in London.

Statistics show that 55% of tourists arriving in the capital have business goals (in Russian regions, these figures do not rise above 18%). That is why, in the capital, there is a rapid development of the hotel industry. Business tourists from abroad visiting Moscow, as a rule, choose 4-5-star hotels for accommodation, which provide additional services of a business nature: rent of conference rooms, specialized equipment, etc.

The average annual hotel occupancy for this period is 60-80% in Moscow and 40-50% in the regions.

In the Russian capital, there are 40 thousand hotel rooms, of which 12% are 5 * hotels, 25% – 4 *, 8% – 2 *, 45% – 3 * [10, p. 156].

Hotels for business travelers occupy a significant part of the accommodation market. The pricing policy of these establishments is quite high both for basic accommodation and food services, and for additional services. As a rule, the payment for these services is borne by firms that send their employees on business trips.

Along with this segment, there is an active segment of tourists who, arriving in the capital, cannot pay the rates of 4-5 star hotels. Thus, there is an acute shortage of 2-3-star hotels on the market in the capital. In this situation, the vacant niche is occupied by hostels and private housing.

The situation in the hotel services market in St. Petersburg is somewhat different from that in the capital. First of all, it should be noted that the infrastructural development of the market has a slight lag. Based on the statistical data of the Committee for Tourism and Development of St. Petersburg Resorts, at the moment there are 180 accommodation facilities for 40 thousand places in the city, these include not only private, but also departmental hotels, as well as hotel-type hostels of scientific and educational institutions ... 95% of the total number of rooms (145 objects for 17 thousand rooms) are concentrated in the city center. The main part of the market is made up of middle-class hotels (49.6%), the share of high-class hotels – 7.6%, 2 and 1-star categories – 23%, without stars – 19.8%. There are only 10 places in hotels per 1000 inhabitants (in European capitals – 30-40 places) [11, p. 97].

As mentioned above, an alternative to cheap accommodation both in Moscow and St. Petersburg is rented housing with daily payment (apartments that became the basis of the mini-hotel market). In the capital, mini-hotels are represented by purchased entrances in multi-apartment residential buildings, which until recently were tough competition for hotels, cooperating in mini-hotels. However, from October 1, amendments to article 17 of the Housing Code that came into force regulated the ban on the provision of hotel services in residential premises of apartment buildings. These changes in legislation have led to a sharp reduction in cheap accommodation services.

As practice shows, the markets for accommodation services in the capital and St. Petersburg have a dominant influence on the state of the hotel industry in the country as a whole. But over the past 5-7 years, there has been a steady trend towards a reduction in the share of the two capitals in the overall balance of the industry. This is due to the development of hospitality markets in regions such as Krasnodar region, Sverdlovsk region (Sochi, Yekaterinburg), in which significant funds are currently being invested.

Today, 80% of the regional hotel market consists of Soviet-built hotels, so there is an urgent need to update the tourist infrastructure, equipped in accordance with the new industry standards. Over the past decade, experts have noted that the hotel industry market has been developing much more intensively than residential or retail and office development. The growth is primarily due to the increase in 4- and 5-star hotels, and there is still a shortage of middle-class hotels of 2–3 stars.

Let's consider the situation in the hotel services market in the regions, given according to the statistics of the Federal Agency for Tourism. For example, in the Southern Federal District, the development trend is shown in Table 2 [12].

Table 2. Dynamics of the number of beds in collective accommodation facilities in the Southern Federal District over the past five years [12]

№	Region	2015	2016	2017	2018	2019
1	Kalmykia	0,7	0,8	0,8	0,9	0,8
2	Adygea	3,2	3,4	2,6	3,9	3
3	Krasnodar region	215,3	215,2	257,3	307	333,2
4	Rostov region	27,5	26,5	27,2	30,1	31,3
5	Volgograd region	17,3	15,6	16,7	19,4	21,8
6	Astrakhan region	7,2	7,3	7,9	9	10,9

As you can see from Table 2, the hotel services market does not develop evenly even within one district. The republics of Adygea and Kalmykia are significantly lagging behind in terms of indicators, although it is in these republics that the tourist interest of Russians is directed, but insufficient funding hinders the development of tourist infrastructure. In terms of indicators, the Krasnodar Territory is leading and it is there that active growth is observed. The Rostov region is in second place, although there is a decline in indicators in 2016, but by 2018 the indicators are growing again.

