

## ANALYSIS OF MARKET ACTIVITY OF HOTEL SERVICES IN BUKHARA REGION

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**Abstract.** *Running a business today requires managing the company's revenue. The hospitality industry market of our republic cannot depend on any random factors. The current level of competition and technology requires special attention. revenue management is widespread in the West and the positive effects of this "discriminatory" type of pricing can be observed in practice. Profit maximization is achieved by setting different prices, availability of rooms, hotel occupancy forecast. In general, revenue management is based on the elasticity of demand in certain market segments.*

**Keywords:** *business, company's revenue, pricing, management.*

The analysis of hotel services in the Bukhara region showed that the complex service of the hospitality industry consists of a large number of processes and operations that are part of it. The hospitality industry performs the following main market functions and coordinates the actions of all participants of the complex service: creates and realizes the value embodied in the hotel-restaurant product; it constitutes the process of delivering the product to consumers; economically provides material incentives for the employees of network enterprises to improve the quality and assortment of the offered services, to produce them in accordance with the needs of consumers, to increase labor productivity; the country is a source of foreign exchange earnings; creates workplaces; increases the income of the population and increases its level of well-being; they help to diversify the economy by organizing industries that provide services to this field of activity; expands contributions to the country's balance of payments and gross national product. Thus, the development of the hotel industry is an important success factor in the tourism business.

If we look at the changes in the development of the hotel industry in the Bukhara region over the last 15 years, we can see that special attention is being paid to this sector and a large amount of investments are being attracted to the sector. Based on the decision of the mayor of the region dated January 25, 2008 No. 34 "On the program of activities for the development of tourism in the region for 2008", a number of works are being carried out.

In particular, according to the program, the number of private hotels in the city of Bukhara has increased to 3, and the number of beds in them has increased to 80 this year at the expense of more than 600,000 US dollars from entrepreneurs. "Kavsar Bukhara - Sultan Ota", "Old City", "Zyobakhsh Servis" hotels and "Samira - Voyage" tour operator companies have started tourist activities. As a result, 118 new jobs were created. At the same time, more than 80 additional jobs have increased due to the tourist season.

At the same time, 1 mln. Renovations in the amount of 889.8 thousand US dollars were completed. Starting from October 5 of this year, the hotel has been opened and tourist groups are being accepted.

Also, foreign investment funds in the amount of 500,000 US dollars were attracted to some hotels, additional buildings were built and the number of beds was increased. In particular, the number of seats increased for "Asia Bukhara" - from 96 to 162, "Shahnoza Nodirbek" - from 25

to 37, "Royal Garden Real" - from 22 to 44, "K. Komil" - from 10 to 24. As a result, it was possible to receive 1854 tourists at the same time in Bukhara and provide them with a high level of service.

In 2017, 21 new hotels (including 17 in Bukhara) were put into operation, and 7 new modern tourist class buses were purchased on the basis of the program approved by the government in order to consistently develop the tourism sector in the region, to further improve the tourism industry and infrastructure. In a short period of time, flight schedules and "Afrosiyab" high-speed train schedules were optimized.

In the city of Bukhara, 10 hectares of land has been allocated for the establishment of the "Old Bukhara" tourist area, which includes such facilities as new hotels, cultural and entertainment venues and a modern amphitheater for 500 people, and joint design work is underway with foreign architects.

