



Currently, the most intensive hotel business is developing in major cities of the Russian Federation (Moscow, Kaliningrad, St. Petersburg), as well as in the main resort areas (Sochi, the far East, lake Baikal). To enter the market in these regions, due to the tourist popularity and the presence of well-established infrastructure, on the one hand it is easier and safer in the long term, and on the other it is more difficult because of the high competition and, as a consequence, the cost of real estate.

In contrast to popular resort places and cultural megalopolises, there is a growing interest in non-standard types of tourism, which opens prospects for the integrated development of the hotel business in such regions as:

- The industrial cities of Krasnoyarsk, Novosibirsk, Yekaterinburg are among the most attractive places for domestic urban tourism among Russian youth.
- Altai mountains, picturesque forests of the Komi Republic, dormant volcanoes of Kamchatka, Caucasus, Karelia, as well as Arkhangelsk and Murmansk regions are the most promising natural areas for the development of ecotourism. By the way, it is in this sector that the largest annual increase in tourists is noted, which is about 30%.
- Tula, Tambov, Kaluga, Tver, Yaroslavl, and Nizhny Novgorod regions and Udmurtia-regions that have become the venue for popular youth festivals, which annually attracts up to two hundred thousand guests.

The most popular types of hotels

The modern hotel industry in Russia is at the stage of development and transition from outdated standards to new global requirements of the hotel business. At the same time, it has to be doubly difficult, since the latter is also in the stage of transformation. A few years ago, the main trend of the domestic hotel business could be called luxury hotels and tourist-hotel complexes.

Today, the trend has changed towards cost-effective accommodation such as hostel, mini-hotel and camping. This is due not only to the problems in the world economy and the decline in the prosperity of Russian citizens, but also to the fashion for active tourism. By itself, the place of residence and additional service for the modern tourist fall into second place. More and more people prefer to spend the money saved on an expensive

hotel on an entertainment program.

In 2017-2018 in Russia, almost 80% of tourists choose this format of accommodation, including not only students, business travelers and entrepreneurs, but also foreign citizens. This trend creates the conditions for a large number of small entrepreneurs to enter the market and reduce costs for existing large players.

In addition to cost-effective accommodation, there is a growing demand for business hotels, which have at their disposal coworking centers, conference rooms, as well as offering comprehensive services for such events. The greatest potential for the development of such a business has a city-millionaires (Moscow and St. Petersburg, as well as Novosibirsk, Yekaterinburg, Nizhny Novgorod, Kazan, Chelyabinsk, Omsk, Samara, Rostov-on-don, Ufa, Krasnoyarsk, Perm, Voronezh, Volgograd) and the nearest to them with a positive indicator of population growth (Saratov, Tyumen, Krasnodar).

Impact of domestic tourism development prospects

The Russian hotel business has high hopes for domestic tourism. However, the lifting of the ban on visiting favorite foreign resorts for Russians is not yet possible to achieve the desired dynamics. However, many experts predict that this sector will gradually become popular, as the collapse that forced citizens to stay at home in recent years has demonstrated the high potential of domestic recreational areas.

To date, a significant share of the demand for the services of city hotels in the Russians provide buyers of bus tours, which are primarily chosen for housing hostels. Resort guest houses in the southern regions of the country are also popular. Development in this sector of the market primarily affects the improvement of service, which becomes the main tool of competition.

Factor of dynamics of flow of foreign tourists

Economic instability and ambiguous political position negatively affected the influx of foreign visitors to Russia from Europe and America. On the other hand, the flow of tourists from Asia has increased significantly, the number of which only in 2017 increased by 35%. This creates certain prerequisites for choosing the optimal business model of hotels. Thus, after the transition to a market economy, the Russian hotel business adopted the European traditions of service, which are somewhat different from the standards of China, Japan, South Korea and the Middle East. And because the change of reference for hotels can be a winning bet.

A negative aspect in attracting foreign tourists in the coming years will be WADA's ban on applications from the Russian Federation for international sports events, which was announced on April 1, 2018. It should be understood that even if this right is returned, the lost period can turn into several years of decline for domestic hotels.

Upcoming legislative changes

First of all, the law on mandatory classification will have a serious impact on the hotel business in the coming years. It provides for the fitting of all types of accommodation facilities to the world's stellar standards. This, in turn, will improve the quality of service and increase the attractiveness of hotels for Russian and foreign tourists, but at the same time will force the owners to find additional funds for the reorganization of the room Fund. In this light, it is quite obvious that with the classification there will be a sharp increase in the cost of services. The terms of the procedure are set in the following order:

- At the beginning of 2018, the classification must pass hotels with rooms from 50 PCs.
- Until the beginning of 2019, the classification must be obtained by hotels with scales from 15 to 50 seats.
- Until the beginning of 2020 – hotels up to 15 rooms.

The topic of legalization of the arrangement of hostels in residential buildings is also actively discussed. Initially, the hotel owners intended to obtain permission to open mini-hotels with the permission of neighbors-residents whose apartments have adjacent walls and ceilings, in exchange for some services for the care of the local area. It was planned that the transfer of objects in non-residential Fund will not be required. However, the bill, introduced in early 2018, addresses the issue of a complete ban on such practices with small exemptions for mini-hotels located on the first floors of buildings.

Taking into account the experience of previous years, it is not necessary to count on the favor of the government towards entrepreneurs, according to experts, and therefore most likely the existing hostels will have to either close or reorganize so as to meet the established standards.

On the other hand, novice hoteliers need to take into account the program launched by the government of the Russian Federation in 2013, called "development of culture and tourism". It involves a range of measures to increase the attractiveness of the sector. At the same time, the program not only integrates new standards, but also addresses other equally important problems:

- Introduction of modern information technologies into the industry;
- Legal regulation of all activities of hotel and tourist complexes;
- Active cultural development and activities in small towns and rural areas;
- Creating new types of recreation and increasing the diversity of accommodation;
- Gradual formation of a positive image of the Russian Federation on the world stage from the position of a tourist country.

In practice, this means that all projects related to these issues can receive state support at least until the end of the program in 2020. Thus, the following amounts of funding are planned for the coming years:

- In 2018 – 105.692 billion rubles;
- In 2019 – 116.041 billion rubles;
- In 2020-120,268 billion rubles.

Attracting foreign investment and resources

For foreign investors, the hotel business in Russia is not of high interest, but this does not mean that large international chains are not interested in opening branches. In recent years, more and more often to build a hotel business, entrepreneurs choose the format of acquiring a franchise, which eliminates the need to engage in a deep study of organizational issues and allows you to literally immediately begin effective work.

Today in Russia there are more than 15 foreign hotel chains (Accor Hotels, Carlson Rezidor, Hilton, Marriot, IHG) operating in more than forty major cities. Gradually, franchises of mini-hotels, hostels and home hotels appear on the market. There are Russian brands among them, which is undoubtedly a positive factor, indicating that the market is open for small hotel business, and most importantly, the prerequisites for raising important issues in the industry have already been created.

If we talk directly about foreign investment, foreign entrepreneurs are more interested in renting existing hotels. In this case, it is not even about management, but about the complete replacement of existing functionality. This is explained by the fact that in the world community there is a stable opinion about the low level of qualification of personnel and the hotel complexes themselves. Investing in the construction of new large facilities for foreign businessmen, while it seems risky. Most of the newly opened hotels are mini-hotels in resort areas, built by Russian entrepreneurs.

Prospects for solving personnel problems

Get quality education in the direction of hotel business for Russian citizens today in 90% of cases can only be paid. At the same time it is necessary either to go abroad for training, or to be content with distance learning to obtain a diploma of additional education.