

information sources: non-marketing-controlled and marketing-controlled. However, in reality information search combines both internal and external elements.

Evaluation of alternatives usually appears after collecting the information on each alternative product. That is, the evaluation is made by examining alternative advantages and disadvantages along important product attributes. A different way consumers can evaluate a product is according to a categorization process. The evaluation of an alternative depends upon the particular category to which it is assigned.

One of the most meaningful stages for manufacturers is purchase. This stage shows whether consumers are loyal to the brand.

It's necessary to say, that after purchasing the consumer can estimate his satisfaction of the product. This refers to post-purchase evaluation. That stage is crucial for the companies because of the fact that customer evaluates not as much as quality of the product but his impression.

Certainly, the mentioned stages are influenced by external factors. There are four categories such as cultural, social, individual and psychological. In general these groups of factors direct the consumer decision-making process.

Taking all the given information into account, the knowledge of a consumer decision-making process is a vital part of consumer behavior research, which in its turn an important factor, which fosters company's profits. As it has been noticed, understanding the consumers' preferences could help the marketing managers to meet the customers' expectations with appropriate products and services and create the proper marketing mix to them.

## HOTELS IN MINSK: WILL QUANTITY EVER TRANSFORM INTO QUALITY?

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The hotel is undoubtedly the most recognizable constituent of accommodation sector and the most conservative one. However, hotels like other types of accommodation have not been immune to change. A hotel today is not a mere premise with rooms, food and beverage services but a business oriented towards a constantly changing clientele. Managers and owners unable to respond to change will

find that they will be passed by as innovations, market changes and price competition redefine the business environment for accommodation providers.

Nowadays the Minsk hotel industry is growing steadily and it is one of the most promising directions in the development of tourism. Today there are over 49 hotels with 38,613-bed capacity in Minsk [1]. The 2014 IIHF World championship opened doors to numerous international hotel chains such as Hilton Hotels Corporation, Marriott Hotel Chain and many others thus doubling the existing supply on the market.

The increased supply was hardly sufficient to satisfy the demand during the Championship. However, two years after the iconic event it is becoming clear that the quantity of hotels cannot guarantee the required occupancy rate and high revenues.

One of the characteristic features of Minsk hotel market is inconsistency between the price and existing demand. Inflated prices of Belarusian hotels have been subject of numerous discussions. There was a slight decrease in prices after new hotels had been put into operation, but they still don't match the demand. At the same time, government representatives, responsible for the market development, say that prices have leveled with the prices of neighboring countries. They seem to forget that it is the demand, which dictates the prices.

If we look at hotel prices in some European cities, we can see that they vary greatly. The average price per room in a 3-star hotel in London is 63€ (in a four-star hotel - 125€), in Prague – 66€ and 91€, Vilnius – 55€ and 96€, Warsaw – 70€ and 95€. These figures in Minsk are 69 and 110 €. The prices of European capitals reflect such parameters as the demand, the number of tourists who visit hotels throughout the year, living standards of the countries while our local pricing policies seem to ignore these variables. Here the disproportion between a rather modest demand and high prices is much higher than in the other European cities. The occupancy rate of the hotels in Minsk is 27%, London – 76.4%, Prague – 68.3%, Vilnius – 78.5%, Warsaw – 64.7%. The number of tourists in Minsk hotels in 2016 was only 594,102 while each of the European capitals hosted more than 1 million visitors. As a result, there is a low occupancy rate in our hotels. (diagram 1). [1].

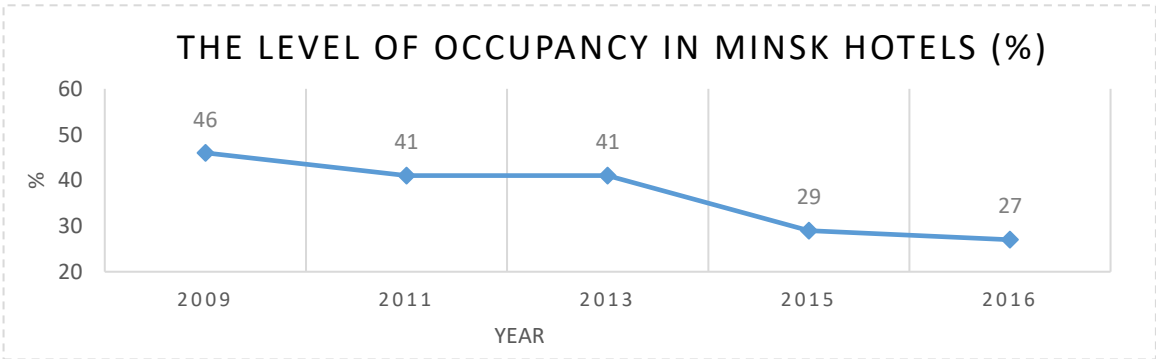


Diagram 1 – The level of occupancy in Minsk hotels from 2009 to 2016.

Another problem of the Belarusian hotel market is state ownership of many hotels, which leads to management issues, lack of flexibility and motivation along with absence of any sustainable marketing plan.

It should be mentioned that the revenue in the Minsk hotel industry increases. Compared to 2015, it saw the growth of 7% and was 15,904 million rubles in 2016 [1].

Of course, it is easier to have a high price and a high margin. It seems logical on the level of an individual business, but it has a negative impact at the national scale. We should learn to earn by increasing the occupancy rate and many steps should be taken in this direction. The following activities can contribute to the development of the hotel industry in Minsk:

- Star system certification should be made mandatory for all hotels. This would ensure adequate level of services.
- Marketing strategy should be developed which would aim at attracting tourists. Visitors need to be informed about advantages of staying at a hotel.
- Educational establishments should provide adequate training to personnel.
- Measures should be taken by state authorities that would allow for flexibility of prices and encourage inflow of tourists.
- Seasonality issues should be taken into account that would result in increasing staff efficiency. During high season and some events, outsourcing companies should be engaged in providing hotels with additional staff.
- Joint efforts should be taken by both private and public sector in order to turn Minsk into a popular cultural and business venue.

Today Minsk hotels are encountering difficulties that include low occupancy rates and high cost of hotel services. The industry faces very difficult choice: either to reduce the cost of hotel services or to improve their quality.

### **References:**

1. Tourism and Tourist Resources in the Republic of Belarus 2016 / National Statistical Committee of the Republic of Belarus (Belstat) [Electronic resource]. – Minsk, 2017. – Mode of access: [http://www.belstat.gov.by/en/ofitsialnaya-statistika/social-sector/turizm/publikatsii\\_9/index\\_5437](http://www.belstat.gov.by/en/ofitsialnaya-statistika/social-sector/turizm/publikatsii_9/index_5437) – Date of access: 23.03.2017