INTERNET DISTRIBUTION OF HOTEL SERVICES

Main trends and patterns of alternative reservation systems in the hospitality industry have been considered. Degree of participation of alternative reservation systems in marketing policy of enterprises of hotel economy has been established. Influence of alternative reservation systems for marketing activities of domestic enterprises of hospitality industry has been investigated.

Keywords: online reservation systems, alternative reservation systems, hotel business, hotel services, Internet marketing instruments.

Background. Modern realities of the domestic hotel market testify globalization of the Internet environment and the increasing role of joint marketing. Formulation and implementation of hotel services are impossible without the integrated use of Internet marketing tools with the creation of complex mechanisms of the relationship between enterprises of the hotel industry and other subjects of the tourism market based on Internet technologies. To achieve the economic purposes of the enterprise of hotel industry they interact with the Internet reservation system, which is currently a major marketing instrument for hotel services. Dissemination of Internet distribution, availability to consumers and high technical quality booking lead to a significant reduction in the number of direct bookings on the own Internet resources of companies. The search forms of such co-operation and the establishment of equilibrium in the implementation of marketing activities provide the foundations for research.

Analysis of recent research and publications. Intensive development of Internet reservation systems and global scale of their practical application in the marketing activity of enterprises of hotel industry catalyze scientific researches within this problem. The question of appropriateness of usefulness
of Internet reservation systems in the domestic hotel industry is the subject of scientific dispute, described in the writings of the following scientists: N. Gumenyuk, K. Zakharova, K. Lemish, S. Melnichenko, A. Steshenko [1–5] and others. Scientific interest is the issues of adaptation of Internet distribution of hotel services to potential Ukrainian hotel market.

Recognizing the importance of existing scientific developments it lack of study of certain aspects of the Internet reservation systems in Ukraine should be noted. Outlined problem covered in scientific professional literature only in the context of development and opportunities of application of global reservation systems (GDS). Uncertain is the question of the use of alternative reservation systems (ADS) in the marketing activities of enterprises of hospitality industry.

The aim of article a research of the major development tendencies and structure of alternative reservation systems in the hospitality industry, establishing the extent of their participation in the marketing policy of enterprises hospitality, determining the impact of alternative reservation systems for marketing activities of domestic enterprises of hospitality industry and prospects for their use in the hospitality industry.

Materials and methods. For the theoretical and practical foundation for analytical research and presentation of the results in the article served research works of scientists, websites of state statistics, enterprises of hotel industry, alternative reservation systems. Research within the proposed problems was conducted on the basis of generally accepted methods: abstraction, analysis and synthesis, induction and deduction.

Results. Dynamics of global hotel market and Internet technologies leads to an increase in the number of participants and intermediaries in the formation and sale of hotel services. Along with global distribution systems in the hospitality industry, alternative reservation system has sustainable development that, in contrast to global systems, allows potential consumer to carry out direct booking of hotel services, excluding from this process link of tourism enterprises. A growing number of alternative reservation systems complicates their internal structure and provokes the emergence of intermediaries (figure 1).

The availability of the Internet for consumers and the deep penetration of Internet technologies in the tourism industry form understanding of practical workers the feasibility of using alternative reservation systems in sales of hotel services. However, the mechanism of their implementation of marketing activities is not worked enough, causing an imbalance in the application of Internet marketing instruments.

Extensive analysis of hotel industry enterprises located in 22 regions of Ukraine (excluding the Crimea, Donetsk and Lugansk regions) give evidences of detailed activities of enterprises of hotel industry to attract alternative systems of distribution to sales of hotel services. For some
enterprises of hotel industry such cooperation is the foundation of activity in the Internet.

Because of total increase in reservation systems of today their total number it can not be set. There aren’t relevant all ADS for Ukrainian enterprises of hotel industry. Research results of popularity of these resources and analysis of their search engine optimization show that for the domestic hotel market there are such promising alternative distribution systems: booking.com, trivago.com, tripAdvisor.com, hotels24.ua, hotelium.com, hotels-scanner.com. It is important to note that the activities of hotelium.com and hotels-scanner.com are based on a comparison of prices for the various booking systems. The functioning of other submitted systems has individual character of interaction with hospitality industry enterprises.

The dynamic expansion of ADS inherent to domestic enterprises of hotel industry. However, such actions are not always systemic, logic and consistent, for example, hotels of Kyiv, Lviv, Odessa, Kharkiv and Dnipropetrovsk are characterized by the highest concentration of accommodation means and have a high level of tourist and business attractions (figure 2).

