CONCEPTUALIZATION OF THE HOTEL BUSINESS AND A CONCEPT HOTEL PROJECT DEVELOPMENT IN THE AREA OF THE CAUCASIAN MINERAL WATERS
(based on the example of «Classic Hotel», Pyatigorsk)

The report of the final qualifying thesis

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The thesis is «Conceptualization of the hotel business and a concept hotel project development in the area of the Caucasian Mineral Waters (based on the example of «Classic Hotel», Pyatigorsk)».

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The information about the company. In April 2012, a new hotel called «Classic Hotel» opened in Pyatigorsk, presenting a perfect mix of European standards and Caucasian hospitality. The hotel is designed to accommodate up to 32 people at the same time. It offers 16 guest rooms, which are well-equipped according to the latest standards. The hotel includes suites and standard rooms. «Classic Hotel» offers a cozy cafe with the European, Japanese and exquisite local cuisine, a banquet hall for 32 people, a sauna, a swimming pool, a solarium and a modern fitness center.

The research topicality. The trends in the development of the hotel market and modern statistics show that the majority of people traveling around the country prefer to use the small hotels’ services. Pyatigorsk is one of the most popular and demanded resort in Russia, where the accommodation services prevail and are crucially important for the local community budget. In addition to the spa resorts, there are numerous hotels in the city, many of which are small-size hotels. Their location and infrastructure are similar and they all provide basically the same set of services, which makes it very difficult for a customer to choose which one to stay at. Thereby, some tough competition can be traced on the resort accommodation market. The more unusual and original an offer is, the higher the demand for that service or product. Nowadays, the unusual hotels with a special thematic style are becoming more and more popular. Among those are boutique hotels, hotels with a unique architectural design and others. In other words, a unique commercial offer is a must for successful businesses development in the modern world.

Under these circumstances the most important task is a unique hotel product development and improvement its quality, in particular through the creation of a
concept and original image of a hotel. All of the above problems, including a
tendency to the development and promotion of the small-size hotels’ services by
creating a unique concept, make this work relevant and timely.

The goal of the thesis is to study the international experience and specific
characteristics of the organization of a conceptual small-size hotel and
development of a business project of a concept hotel in Pyatigorsk (based on the.example of «Classic Hotel», Pyatigorsk).

In accordance to the thesis goal, the following objectives were presented:
- to review the current state of the hotel market in Russia and tendencies
  of its development;
- to examine the kinds, principles and stages of segmenting the market
  of hotel services;
- to analyze the classification of accommodation facilities, as a factor of
  segmentation needs and consumer information;
- to explore the dynamics of development, specific features, advantages
  and disadvantages of small hotels in contemporary Russia;
- to explore the concept and types of conceptual hotels, their role in
  development of world hospitality industry;
- to define the concept of a boutique hotel and highlight the specific
  characteristics;
- to determine the place of the hotel «Classic» in the hotel complex in
  the region and give high-quality analysis;
- to conduct a monitoring of the hotel market of Pyatigorsk and
  highlight the motivation of their conceptualization;
- to develop a conceptual project of the modernization of «Classic
  Hotel» in the city of Pyatigorsk.

The results of the research. The role of conceptual hotels in the modern
hospitality industry is great, as they are gaining more and more popularity among
tourists. In today's world, it is not easy to attract potential visitors. You need a
«zest», an innovation and novelty of a particular product. In the Russian hospitality
industry concept of a «boutique hotel» has appeared recently. Already we can say that the trends of the Russian hotel market development are unlikely to be very different from the world’s ones and the hotels with unusual and even outstanding concepts will appear more and more often. The Russian hoteliers, catching the world fashion for the original establishments, are now opening new hotels with the non-standard services and interior design. However, the term of a «boutique hotel» in Russia is often mistakenly understood as a hotel with a small capacity. That very notion is wrong and it is often used to improve a hotel’s attractiveness. Thanks to the wide variety of services, individual approach to each client and the value for money «Classic Hotel» is a prime place among the other hotels in the city of Pyatigorsk.

The concept hotels are very popular today. Those are the hotels with a certain concept or an interest club. Nowadays, the guests not only appreciate the high level of service, but also originality. In order to stand out in the hotel market and attract more customers, to be on the top in the list of the city hotels, an individual design approach is required. The future belongs to the conceptual hotels.

**Recommendations.** Pyatigorsk is industrial, commercial, scientific, cultural and tourist center of the eco-resort in the area of the Caucasian Mineral Waters, Stavropol region, Russia. Most of the hotel complexes and mini-hotels of the city are designed for the business travelers: the standard rooms, meeting halls, cafes and restaurants, swimming pools, saunas and gyms. But it seems that many hoteliers forget that people come to the Caucasian Mineral Waters not only for work but also for recreation. Certainly, some people can say that there is a large number of spa-hotels for these purposes. But who said that a small-size hotel for parents with children will not be required and will not be popular in Pyatigorsk?

Today, the target audiences of «Classic Hotel» are businessmen, entrepreneurs, employees of various companies and organizations, that is, business tourists who came for business purposes, such as signing the contracts, having meetings, establishment of their businesses, etc. Thus, we would like to offer
something new to discover in «Classic Hotel», which will help attract another
target audience – parents with children.

There are 16 rooms in «Classic Hotel». Each one has an interior styled like
European classics which is the European standard and no «zest». Currently, a new
building is being constructed for «Classic Hotel», which will be adjacent to the
already existing building. The owner of the hotel «Classic» is offered to use a part
of the room stock for the implementation of the conceptual project – seven fairy
tale styled rooms. According to the research author's opinion, the fairy tale styled
rooms will be popular and in a high demand, because it is just as unusual as a hotel
made of ice. It will be attractive and magical, not only for children but also for
their parents. After all, it is so wonderful to get away from reality and plunge into
the world of fairy tales, magic and childhood.