**1-table.**

**Indicators by types of land-use tools in Bukhara region**

Indicators	Years						Increase or decrease compared to 2021/2022	
	2017	2018	2019	2020	2021	2022	Numbers (+;-)	Percent (%)
<b>Total number of hotels</b>	114	126	142	155	163	182	19	111.7
Number of rooms	1802	1972	2590	3008	3320	3947	627	118.9
Number of places	3720	4143	5445	6307	6974	8226	1252	118.0
<b>Total number of home hotels</b>	8	36	163	180	197	225	28	114.2
Number of rooms	50	177	573	632	682	795	113	116.6
Number of places	124	450	1614	1741	1837	2074	237	112.9
<b>Hostels</b>	0	6	30	35	52	68	16	x
Number of rooms	0	43	235	288	429	582	153	x
Number of places	0	136	744	920	1456	1935	479	x
<b>Motels</b>	0	0	0	0	1	2	1	x
Number of rooms	0	0	0	0	29	38	9	x
Number of places	0	0	0	0	51	69	18	x
<b>Apartments</b>	0	0	2	2	2	2	0	x
Number of rooms	0	0	5	5	5	5	0	x
Number of places	0	0	10	10	10	10	0	x

Today, according to statistical data, it can be observed that the number of means of placement in the Bukhara region has developed in recent years. From the data in Table 1, it can be seen that in 2022, compared to 2017, the number of hotels in Bukhara region increased by 68, the number of inns increased by 217, the number of hostels increased by 68, and the number of motels increased by 2. This is the number of accommodation facilities in Bukhara region. It shows that it is increasing year by year and that the tourism industry is developing.

High-end hotels are primarily aimed at foreign citizens, so prices are shown in dollars. Foreign citizens pay for the services provided in these hotels in this currency, citizens of

Uzbekistan - in soums according to the Central Bank exchange rate until the date of payment. Of course, our compatriots hardly live in these hotels, but they actively use the services of their restaurants, beauty salons, health facilities and pay them in soums.

In 2017, the international tourist exhibition "Travel Turkey Izmir 2017" was held in the state of Turkey, and the tourism opportunities and potential of the Bukhara region were shown in this exhibition in different directions. The tourism companies "Bukhara Eco Tour" and "East Line Tour" reached agreements and agreements with many foreign partners. . In particular, "Bukhara Eco Tour" tourist company, Turkey's "Ginger Travels", "Kemer Travel", "Sefir Tour", "Golden Tours", "Movvlana Istanbul", "Betatur", "OBT Travel", "Sinaia Tours", " "Folo Travel" and more than 100 other tourist companies have signed cooperation agreements.

According to the results of the negotiations, it was decided that the tourist company "Bukhara Eco Tour" will organize trips around Uzbekistan for about 3000 tourists from Turkey every year. The tourist company "East Line Tour" has concluded cooperation agreements with more than 120 foreign tourist companies. It was noted that, based on the agreements reached by the representatives of the company, practical work will be carried out to increase the number of tourists to the country every year.

In addition, Bukhara architects Zuhridin Muhiddinov and Farrukh Rajabov, who participated in the international tourist exhibition "Travel Turkey Izmir 2017", with the construction and architecture of attractions, buildings and structures, recreational parks, historical and cultural monuments, and roadside infrastructure facilities in the cities of Izmir and Istanbul, Turkey. met

They are Chimstone, one of the largest companies with extensive experience in construction, furnishing and building design and architecture, Brasko, a company engaged in the construction and furnishing of modern hotels, Kemer and Makera Workshop, leading companies in the construction of recreational parks, as well as they returned after exchanging experience with the representatives of "Otem Dekorason" company in Istanbul, which built and fully equipped hotels in several foreign countries.

Also, the architects studied the engineering technologies of pavements of narrow streets in the Old City of Istanbul, solutions for parking lots, installation of traffic barriers, and waste collection methods.

Since 2017, it can be observed that the tourism sector is rapidly developing in Uzbekistan, especially in Bukhara province. Table 2.7 shows the number of new hotels being built in the region in recent years and the dynamics of their development by years.