Highest position is currently occupied by celebrated booking system hotels-scanner.com, which globalizes activity of reservation systems. However, similar to the structure of activity the system hotelium.com does not cause the interest of managers of hotel industry. Pretty high ratings have the resources booking.com. and trivago.com. This is quite logical, given the

Figure 1. The general scheme of the relationship between the hotel industry enterprise and hospitality customer on the basis of the use of GDS and ADS (developed by the author)
The general trend of striving for reduction of the intermediary chain in the sale of hotel services.

![Graph](image.png)

**Figure 2. Number of Hotels of Kyiv, Lviv, Odessa, Dnipropetrovsk, Kharkiv in alternative reservation systems**  
(developed on the basis of the author [6–11])

The relationship hotel industry of enterprises and ADS is carried out by a single principle: there is no fixed fee for services of distribution and their functioning is financed by fees (10–25 %) from sales of hotel services. At first sight transparency and simplicity of this structure are indisputable because enterprise of hotel industry maximizes the number of sources of sales and reservation system makes a profit only in case of realization of its hotel services. However, a high degree of internal competition between alternative distribution systems directly affects on the development of own Internet resources of hotels.

Systems of reservation establish only the starting amount of fees and, therefore, are interested in improving its importance for the enterprises of hotel industry. Concomitant factors of this is the improvement of the technical quality of booking and making efforts for their promotion, an example of what can be called a transformation of engine optimization. Using the desire of consumers to receive information which is focused on one resource, ADS try to increase its position in search engines. Own studies show that even when you are looking for a particular hotel in search engine before you get to the site of the enterprise, the customer must visit the alternative reservation systems (figure 3).

Thus, today alternative booking systems are the easiest way to get information about the hotel industry company.
All ADS have typical structure and are distinguished by ease of interface and set of filters to search. To increase interface usability of reservation systems is developed adaptive design of websites and is created mobile applications that are not inherent to the sites of business hotel industry. The obvious advantage of ADS compared to the websites of the enterprises is clarity of structure in the presentation of hotel services. However, the analysis points to limitations of spectrum of information about the company. 

Table

Presentation of hotels in alternative reservation systems*

<table>
<thead>
<tr>
<th>Information</th>
<th>Booking.com</th>
<th>Hotelium.com</th>
<th>Hotels-scanner.com</th>
<th>Trivago.com</th>
<th>TripAdvisor</th>
<th>Hotels24.ua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filters:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>geolocation</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>by: type</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>categories</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>opinions</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>price</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>+</td>
</tr>
<tr>
<td>services</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>+</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>number of rooms</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>+</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total:</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>+</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Room types</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>room filling</td>
<td>+</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>catering</td>
<td>+</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>extras</td>
<td>+</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>parking</td>
<td>+</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Photo</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td>+</td>
<td></td>
<td>+</td>
</tr>
</tbody>
</table>

* Developed by the author based [6–11].
None of the reservation systems provides full information about hotel services due to lack of graphic material. This applies particularly to representation of room stock with unique naming.

Rational in terms of developing their own Internet resources of enterprises of hospitality, is the approach of reservation systems TripAdvisor, which provides condensed information about hotel services and creates the possibility of booking, and if you want more information you can go to the website of the company.

A negative phenomenon in collaboration with ADS is the inability to respond dynamically to changes in demand and timely decrease (increase) prices for hotel services. It is logical to assume that the direct booking through the site of enterprise is profitable both for consumers and hotel. However, different distribution systems motivate internet users with the Best price guarantee: if a consumer makes a reservation of hotel services through the selected system, and in the search detects loyal price, this distribution system is obligated to reimburse the difference to the consumer. To avoid similar situations in the contract booking systems put strict conditions on the establishment of the minimum price, the coordination of loyalty programs and discounts. Given the fact that at the present stage over 90% of Internet bookings are made through the distribution systems, enterprises of hotel industry are forced to agree with proposed terms. This trend can be clearly traced on the example for hotels category 4* (figure 4).

**Figure 4. Comparison of the cost of a standard double room in hotels of category 4* (developed by the author on the basis of [6–30])**

*Note.* The prices were analyzed on the same date (12 June 2015) at different reservation systems and corporate website of the company.
As shown in figure 4, for individual hotel industry enterprises there is price parity on the corporate website and all booking systems. But mostly there are significant differences in prices depending on the chosen ADS, and, according to the survey, in any case, the price offered by the corporate site, is not the lowest.

