PARTNERSHIP AND DIVERSIFICATION: KEY COMPONENTS OF STRATEGIC MANAGEMENT IN THE DEVELOPMENT ENTERPRISES OF BUSINESS-SEGMENT HoReCa

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The article focuses on the analysis of strategic management in the hotel and restaurant industry (HoReCa), with a particular emphasis on the significance of partnerships and diversification strategies in contemporary conditions. The authors explore not only the key dimensions of these strategies but also their interaction with current industry trends. The study examines modern trends in HoReCa, taking into account shifts in consumer preferences and the implementation of digital technologies. The role of partnerships in strategic development is discussed, highlighting their importance in gaining competitive advantages. Diversification strategies, including their effectiveness and interaction with technological innovations, are also scrutinized. The authors shed light on how hotel and restaurant enterprises can expand their business portfolios by adapting to market changes and meeting the demands of the modern consumer. Special attention is given to the influence of institutional factors on the formulation of strategies in the HoReCa sector, including legislative and regulatory aspects. This understanding is crucial for comprehending the constraints and opportunities in choosing a strategic course. The authors identify directions that require attention from both researchers and practitioners for a more comprehensive understanding and improvement of strategic management in the hotel and restaurant business. In conclusion, the article makes a substantial contribution to understanding the key components of contemporary strategic management in HoReCa enterprises.

Keywords: partnership, diversification, components of modern management, strategic development, hotel and restaurant business, sustainable development, digitization.

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PROBLEM STATEMENT IN GENERAL
AND ITS CONNECTION TO IMPORTANT SCIENTIFIC OR PRACTICAL TASKS

The collaborative relationships of a business play a crucial role in its efficiency and functionality within the contemporary business environment. The relevance of actively developing relationships with business partners is underscored by researchers in various foreign and domestic works. This is primarily due to the potential for a company to gain competitive advantages not only based on its individual capabilities but also on the capabilities of its business partners, collectively forming a network or a comprehensive market in which the company operates. Presently, there is a trend where enterprises achieving strategic development success, market coverage, demand creation for their products, increased sales, and enhanced brand value are those deliberately fostering relationships with consumers, suppliers, and partners at large.

A proven correlation exists between strategic management of a business and the synergistic effect of its activities, which intensifies with the strengthening of partnership interactions among participants in business processes, particularly in the HoReCa segment. However, the effectiveness of a company's operations is most often studied from the standpoint of individually assessing the enterprise's potential, developing and justifying methodical approaches for evaluating partnership effectiveness, considering diversification strategies. There is a need for the development of a model to assess the potential of enterprise partnership interactions and their effective utilization for achieving external environment goals based on partnerships, minimizing risks, and ensuring sustainable development. Additionally, the management of enterprise partnership interactions with key players in the industry market and stakeholders remains insufficiently explored.

ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

In the contemporary competitive environment of the hotel and restaurant business (HoReCa), strategic management of enterprise development becomes a crucial element of success. Among the defining aspects of this management, partnership and diversification strategies stand out, playing a key role in achieving sustainable development and competitive advantages. Partnership, in all its diverse forms – from strategic alliances to collaboration with suppliers and partners, defines opportunities for business expansion and access to new markets. Simultaneously, diversification strategies, when implemented in the context of the hotel and restaurant sector, become an effective tool for risk reduction and service portfolio enhancement.

Theoretical and methodological works by both foreign and domestic authors meticulously examine the foundations of this research. Specifically, the works of I. Antoniuk [2], V. Artymchuk [1], V. Borisova [4],
In the modern world, there is a general trend towards the growing importance of the service sector, with active development across various economic domains. In the context of globalization, informatization, intellectualization of labor, increased competition, and crisis phenomena, it is crucial to intensify innovative activities in enterprises and organizations across all economic sectors, including the service industry. Global trends, such as advances in science and technology, international labor distribution, economic growth, and societal development, have further solidified the role and significance of the service sector. These changes have led to significant transformations in the structure of the service sector and the emergence of the following characteristics:

- **Income Growth**: Increased income for individuals and legal entities has raised the consumption of services, consequently altering demand structures.
- **ICT Development**: Advances in information and communication technologies have given rise to new services related to information processing and dissemination.
- **Global Competitive Dynamics**: The dynamics of the international competitive environment have prompted the improvement of existing services and the emergence of new ones, such as management consulting and marketing research.
- **Globalization of Business**: Business globalization and the development of transnational service corporations have increased demand for transportation, banking, insurance, freight, etc.
- **Social Focus of Government Policies**: The social orientation of government policies in many countries, aimed at increasing the well-being of the population, has stimulated the development of education, sports, healthcare, culture, tourism, and other service sectors.

