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FORMATION OF AN OPTIMAL MODEL OF CAPITAL CONSOLIDATION OF HOSPITALITY INDUSTRY ENTERPRISES

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The aim of the study is to deepen the theoretical foundations and formulate an optimal model for capital consolidation among hospitality industry enterprises, taking into account their specific characteristics. Global experience demonstrates that not all capital consolidation deals are successful or yield the desired results. Therefore, it is crucial to develop an optimal model for capital consolidation in the hospitality sector - one that mitigates consolidation risks, reduces costs, and secures competitive advantages.

The article substantiates the development of an optimal model for capital consolidation within hospitality industry enterprises. It refines the study's conceptual framework by clarifying the essence of "capital consolidation in hospitality industry enterprises," defining it as the pooling of capital from hotel and related-sector enterprises - in various forms - to achieve competitive advantages in domestic and international markets, maximize profits, and enhance the operational efficiency of the newly formed entity. Furthermore, the study's conceptual and categorical framework has been refined by clarifying the essence of the "capital consolidation model for hospitality industry enterprises." This model is defined as a system of interaction among enterprises involving the pooling (merger) of capital - financial, material, managerial, and investment - based on contractual agreements or ownership rights. It aims to establish an integrated resource management system designed to generate synergy, enhance competitiveness, expand investment opportunities, maximize profits, ensure financial stability and market adaptability, and optimize business processes. The principles for constructing an optimal capital consolidation model have been defined, and the essence of the model's key stages has been outlined, taking into account the specific characteristics of the hospitality industry. An optimal capital consolidation model for hospitality enterprises facilitates the achievement of strategic competitive advantages, financial stability, and the continued development of these enterprises.

Keywords: capital consolidation model, capital consolidation, hospitality industry, forms of capital consolidation, synergy effect.

ФОРМУВАННЯ ОПТИМАЛЬНОЇ МОДЕЛІ КОНСОЛІДАЦІЇ КАПІТАЛУ ПІДПРИЄМСТВ ІНДУСТРІЇ ГОСТИННОСТІ

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Метою дослідження є поглиблення теоретичних засад та формування оптимальної моделі консолідації капіталів підприємств індустрії гостинності з врахуванням їх специфіки. Світовий досвід показує те що не всі угоди що до консолідації капіталів є успішними і приносять бажаний ефект. Тому, актуальним є формування оптимальної моделі консолідації капіталів підприємств індустрії гостинності, яка дозволить знизити ризики консолідації, зменшити витрати та забезпечити досягнення конкурентних переваг.

У статті обґрунтовано формування оптимальної моделі консолідації капіталів підприємств індустрії гостинності. Удосконалено понятійно-категоріальний апарат дослідження шляхом уточнення сутності поняття «консолідація капіталу підприємств індустрії гостинності» яка розглядається як об'єднання капіталів підприємств готельної і споріднених галузей у різноманітних формах з метою досягнення конкурентних переваг на вітчизняному і закордонному ринках, максимізації прибутку та підвищення ефективності діяльності новоствореного підприємства. Також, удосконалено понятійно-категоріальний апарат дослідження шляхом уточнення сутності поняття «модель консолідації капіталів підприємств індустрії гостинності» яка полягає у системі взаємодії підприємств що до об'єднання (злиття) капіталів (фінансових, матеріальних, управлінських, інвестиційних) на договірній основі або на основі права власності, направлена на формування інтегрованої системи управління ресурсами, спрямована на отримання ефекту синергії, підвищення конкурентоспроможності, розширення інвестиційних можливостей, максимізації прибутку, забезпечення фінансової стійкості та адаптивність до змін ринку, оптимізації бізнес-процесів. Визначено принципи побудови оптимальної моделі консолідації капіталів. Розкрито сутність основних етапів моделі з врахуванням специфіки галузі індустрії гостинності. Оптимальна модель консолідації капіталів підприємств індустрії гостинності забезпечує досягнення стратегічних конкурентних переваг, фінансову стійкість та подальший розвиток підприємств індустрії гостинності.