Barrier of direct sales on the sites of enterprises is dissonance as a booking. Most systems of distribution operate on a clear algorithm that provides the consumer a guarantee of rapid and secure bookings. At the same time a large number of companies does not consider appropriate to create the possibility of booking on the site, there is facts of non-performing booking pages. Only 2% of companies have a "basket" and conditions of Repayment of funds outlined only 3% of companies of the investigated sites.

The impact ADS of branding of enterprises of hospitality industry remains disputable question. Representing of hotel industry enterprise in alternative reservation systems increases the degree of recognizability of the brand. It is necessary to take into account the negative consequences.

Old problems of certification of accommodation means and imperfection of conducting of statistical research in Ukraine create obstacles in establishing of credibility of a number of enterprises of hotel economy that have a certificate for a particular category. There are facts of unreliability of information on the categories of enterprises of hotel economy in alternative reservation systems. The analysis gives reason to believe that the mentioned number of certified enterprises of hotel economy in distribution systems exceeds their actual number more than 3 times. These facts can be demonstrated at research of represent of the capital market of hotel services in alternative reservation systems (figure 5).

![Figure 5. The number of enterprises of hotel industry in Kyiv by categories in alternative reservation systems](developed on the basis of the author [6–11, 31])
The greatest discrepancy between the real number of certified enterprises of hotel economy is observed in the segment of 3*. There are cases of appropriation of categories of luxury homes with referring to the type of hotels. Most clearly this trend is observed during the presentation in English reservation systems booking.com, hotelium.com, hotels-scanner.com. Less popular among Ukrainian enterprises of hotel economy booking systems often do not have accurate structure. For example, selection parameters can not be installed in system hotels360.net.ua, resulting in hotels 5* and 4* are often located ranked below private housing. Booking systems don’t react enough dynamically on the change of categories of hospitality enterprises. For example, the hotel "Ukraine" (Kyiv), "Khreshchatyk" (Kyiv), "Prominada" (Odessa), which in 2015 raised a category to 4*, in certain booking systems still are presented as the 3*.

In conclusion alternative reservation systems have a significant effect on the components of marketing activities. Among the positive factors of their application can be distinguished convenience for the consumer; transparency of cooperation; expansion of sources of sales of hotel services. The negative consequences of interaction with ADS are to reduce of attendance of own Internet resources, dynamics braking reaction when setting prices for hotel services, unreliable information.

**Conclusion.** A result of research is established that alternative reservation systems form the basis of sales of hotel services, affecting the other components of the marketing activities of enterprises of hospitality industry. Domestic enterprises are widely represented in the distribution system, but such cooperation is different chaotic and requires a systematization. Paying attention to such cooperation, companies often ignore the development of its own Internet resources, which increases the importance of alternative reservation systems in their marketing activities and is a barrier to the full implementation of other internet marketing instruments. The balance at use of alternative reservation systems should be based on the development of a clear algorithm for implementation of internet marketing in marketing activities of enterprises where reservation system will be just one of the tools of marketing and development of their own Internet resources will reduce their importance in the formation and realization of hotel services. Further research will be aimed at harmonizing the use of Internet distribution in the system of Internet marketing of enterprises of hotel industry.

**REFERENCES**

2. Zaharova K. V. Ispol’zovanie sovremennyh informacionnyh tehnologij v turi-
sticheskoy ostrasi Kryma [Elektronnyj resurs] / K. V. Zaharova / Jekonomika

3. Lemish K. V. Udoskonaleniya upravleniya gotel'nym pidpryjemstvom na osnovi
informatsionnyh tehnologij [Elektronnyj resurs] / K. V. Lemish / Global'ny
ja ta nacional'na problemy ekonomiky. — 2014. — № 2. — Rezhym dostupa :

4. Mel'nychenko S. V. Informatsionni tehnologii v turizmi : teorija, metodologija,
praktika : monografija / S. V. Mel'nychenko. — K. : Kyiv. nac. torg.-ekon. un-t,
2008. — 493 s.

5. Steshenko O. D. Optymizatsiya vytrat gotel'nogo pidpryjemstva [Elektronnyj
resurs] / O. D. Steshenko // Komunalka gospodarstvo mst. — 2013. — № 108. — Rez-
yhm dostupa : http://eprints.kname.edu.ua/33022/1/563570%20%D0%A1%D1%
82%20%D0%BD%20%BD%0D%BA%D0%BE%20%0D%94.pdf.