In the modern world, there is a general trend towards the growing importance of the service sector, with active development across various economic domains. In the context of globalization, informatization, intellectualization of labor, increased competition, and crisis phenomena, it is crucial to intensify innovative activities in enterprises and organizations across all economic sectors, including the service industry. In this context, service quality becomes the basis for competitiveness. Service providers shape the objective quality of a service during its development and presentation in the market. However, the assessment of the final quality depends on the service consumer, who evaluates the degree of conformity to their expectations and satisfaction of their needs. This approach is directed towards a customer-oriented definition of quality.

The modern hotel and restaurant sector faces numerous challenges and opportunities that define its strategic development. Current trends include an increased demand for personalized services, a growing focus on sustainability and a healthy lifestyle, and the integration of digital technologies to enhance services. Partnership is recognized as a key element in the strategic development of the hotel and restaurant business. In an environment of heightened competition and changes in consumer preferences, establishing strategic alliances with other market players, suppliers, and regulators becomes a necessity. Partnerships contribute to expanding market presence, exchanging knowledge and skills, while diversification strategies prove to be an effective tool for risk reduction and business portfolio expansion in the hotel and restaurant industry. The inclusion of new services, geographical expansion, or the...
The development of additional business directions enables enterprises to maintain sustainability and adapt to changes in consumer needs. Digital technologies transform the hotel and restaurant business, providing new opportunities for operational optimization and customer interaction.

The implementation of innovative solutions, such as online reservations, loyalty programs, and intelligent management systems, not only improves service but also ensures competitive advantages. The institutional environment, encompassing legislative and regulatory aspects, sets the framework for strategic decisions in the HoReCa industry. Understanding the impact of these factors on partnership and diversification opportunities and constraints is crucial for the successful implementation of development strategies. Unresolved aspects, such as strategic adaptation to changes, success factors and risks of strategies, technological influences, and the expansion of the conceptual framework, define important directions for further research in the field of strategic management development in the hotel and restaurant sector.

It is essential to note that previously in the hospitality industry, there were isolated establishments such as eateries, restaurants, and hotels providing services for "immediate" consumption of goods and services. However, these services are now consolidated into a single category, "HoReCa," due to changes in societal psychology and increased consumer demands. Alongside this, the modern consumer no longer settles for just the quality of goods or services, such as a comfortable room or a tasty dish, but also values a higher level of service. Evaluations of restaurants, hotels, and bars are no longer limited to physical attributes, such as comfortable beds or delicious dishes. Other aspects, such as the quality of reception, the appearance of staff, design and atmosphere of the room, as well as the speed and quality of order fulfillment, play a crucial role in forming the overall impression of visiting an establishment and can influence customers' decisions regarding repeat visits.

It should be emphasized that the absence of competition and the relatively undemanding consumer psychology of the past led to the luxury of balanced and high-quality service not being considered a special necessity. However, in the current market economy, the situation has changed, and HoReCa companies are now compelled to compete for their place in the market and meet the growing demands of customers. The consolidation of businesses providing "on-site" services into the "HoReCa" group has proven necessary to develop an effective business structure. The application of special marketing rules, promotional materials, staff training programs, as well as uniforms and designs tailored to the specifics of the HoReCa industry, contribute to achieving a high level of service and securing a place among the best in this field.

According to the classification, HoReCa establishments fall into two categories:

1. Those directly interacting with customers, providing services such as temporary accommodation (hotels, hostels, apartment rentals), catering (cafés, bars, restaurants, canteens), organization of events (nightclubs, event agencies), and catering (mobile restaurants).
2. B2B suppliers of goods that support the first group with furniture, kitchen equipment, consumables, and various items essential for the operation of modern restaurants or hotels, including promotional products.

Hotels and dining establishments in the HoReCa sector offer various services, engaging in different types of product realization. While these establishments specialize in providing services to guests, they also offer a range of products, typically including alcoholic beverages, food products, and cigarettes. HoReCa goods have unique characteristics, often being ready for immediate consumption or partially processed, allowing for quick preparation and consumption without much effort. Purchasing such goods is done in minimal quantities to avoid long-term storage, as they are quickly sold. Consequently, HoReCa establishments do not need to create a wide range of competing products from various brands, allowing them to focus on providing high-quality services.