Ключові слова: модель консолідації капіталу, консолідація капіталу, індустрія гостинності, форми консолідації капіталу, ефект синергії.

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

The global hospitality industry operates in conditions of increasing competition, deepening globalization processes and economic instability. In these conditions, hotel and restaurant business enterprises are trying to ensure their financial stability, competitiveness and further development. Modern hotel business is characterized by the need for constant updating of its material and technical base, the introduction of innovations and high capital intensity. This requires significant financial resources. In order to find these resources, many methods are used. One of such methods is the consolidation of capital of enterprises between enterprises of the hospitality industry and with enterprises of related industries. However, world experience shows that not all transactions related to the consolidation of capital are successful and bring the desired effect. Therefore, it is relevant to deepen the theoretical foundations and form an optimal model of capital consolidation of hospitality industry enterprises, taking into account the specifics of their activities.

ANALYSIS OF RESEARCH AND PUBLICATIONS

The problems of concentration, centralization and consolidation of capital of enterprises have long been the focus of attention of both foreign and domestic authors. The theoretical foundations of concentration and centralization of capital were laid by scientists of the classical school of economic theory (K. Marx, J. Schumpert, M. Porter, etc.). A significant contribution to the study of capital integration processes in the hospitality sector was made by such foreign scientists as Michael Olsen, West J., Tse E., Robert C. Ford, Sturman M., Heaton C., Jack D. Ninemeier, Abraham Pizam [1-4]. Domestic scientists Turchynyak, M., and Polotay, B. [5] analyze key global trends in the development of the hotel and restaurant business. Osetsky V. L. [6] examines the features, specifics and modern trends in the concentration of capital in the context of global digitalization of social development.

Domestic scientists are engaged in certain issues of capital consolidation by hospitality industry enterprises. In particular, the main attention is paid to the formation and functioning of such a form of capital consolidation as hotel chains. In particular, Galasyuk, S. [7] investigates the functioning and main trends in the development of national hotel chains of Ukraine under martial law. Titomyr, L., Zhovtyak, K., and Savenko, A. [8] deal with the issues of finding new ways to expand domestic hotel chains. Shykina, O. [9] analyzes the dynamics of the development of the international hotel industry and international hotel chains.

IDENTIFICATION OF PREVIOUSLY UNRESOLVED ASPECTS OF THE GENERAL PROBLEM ADDRESSED IN THE ARTICLE

The issue of forming an optimal model of capital consolidation of hospitality industry enterprises remains insufficiently researched. The mechanism of capital consolidation requires further scientific substantiation. The issue of the synergy effect in capital consolidation requires additional study.

FORMULATION OF THE OBJECTIVES OF THE ARTICLE (STATEMENT OF THE TASK)

The purpose of the article is to deepen the theoretical foundations and form an optimal model of capital consolidation of hospitality industry enterprises, taking into account their specifics.

PRESENTATION OF THE MAIN MATERIAL OF THE STUDY

Leading enterprises of the hospitality industry use capital consolidation in their activities, in various forms. For example, in the period 2015-2016, Marriott International acquired Starwood Hotels & Resorts, creating the largest hotel corporation in the world. The consolidation took place in the form of a merger and acquisition (M&A). The result of the transaction was the expansion of the global brand network, an increase in market capitalization, cost savings due to synergies, strengthening loyalty programs and global presence. Marriott International received more than 30 hotel brands and significantly strengthened its position in the international hospitality market. The expected synergy effect was about 250 million USD annually [10].

In 2015-2016, AccorHotels acquired the Fairmont, Raffles and Swissôtel brands. The consolidation took place in the form of a capital centralization through acquisition. The transaction cost was 840 million USD (plus share issue) [11]. The effect of the transaction was to strengthen the position in the premium segment of the hospitality industry, the company's entry into the North American market, and increase profits. The projected synergy effect for AccorHotels was about 65 million euros annually due to the optimization of management, marketing and sales systems [11].