**Table 2.**

**Dynamics of development of tourist services for the development of tourism in the region**

Indicators	2017	2018	2019	2020	2021	2022	Increase or decrease compared to 2021/2022	
							Number (+;-)	Percent (%)
<b>Newly built hotels the number</b>	22	41	84	59	54	48	-6	88.9

Number of rooms	250	2226	3645	2707	2787	2773	-14	99.5
Number of places	500	4267	6988	5182	5262	5287	25	100.5
<b>Bukhara city</b>	20	34	65	40	29	36	7	124.1
Number of rooms	240	2126	3318	2303	2112	2547	435	120.6
Number of places	480	4076	6273	4376	3990	4838	848	121.3
<b>Number of newly built motels and campsites</b>	3	9	10	10	10	8	-2	80.0
The number of rooms/places	36/72	108/216	120/258	186/373	186/373	97/201	150/302	x
Number of newly built restaurants	0	5	15	27	27	27	0	x
Number of newly built parks	1	5	5	4	4	4	0	100.0
Number of newly built hand-craft centers	0	1	10	6	6	6	0	x
The number of newly built ecotourism facilities	1	3	4	5	5	5	0	100.0

Table 2 shows that in 2022, compared to 2017, the number of newly built hotels in Bukhara region increased by 26, and the number of newly built motels and camping sites increased by 5.

If we compare the situation in the hotel industry with its situation 4-5 years ago, we can see that the market is forcing hotels that provide high-quality services to improve the quality of services and optimize prices. A few years ago, catering was one of the biggest challenges in the hotel industry. People who used the services of these restaurants in most cases had "stomach problems". The high cost of additional services was one of the serious complaints of foreign guests. It is self-evident that the prices of services in hotels should be determined according to the prices in our domestic market, not the prices available in the same chain hotels in the rich financial centers of the West.

Now the situation has changed. The increased competition between the hotels belonging to this group and among the rapidly growing private sector enterprises has had a positive effect on the quality of services provided by all hotels and the optimization of prices.

There is a significant difference between the choice motives of Uzbek and foreign consumers of hotel services. When foreign tourists and businessmen value quality first, price is

the first priority for Uzbek consumers. For foreign businessmen and officials, it is important that conditions are created in the hotel for both recreation and work, and financial restrictions are not so important for them.

Therefore, they often stay in high-class hotels, and in Bukhara they are counted on the fingers.

This deprives the tourist of the opportunity to choose both in terms of prices and the level of service provision. Most of the nights that tourist groups usually spend are in the cities of Samarkand and Bukhara. In general, despite the fact that the number of tourists visiting the republic is not very high, there is a strong shortage of hotel places here.

Tourism is an entire industry, and in it, as in any mechanism created by man, everything must be balanced, robust and sustainable. Since the carrying capacity of our tourist flow is significantly impaired in Bukhara, we must immediately increase it at the expense of new construction, because the tourist flow is formed in relation to the weakest link - Bukhara. If appropriate measures are not taken in this regard, the owners of luxury hotels will suffer because most of the rooms belonging to them are empty.

Against the background of other tourist countries, our offers for accommodation of tourists in hotels do not look competitive. In our opinion, the state should be interested in the fact that there are many modern hotels with well-developed recreation infrastructure in the world-famous Bukhara. As a result of this, the flow of foreign tourists visiting Uzbekistan will increase, and the amount of foreign exchange receipts to the country's treasury will increase accordingly.

For now, tourists are satisfied with the services of small hotels and V&V hotels. About 70% of travelers are not very rich people, so about 65% of the main stream of tourists from the middle class and below can be accommodated in "three-star" hotels ("tourist class"). Thus, the expansion of the hotel network should be carried out taking into account such a distribution of tourists.

Currently, most of the hotels in the region are 2-3 stars and belong to the V&V categories. Private hotels in the form of small and family enterprises ("B&V" is an English abbreviation that means "bed and breakfast") began to develop widely in Uzbekistan in 1998. Their services are used not only by tourists, but also by representatives of international organizations. A private hotel is usually a one- or two-story complex. The number of rooms in such hotels is not very large - 10-20. The advantage of these hotels over large hotels is their flexibility, the ability to quickly and qualitatively meet any customer's needs, and much (significantly) low prices. Sometimes hotels that introduce themselves as B&Boffer a wide range of services (household from amenities to providing tourist services and conducting seminars).