Attention to ambiance and service is another crucial component of success for HoReCa establishments. A cozy space with modern decor, attractive displays, and courteous staff creates a favourable atmosphere for customers. Services in hotels and restaurants are complemented by high-quality POS materials designed to attract attention and increase sales. Advertising tools such as light panels, fabric stretch ceilings, stands, signs, lightboxes, and other promotional materials create a pre-designed atmosphere, enticing customers to make emotional purchases. Given the specificity of HoReCa, manufacturers and establishment owners must focus on creating high-quality products and services that meet the needs of modern consumers, helping establishments attract new customers and retain loyal ones. Thus, success in the HoReCa segment depends on understanding consumer specifics and effectively using marketing tools to create an attractive image and popularize products and services. It is worth noting that HoReCa marketing can be divided into two directions: one related to points of sale and the other to goods. Marketing goods in the HoReCa sector differs in that establishments do not sell large volumes of product.
HoReCa

Goods for HoReCa
Describing what HoReKa is in trade, let's analyze the main types of ready-to-eat food products:

✓ alcoholic and cigarette products;
✓ semi-finished products for further cooking at points of sale;
✓ B2B products are necessary for the operation of the outlet;
✓ exclusive premium-class goods;
✓ no-food group products for customer service.

Suppliers of the HoReCa segment
One of the problems in the HoReCa business is finding good suppliers, and it occurs even in popular establishments. A selection contract must be drawn up with the selected company, which specifies all the nuances of cooperation. A good supplier should meet the following characteristics:

✓ reliability;
✓ constancy;
✓ moderate price;
✓ high quality products

But NoRea is marketing
When considering this issue, it is worth noting that HoReKa marketing is divided into two areas:

✓ Point of sale marketing. The advertising and information space of the target audience environment is used for marketing.
✓ Marketing of sales goods implemented through points. In most cases, this segment is used to expand market presence and create an image.

NoReCa clients
Promotion, that is, finding customers, is of great importance in the restaurant and hotel business. For this purpose, several directions are used: external advertising and proper design of the establishment, promotions, advertising in the press and the Internet, and also promotion in social networks. Articles or interviews about the institution in the mass media and on the Internet work well for advertising the services of NoReCa. At the same time, experts recommend looking for the best way to promote yourself after trying each option and analyzing the results.

Figure 1 - Description of the HoReCa segment
Source: created by the authors

However, through these establishments, sales can be successfully developed, brand image strengthened, and market presence expanded. Success in this case depends on the high skill of chefs and well-trained staff, as well as creating a stylish and attractive environment for customers. Various marketing strategies are used, including the use of branded equipment, brand serving, loyalty programs for regular customers, incentives for increasing the number of purchases or the average check amount, and collaboration with suppliers through cross-marketing, mass service (banquets, catering, seasonal points), to attract new customers and maintain relationships with existing ones. In the current conditions of increasing competition, service industry enterprises seek to improve the quality of services by meeting specific customer needs and requests. This is achieved through innovative corporate strategies that include
flexibility, adaptability, and operational efficiency in management, as well as the application of new production distribution models, customer interaction, and quality control.

Therefore, service quality is a key factor in the competitiveness of businesses, requiring a systematic approach and innovative strategies to achieve success in the market. Modern consumer demands and the application of diversification strategies in the form of new service delivery formats give traditional services, such as trade and entertainment, new meaning. To meet the material and spiritual needs of clients during leisure time, trade services are provided in parallel with entertainment in shopping and entertainment complexes (SECs). These SECs conglomerate trade, public catering, entertainment, health, household services, sports, and offer a diverse range of services. Economists recognize SECs as a cluster of small and medium-sized enterprises united to produce competitive services. The assessment of the quality of trade and entertainment services in SECs depends on requirements such as reliability, customization, accessibility (physical and spatial), communicativeness, and material provision. If services meet the conscious needs of consumers, they are considered competitive. The service industry is evolving in various directions, including creating favorable conditions for entrepreneurial activity, implementing innovative-investment models for economic development, using new technologies in traditional service sectors, and forming modern services such as scientific research, consulting, information and communication services, marketing, human resources management, and public administration. These directions enable service sector enterprises to adapt to changing consumer needs and maintain competitive advantages in the market.