Ukrainian hospitality industry enterprises also use capital consolidation in their activities. Thus, in 2020-2025, Ribas Hotels Group, private investors and development companies will combine their capital. The form of consolidation was investment partnership and development integration. The resulting effect: expansion of the network of apart-hotels, attraction of investments in tourism infrastructure, diversification of financing.

In the period from 2018 to 2024, Vertex Hotel Group is merging hotel assets with hotel real estate investors. The consolidation takes place in the form of corporate integration of hotel assets. The purpose of the transaction is to consolidate the management of hotels and restaurant assets. The result of the transaction was to increase operational efficiency, centralize management and optimize costs.

However, there is also an unsuccessful experience of consolidating the capital of hospitality industry enterprises. For example, in 2007, the merger of Thomas Cook Group and MyTravel Group took place. The cost of the transaction is about 4.3 billion pounds sterling. The purpose of the transaction was to create one of the largest tourism holdings in Europe. However, the result of the transaction is an increase in debt obligations, financial instability and bankruptcy of the company in 2019 [12].

World experience shows that not all capital consolidation transactions are successful and bring the desired effect. Therefore, it is relevant to form an optimal model of capital consolidation of hospitality industry enterprises, which will reduce consolidation risks, reduce costs and ensure the achievement of competitive advantages. Capital consolidation of hospitality industry enterprises is the unification of capital of enterprises of the hotel and related industries in various forms in order to achieve competitive advantages in domestic and foreign markets, maximize profits and increase the efficiency of the newly created enterprise.

The model of capital consolidation of hospitality industry enterprises consists of a system of interaction of enterprises regarding the unification (merger) of capitals (financial, material, managerial, investment) on a contractual basis or on the basis of ownership. The optimal model of capital consolidation of hospitality industry enterprises is aimed at forming an integrated resource management system. The main goal of the capital consolidation model is to obtain a synergy effect. Achieving the desired synergy effect will allow to increase competitiveness, expand investment opportunities, introduce innovations into the activities of the enterprise, contribute to profit maximization, ensure financial stability and adaptability to market changes, optimize business processes.

The main principles of the optimal capital consolidation model are strategic integration, resource synergy, economic efficiency and feasibility, innovative transformations and sustainable development.

The formation of a model of optimal capital consolidation of hospitality industry enterprises consists of five stages. At the first stage, an analysis of the external and internal environment of the enterprise is carried out. When analyzing the external environment, the economic and political situation of the country is examined. Namely: legislative and market restrictions on the implementation of capital consolidation; stability of the political situation in the country, favorability of the authorities regarding the organization and conduct of entrepreneurial activity; antitrust legislative restrictions and the level of competition in the hotel industry; specific factors of the hospitality industry; competitive environment; taxation before and after the consolidation of enterprise capital (change in the tax base, availability of tax benefits, etc.).

When analyzing the internal environment, it is necessary to determine the financial and economic status of the hotel enterprise in the market. Namely: financial and economic results of activity; share of the hotel market occupied by the enterprise; level of competitiveness of the hotel; promising directions of its development. The results of the analysis of the external and internal environment are the basis for forming the goal of consolidation

At the second stage, based on the results of the external and internal environment of activity, the goal of capital consolidation is determined.

Hotel enterprises resort to capital consolidation in order to achieve a number of important results, including:

- profit maximization;
- increase in the capitalized value of the newly created enterprise;
- ensuring savings, in particular, due to the scale of production, reduction of transaction costs, optimization of taxation;
- increasing the efficiency of the enterprise by eliminating duplicate functions of the merging companies, centralizing accounting, organizing general strategic management, improving the skills of employees at all levels, improving the quality of financial control;
- expanding its market share, eliminating competitors and occupying a dominant (monopoly) position in the market, entering the foreign market;
- increasing investment attractiveness;
- creating an innovative hotel product (which requires significant financial resources or other unique resources owned by the consolidation partner);
- and others.