The Volgograd region lagged behind the Rostov region a little bit, as well as in the Rostov region in 2016-2017 there is a decline in the development of collective accommodation facilities, and in 2018-2019 – a slight increase.

In the Astrakhan region, on the contrary, there is a small but stable dynamics over all years.

In general, the dynamics of development can be traced in the Southern Federal District – over the past five years. The number of beds in collective accommodation facilities increased from 271.3 thousand to 401 thousand [12].

Thus, if we assess the current situation in the hospitality services market, then it is characterized by a number of acute problems, which include:

- an acute shortage of middle class hotels;
- imperfection of the legal framework;
- lack of stable funding for the industry;
- low efficiency of reconstruction of the old hotel fund.

Let's consider this problem in more detail.

Lack of middle class hotels. As mentioned above, domestic and international chains are present on the market mainly in the 4- and 5-star segment. Such accommodation facilities

are characterized by a high level of service and, accordingly, a high cost of services. Such accommodation facilities are available only for representatives of big business, the elite, and politicians. But there is an acute shortage of hotels with a good level of service, but affordable for the middle class, in all regions, including the capital. According to marketing research, the most in demand today are 3 * hotels, most of which do not correspond to their level of service quality and staff training [13, p. 163].

The imperfection of the legislation in the field of the hotel business lies in the complex and lengthy procedure for classifying the accommodation facility and obtaining a certificate for the implementation of hotel activities, registration acts and other legal documents [14]. This fact is holding back investors from investing in the construction of hotels. This problem is especially aggravated in cities with a population of over one million, where building land is of high value.

The lack of stable financing for the industry is primarily due to the unstable economic situation in the state. The crises of 2008, 2014, 2018, associated with the general economic and political situation in the world and the region, lead to fluctuations in foreign exchange rates, a decrease in demand for hotel services, the curtailment of the activities of individual companies, and financial bankruptcy of entrepreneurs. The unstable situation does not allow the development and implementation of programs for the sustainable development of the industry for years to come [15, p. 172].

Low efficiency of reconstruction of existing hotels. As noted by most experts, the reconstruction and replacement of an outdated hotel fund are accompanied by failures, since for the period of such work, entrepreneurs do not have their own funds, and it is not always possible to attract borrowed funds.

One of the solutions is the regulation of the hotel business by the state on the basis of a unified concept for the development of the hotel services market in Russia, which would provide for possible problem situations and ways to solve them.

The development of the hotel industry should gradually shift from the megacities of Moscow and St. Petersburg to regional large cities (regional and regional centers, cities with a million population), primarily to industrial, trade, cultural, and tourist centers.

From the side of entrepreneurs in the hotel business, it is also necessary to actively participate in solving issues of improving the quality of services, qualifications of working personnel, transparency of the activities carried out. It is important to attract young specialists to work, increase the motivation of employees [10, p. 175].

3 Conclusion

A situational analysis of the market would not be complete without taking into account the facts of the global crisis, in almost all sectors of social activity, caused by the coronavirus pandemic. As a result of the epidemic, the tourism and hospitality sector has suffered in almost all countries. In Russia, hotel activities were suspended in all regions from March to July 2020. By the Government of the Russian Federation, all enterprises providing hotel services are ranked among the most affected by the coronavirus. Thus, over the course of 20 years of progressive development, the hospitality industry was abruptly stopped by force majeure circumstances, which radically changed the picture of the market. In these conditions, experts note that not everyone will be able to return to their previous positions and not immediately. Many small-format hotels will never be able to recover, many 2- and 3-star accommodation facilities, which were already lacking, will leave the market, and large players will also struggle for survival in the next few years. In such conditions, it is necessary to interact between the state and business on the principles of reducing the tax burden and subsidized financing.

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