Undoubtedly, a rapidly developing sector of the service market after the onset of hostilities was the hotel and restaurant business, which outpaced other economic sectors in growth dynamics. The hospitality industry encompasses a complex of industries that provide services to tourists during their stay away from their permanent residence. This sector includes hotel and restaurant businesses, tourist and transport services, as well as the entertainment sector, i.e., the HoReCa sector. The main factor determining the prospects of inbound tourism and the competitiveness of the tourism industry is hotel service. The hotel business industry is constantly evolving, incorporating new concepts and innovations. Several trends are gaining popularity:

- Smart hotels: The use of technology helps improve guest services and create a safe and comfortable atmosphere. An example is a fully contactless hotel, where customers can express-register and receive electronic bills.
- Hybrid concepts: Combining luxury amenities with hostel conveniences is becoming a popular trend. Such hotels offer spas combined with hostels, elevating the hostel experience to a new level.
- Eco-friendly accommodations: The increasing popularity of environmentally friendly or "green" hotels indicates heightened tourist interest in ecological living. These places provide visibility of the product supply chain through advanced technologies like the Internet of Things.

The restaurant business sector also undergoes digital transformation, including contactless payment, online ordering through websites and mobile apps, loyalty programs, and other innovative services. Thus, the hotel and restaurant industry is constantly evolving, introducing digital innovations and ecological approaches to providing quality services. These trends contribute to improving the competitiveness of this sector in the international market environment. Therefore, experts note the following trends in the HoReCa market after the start of hostilities:

- Sustaining demand for home-cooked meals, fast-food semi-finished products, and quick dining at public catering establishments.
- The impact of wartime rules, such as curfew and the need to adhere to air raid precautions.
- The need to establish fast food delivery logistics.
- The influence of the location of restaurant businesses, especially their proximity to conflict zones and the presence of internally displaced persons.

Undoubtedly, in the conditions of armed conflict, the development and reconstruction of businesses become extremely challenging tasks for entrepreneurs, especially those working in the restaurant business (HoReCa). War demands decisive actions and immediate decisions to ensure the functioning and survival of enterprises. This dissertation explores the impact of armed conflict on the development and reconstruction of the restaurant business in Ukraine and analyses strategies that help maintain resilience and overcome difficulties, including:

- Changes in Concepts and Audience Approach: Emphasis is placed on the importance of being flexible and adaptive in times of war. The research highlights that war forces restaurateurs to reconsider their concepts, attract new audiences, optimize menus, and change dish ingredients. To maintain stability and survival, entrepreneurs must remove expensive menu items or those requiring special ingredients, as their sourcing and delivery become challenging tasks.

- Business Management in Wartime: The study establishes that restaurant owners face numerous tasks daily that go unnoticed by visitors. Tasks include reviewing and adjusting decisions and optimizing operations in conditions of constant changes and threats. Team management becomes a crucial aspect, as many employees either join the front lines or undergo training before conscription. Changes in the team and training of employees preparing to defend the country pose new challenges to businesses.

- Loss of Personnel and Redistribution of Duties: The primary resource of the restaurant business—people—is emphasized. In the conditions of armed conflict, many employees leave their jobs and go to the front lines, leading to a shortage of qualified personnel. The loss of experienced workers, especially in areas like marketing where
only women remain, is keenly felt. To ensure business functioning, it is necessary to change the work format and adjust communication among employees to ensure effective team functioning.

- Economic Difficulties and Ongoing Threats: The research examines economic difficulties arising in the restaurant business during armed conflicts, such as expensive fuel and products, changes in work restrictions, insurance, and threats of shelling. Practical solutions are needed to help entrepreneurs overcome these difficulties and ensure business stability, including optimizing work and developing alternative sources for the supply of products and materials.

- Preserving Values and Developing Strengths: The importance of preserving core values and developing business strengths during wartime is noted. Crises strongly highlight the strengths of each entrepreneur, and it is essential to highlight and improve them to ensure stability and competitiveness.

- Perspective Planning and Finding Support: Attention is also drawn to business partnerships for forming a business recovery strategy. Realistic planning horizons and finding support in difficulties are crucial. Short-term planning and flexibility are found to better adapt to changes in the situation.