6. Internet-sajt systemy bronyuvannya booking.com [Elektronnyj resurs]. —

7. Internet-sajt systemy bronyuvannya trivago.com [Elektronnyj resurs]. —

8. Internet-sajt systemy bronyuvannya tripAdvisor.com [Elektronnyj resurs]. —

9. Internet-sajt systemy bronyuvannya hotels24.ua [Elektronnyj resurs]. —

10. Internet-sajt systemy bronyuvannya hotelium.com [Elektronnyj resurs]. —

11. Internet-sajt systemy bronyuvannya hotels-scanner.com [Elektronnyj resurs]. —
Rezhym dostupa : http://www.hotels-scanner.com/?languageCode=RU.

12. Internet-sajt gotel'ju "Kosmopolit" [Elektronnyj resurs]. — Rezhym dostupa :

13. Internet-sajt gotel'ju "Siti Park Gotel’" [Elektronnyj resurs]. — Rezhym dostupa :

14. Internet-sajt gotel’ju "Alfavito" [Elektronnyj resurs]. — Rezhym dostupa :

15. Internet-sajt gotel’ju "Nacional’nyj" [Elektronnyj resurs]. — Rezhym dostupa :

16. Internet-sajt gotel’ju "Siti Gotel" [Elektronnyj resurs]. — Rezhym dostupa :
http://cityhotel.ua/ru.

17. Internet-sajt gotel’ju "Staro" [Elektronnyj resurs]. — Rezhym dostupa :

18. Internet-sajt gotel’ju "Hreshhatyk" [Elektronnyj resurs]. — Rezhym dostupa :
http://www.hotel-khreschatyk.kiev.ua/ua.

19. Internet-sajt gotel’ju "LH Hotel & Spa" [Elektronnyj resurs]. — Rezhym

20. Internet-sajt gotel’ju "Suputnyk" [Elektronnyj resurs]. — Rezhym dostupa :
http://suputnyk.lviv.ua.

Articles submitted to editors office of 02.10.2015.

Даниленко М. Інтернет-дистрибуція готельних послуг.
Постановка проблеми. Наукову статтю присвячену актуальному питанню взаємодії підприємств готельного господарства з альтернативними системами бронювання у процесі формування та реалізації готельних послуг, що здійснюються на основі інтернет-технологій. Пошук доцільності форм їх співпраці та встановлення паритету у здійсненні маркетингової діяльності створюють підгрунтя для наукових досліджень.

Аналіз останніх досліджень і публікацій у межах визначеної проблеми свідчить, що вітчизняними науковцями неодноразово підкреслювався високий потенціал украйінського готельного ринку щодо використання глобальних систем бронювання. Аргументовано актуальність цього процесу та дослідження бар’єри впровадження. У той же час питання використання альтернативних систем бронювання у маркетинговій діяльності підприємств готельного господарства є малодослідженим.

Мета статті – дослідження основних тенденцій розвитку та структури альтернативних систем бронювання у готельному бізнесі, встановлення ступеня їх участі у маркетинговій політики підприємств готельного господарства, визначення впливу альтернативних систем бронювання на маркетингову діяльність вітчизняних підприємств готельного господарства та перспектив їх застосування у готельному бізнесі.

Матеріали та методи. Теоретичним і практичним підґрунтям для аналітичного дослідження та представлення результатів у статті слугували наукові праці вчених, інтернет-сайти органів державної статистики, підприємств готельного господарства,
алтернативних систем бронювання. Дослідження у межах запропонованої проблеми проведено на основі загальноприйнятих методів: абстрагування, аналізу та синтезу, індукції і дедукції.

Результати дослідження. Сучасні реалії готельного ринку формують у практичних працівників розуміння доцільності застосування альтернативних систем бронювання. Збільшення їх кількості та встановлення високого ступеня конкуренції супроводжується постійним покращанням технічної якості та швидкості бронювання на сайтах систем. Поступово системи дистрибуції стають основним джерелом збуту готельних послуг, витіснюючи пряме бронювання з власних інтернет-ресурсів підприємств готельного господарства. Недостатня відпрацьованість механізму такої співпраці призводить до виникнення дисбалансу при використанні інструментів інтернет-маркетингу.

Висновки. Встановлення балансу у використанні альтернативних систем бронювання має базуватися на розробленні чіткого алгоритму впровадження інтернет-маркетингу у маркетингову діяльність підприємства, де системи бронювання будуть лише одним з інструментів збуту, а розвиток власних інтернет-ресурсів знизить їх значення у процесі формування та реалізації готельних послуг.

Ключові слова: інтернет-системи бронювання, альтернативні системи бронювання, готельний бізнес, готельна послуга, інструменти інтернет-маркетингу.