At the third stage, the form and type of capital consolidation is determined. The main forms of capital consolidation of hospitality industry enterprises include: franchising, hotel and restaurant chains, strategic alliances, holding, mergers and acquisitions, vertical and horizontal integration, cluster associations, outsourcing and cooperative forms of cooperation. Depending on the strategic interests of the consolidation subjects, capital consolidation can occur in the following types: horizontal, vertical, diagonal and functional. At the fourth stage, the enterprise management system after capital consolidation is determined. The distribution of management functions is carried out, the mechanism of interaction of the activities of enterprises is determined and a single information environment is created.

At the fifth stage, the efficiency of the consolidation of the capital of enterprises is assessed. In particular, the following are determined: the efficiency of the enterprise's activities after the consolidation of capital; comparison of the value of the newly created company with the value of separately operating enterprises; the synergy effect that the enterprise will receive after the consolidation; potentially maximum profit of the enterprise after the consolidation of capital.

The model of capital consolidation by hotel enterprises includes the creation of a single management system for the newly created enterprise (or alliance). A single management system ensures that the interests of all participants in the consolidation are taken into account and costs and resource use are optimized. The essence of a single management system is to coordinate interaction between participants on financial, managerial and organizational issues.

The model of capital consolidation by hospitality industry enterprises involves: centralization of management functions; formation of a single marketing policy; integration of reservation systems and digital services; unification of service standards; joint use of infrastructure and investments; coordination of personnel policy and personnel training programs.

In modern conditions, the process of capital consolidation is impossible without combining businesses into a single digital system, which is the main tool for synchronizing business processes, automating management and accelerating the adoption and optimization of management decisions. The complex use of special software, including CRM systems, ERP platforms, a group of technologies and methods for analyzing and processing a large array of Big Data data, as well as artificial intelligence, provides the opportunity to study demand by analyzing various consumer needs in order to form a list and provide appropriate hotel services. This is necessary to increase the efficiency of hotel enterprises after capital consolidation and strengthen their positions in the market.

When determining the feasibility and effectiveness of capital consolidation, it is important to obtain a synergy effect. Synergy effects can be manifested through:

- increasing occupancy of the room stock;
- reducing costs of conducting the hotel business;
- increasing income, profit and profitability of enterprises after consolidation;
- improving the quality of hotel services;
- optimizing the management of the hotel's workforce and resources;
- introducing innovations (both the creation of an innovative hotel product and innovations in business management, ensuring hotel activities);
- gaining new market positions and increasing the investment attractiveness of enterprises after the merger of capitals.

CONCLUSIONS OF THIS STUDY AND PROSPECTS FOR FURTHER RESEARCH IN THIS DIRECTION

The study substantiates the formation of an optimal model of capital consolidation in hospitality industry enterprises. The conceptual and categorical apparatus of the study has been improved by clarifying the essence of the concept of "capital consolidation of hospitality industry enterprises", which is considered as a combination of capital of enterprises of the hotel and related industries in various forms in order to achieve competitive advantages in domestic and foreign markets, maximize profits and increase the efficiency of the newly created enterprise. Also, the conceptual and categorical apparatus of the research was improved by clarifying the essence of the concept of "hospitality industry enterprises capital consolidation model", which consists in a system of interaction between enterprises regarding the unification (merger) of capital (financial, material, managerial, investment) on a contractual basis or on the basis of ownership, aimed at forming an integrated resource management system, aimed at obtaining a synergy effect, increasing competitiveness, expanding investment opportunities, maximizing profits, ensuring financial stability and adaptability to market changes, optimizing business processes. The principles of building an optimal capital consolidation model were determined. The essence of the main stages of the model was revealed, taking into account the specifics of the hospitality industry. The optimal capital consolidation model of hospitality industry enterprises ensures the achievement of strategic competitive advantages, financial stability and further development of hospitality industry enterprises.

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