In conclusion, armed conflicts significantly impact the development and reconstruction of the restaurant business in Ukraine. However, an adaptive approach and finding support help entrepreneurs maintain resilience and contribute to the country's economy. The recovery of the HoReCa industry after the end of armed conflicts will benefit from global community support, investments, and the adoption of innovations. These strategies can serve as a foundation for preserving and successfully recovering businesses in the face of the negative impacts of armed conflicts.
collaborative efforts in the HoReCa market have the potential to save this business by ensuring stability, efficiency, and the ability to overcome difficulties associated with armed conflict. Analysing the current situation in the HoReCa market during wartime, it can be asserted that collaborative interactions have significant potential to save this business and ensure its stability and efficiency. The conditions of armed conflict may lead to serious challenges for the hotel and restaurant business, such as decreased demand, increased risks, and resource limitations. However, collaborative interaction has several advantages that help overcome these challenges. First and foremost, collaborative interaction allows sharing risks and costs among different entities. Combining efforts between restaurants, hotels, and other industry players will contribute to the stability and reliability of enterprises in this turbulent period. Finding new audiences and jointly optimizing menus and complex dishes can ensure the demand for the industry's products. Partnership also enables combining various competencies and resources, such as production, logistics, and marketing. This helps ensure efficiency in production and the supply of goods and services, even in conditions of limitations associated with armed conflict.

Also, the partnership can ensure stability in the supply of raw materials and products. Conditions of military conflict can affect the availability of products and services, and partnership interaction will allow attracting additional suppliers and ensuring product quality even in unstable market conditions. The main rules of partnership are constant analysis of market conditions, development of strengths and preservation of own values. Also, it is important to focus on short-term planning and find your own supports in difficult conditions.

**CONCLUSIONS**

Therefore, on the basis of the conducted analysis, it can be concluded that partnership interaction in the HoReCa market has a great potential to save the business and ensure its stability, efficiency and ability to overcome the difficulties associated with the military conflict. This is possible through risk and cost sharing, resource sharing, mutual support and investment. At the same time, adherence to the rules of partnership and short-term planning are important success factors during a military conflict.

The Ukrainian hotel and restaurant market (HoReCa) is characterized by considerable dynamism and a high level of competition. Compared to Europe, 1 restaurant in our country has about 30 people, while in Europe this indicator is only 8 people. This indicates a well-developed and popular hospitality industry in Ukraine. However, soon the Corona Virus Pandemic occurred, which had a significant impact on the HoReCa market. Due to the lockdown, we were forced to stay at home and the demand for food outside the home decreased significantly. As a result, only 70% of institutions were able to resume their activities. After lifting the lockdown, the market faced a new crisis. Many establishments ceased their activities, the owners of coffee shops and restaurants were forced to emigrate or start business abroad. Since the beginning of the full-scale invasion, the situation has worsened, many hotel and restaurant complexes have been completely destroyed, businesses have chosen the course of relocation as much as possible to save themselves, but the instability in the country has also led to a rise in prices and the loss of paying consumers.

At the moment, the situation on the market remains unstable. The solution to this problem is the support of the domestic economy and the development of abandoned cases. In this context, establishments that focus on food delivery and gastronomic restaurants have changed the concept of their activity, show creativity and non-standard in the formation of the menu will progress. Such approaches will allow the HoReCa market to adapt to new conditions and attract the attention of consumers, ensuring the stable development and prosperity of the industry.

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ПАРТНЕРСТВО ТА ДИВЕРСИФІКАЦІЯ: КЛЮЧОВІ КОМПОНЕНТИ СТРАТЕГІЧНОГО УПРАВЛІННЯ РОЗВИТКОМ ПІДПРИЄМСТВ БІЗНЕС-СЕГМЕНТА HoReCa

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В статті зосереджено увагу на аналізі стратегічного управління підприємствами готельно-ресторанного бізнесу (HoReCa), розкриваючи наявність партнерств та стратегії диверсифікації в сучасних умовах. В статті досліджено не лише ключові виміри цих стратегій, а й їх взаємодію з актуальними тенденціями у галузі. Авторами досліджено сучасні тенденції у HoReCa, враховуючи зміни у споживчих уподобаннях та впровадження цифрових технологій. Розглядається роль партнерства в стратегічному розвитку, висвітлюючи важливість партнерства у досягненні конкурентних переваг, виключуючи їх ефективність та взаємодію з технологічними інноваціями. Автори розглядають роль партнерства в готельно-ресторанному бізнесу як ключові компоненти сучасного управління підприємством у сфері готельно-ресторанного бізнесу. У цілому, стаття надає базовий вихід для розуміння важливого компонента сучасного управління стратегічним розвитком підприємств HoReCa.

Ключові слова: партнерство, диверсифікація, компоненти сучасного управління, стратегічний розвиток, готельно-ресторанний бізнес, сталий розвиток, цифровізація.