In addition, enterprises of this sector are not free from shortcomings:

- firstly, they are not located in a convenient place. Large hotels are usually located on the main highways of cities, while small private hotels are often located in areas that are difficult to reach by car;

- the second disadvantage is the small number fund and the low capacity of catering establishments;

- the third issue is security. It is known that large hotels are well guarded, although it is stated that the security of tourists in private hotels is provided by the hotel, in practice, security is the responsibility of each guest;

- the fourth problem - not being popular. For this reason, official persons and corporate customers give up the opportunity to save 80, sometimes even 90% of the cost of staying in a hotel - they prefer the popularity of "parameters" of services in high-class hotels;

- the fifth problem - the same prices for all guests. From the point of view of the market logic, everything is fine here, but the price of 25-35 dollars per night is cheap for foreigners, but expensive for local tourists. This is especially important in cases where foreigners are accompanied by citizens of Uzbekistan on trips around the country.

Despite the listed disadvantages, another reason why tourism firms prefer to work with private sector hotels rather than even high-end state-owned hotels is that private hotels are usually limited to providing hotel services rather than attracting tourists or providing excursion services. And large hotels with "business centers" engaged in these types of activities can set the use of their own interpreter-guides, buses and the like as a condition for the accommodation of a tourist group in the hotel.

Currently, a lot of attention is paid to the development of guest houses in the country, and the number of accommodation facilities of this type is 225 in the region. The capacity of guest houses does not exceed 10 people. They use the benefits provided by the state. The need to stay within the established "limit" for small enterprises hinders their growth, and the expansion of this limit means a significant increase in the tax burden. Entrepreneurs see the solution to the problem in the formation of a chain of hotels.

The infrastructure of the hotel market is a set of systems, services and enterprises that provide services to the market. Important elements of the hospitality industry market infrastructure include: hospitality industry service providers; information technologies and communication tools; tax system; commercial risk and company insurance system; advertising agencies and information centers; public associations and associations; customs system; labor unions; exhibition complexes; secondary special and higher education system; auditing companies; consulting companies; public and state funds designed to stimulate the activity of businessmen; free enterprise and trade special zones; credit system and commercial banks; different forms of mediation.

Depending on the qualitative structure of the market of the hospitality industry, it can be divided into potential, real, qualified, serviced and mastered markets. Such differentiation allows for careful study and comprehensive analysis of the hotel market, taking into account the nature of this industry and each specific situation.

Running a business today requires managing the company's revenue. The hospitality industry market of our republic cannot depend on any random factors. The current level of competition and technology requires special attention. revenue management is widespread in the West and the positive effects of this "discriminatory" type of pricing can be observed in practice. Profit maximization is achieved by setting different prices, availability of rooms, hotel occupancy forecast. In general, revenue management is based on the elasticity of demand in certain market segments. This system can be described as effective if the revenue management system limits the possibility of receiving skids for one segment of consumers and gives such an opportunity to others. For example, ordinary tourists are more price sensitive than businessmen who have inelastic demand (because their companies pay for them). Therefore, on weekends, the hotel can reduce its prices for tourists by setting the condition of booking rooms at least one month in advance. Bookings for businessmen are made at relatively short notice (a week or a few days in advance), but at higher prices for weekdays. can work.

If a hotel is able to fill its own rooms according to the forecast it has, say, in the high season, without the help of travel agents, it can refuse to accept a group of tourists and thus save funds in exchange fees. But this short-sighted strategy can lead to more losses in the future, as travel agents are more likely to abandon business with such a hotel, and as a result, during the off-season, the hotel faces serious difficulties in running its business and suffers serious losses that are difficult to compensate. The most important thing in earnings management is to aim for long-term profitability, not immediate earnings.

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