

MODELING AN ADDITIONAL SERVICES SYSTEM IN SMALL-SCALE ECO-HOTELS AS A TOOL FOR INCREASING THE AVERAGE CHECK

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Abstract. This article explores a rethinking of the revenue generation model in the small-scale hotel industry operating in the eco-niche. The authors argue for a shift away from the outdated strategy of selling "room nights" in favor of the modern concept of the "experience economy". The relevance of the topic stems from the transformation of consumer behavior in the hospitality sector, where the traditional model of selling accommodation services is gradually losing its effectiveness. Today's guest expects not only comfortable accommodations but also a comprehensive emotional experience that combines recreation, personalized service, an authentic environment, and an individual approach. For small eco-hotels, which have a limited number of rooms and cannot compete with large chains in terms of infrastructure scale, it is precisely these additional services that become a key tool for increasing profitability and strengthening their competitive position in the market. The aim of the study is to provide a theoretical rationale and develop a model of additional services for small eco-hotels aimed at increasing the ADR (Average Daily Rate), raising the average guest spend, and fostering long-term customer loyalty. The object of the study is the operational activities of small-scale eco-hotels, specifically regarding the provision of core and ancillary services, while the subject is the organizational and economic mechanisms for stimulating additional sales through the Front Office. Particular attention is paid to the transformation of the receptionist's role from that of a technical clerk to an "experience manager" or concierge specialist who creates a personalized itinerary for the guest's stay. The article proposes an original model for packaging additional services, which includes three key areas: "Eco-Activity", "Deep Relaxation", and "Local Taste". Each package is tailored to specific guest needs and is based on the principles of personalization and sustainability. The proposed model is implemented through the integration of cross-selling and up-selling techniques into the communication script between front-office staff and the guest during check-in. The scientific novelty of the study lies in the development of an algorithm for transforming an additional service into an emotionally oriented hotel product with high margins. The practical value of this work lies in the creation of a ready-to-implement model for managing upselling in small eco-hotels in Ukraine, which can be adapted to the specific characteristics of a particular region or the establishment's concept. *The aim of this study* is to develop and theoretically substantiate an applied model for ancillary services. This model is based on monetizing a location's recreational potential through personalized service, which ultimately leads to maximizing the ADR and fostering a lasting emotional connection with the guest. The focus of this study is the operational activities of small eco-friendly lodging facilities in terms of providing core and ancillary services. The study examines organizational algorithms and economic incentives for generating additional sales through the front desk, tailored to the needs of today's consumers. A combined scientific approach was used in the preparation of this article. Systematic analysis was employed to deconstruct the structure of the hotel product in the eco-segment. Sociological tools (a survey via Google Forms) allowed us to obtain «real-time» data on the preferences of Generation Z and their actual willingness to pay for emotional experiences. Economic modeling was applied to verify the hypothesis regarding increased profitability: we compared a «basic» room rental model with an integrated service model. *An analysis of the survey results* revealed a shift in the consumer paradigm: 90% of guests are focused on active relaxation (spas, hot tubs), while 60% expect the front desk staff not merely to hand out keys, but to act as local experts ("guides"). The article proposes proprietary service packages ("Eco-Activity", "Deep Relaxation", "Local Taste") and outlines the mechanics

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of promoting them through cross-selling techniques. Calculations confirmed that such a service transformation can increase the average check by 43.6%, which is a critical indicator for the profitability of small recreational projects. *The results of the analysis* show that by 2026, the competitiveness of an eco-hotel will be determined not only by interior design, but also by the quality of the guest's "stay experience". Transforming the Front Office into "experience management" through the Concierge-driven service model allows small establishments to successfully compete with large chains. The scientific novelty lies in the proposed algorithm, which transforms an abstract "atmosphere" into a concrete, high-margin hotel product. The practical value of the work lies in a ready-to-implement methodology for increasing profitability that can be adapted for any eco-hotel in Ukraine.

Keywords: eco-hotel, value-added services, ADR, experience economy, front office, profitability.

JEL Classification: L83, M31, C51, Q01

1. Introduction

The modern hospitality industry operates in an environment marked by intense competition, the digitalization of services, and shifting consumer expectations. Whereas basic comfort and price used to be the primary factors in choosing accommodations, today the emotional experience, personalized service, and the recreational aspect of a stay are becoming increasingly important. This trend is particularly relevant for small-scale eco-hotels, which cannot compete with large chain complexes in terms of infrastructure scale but have significant potential to create a unique guest experience through personalized service and local authenticity.

In today's environment, the traditional model of generating revenue solely through room sales is gradually losing its effectiveness. For small eco-hotels, finding new ways to increase profitability without the need for significant capital investments in expanding physical facilities has become critically important. One of the most promising tools is a system of additional services integrated into the concept of the "Experience Economy". The Front Office plays a particularly important role in this process, moving beyond the purely technical functions of guest registration and support. In a modern eco-hotel, the front desk clerk transforms into an «experience manager» or concierge specialist who creates a personalized guest experience through recommendations, the sale of additional services, and the establishment of an emotional connection with the client.

The relevance of this study stems from the need to develop practical revenue management models for small eco-hotels in Ukraine amid an unstable tourism market and changing consumer behavior. The growing popularity of domestic tourism, recreational travel, and eco-friendly accommodation formats creates new opportunities for the development of small-scale hotel businesses, but at the same time requires the implementation of innovative service solutions.

The aim of the study is to provide a theoretical rationale and develop a model for an additional service

system in small-scale eco-hotels as a tool for increasing the average check and the efficiency of operational activities.

The object of the study is the operational activities of small-scale eco-hotels, and the subject is the organizational and economic mechanisms for stimulating additional sales through a personalized service system. The practical significance of this work lies in the possibility of adapting the proposed model for Ukrainian eco-hotels to enhance their financial stability, competitiveness, and the creation of stable demand in the hospitality market.

2. Theoretical Aspects of the "Experience Economy" Concept and the Role of the Front Office

In a hyper-competitive environment, the key to the viability of small hotels lies in the shift from selling a "service" (accommodation) to selling an "experience" (Experience Economy). According to the concept of J. Pine and J. Gilmore, an experience is a distinct economic offering that arises from the consumer's emotional interaction with the brand (Pine, Gilmore, 2021). For eco-hotels, this concept is fundamental, as ecotourism is focused on providing a specific spiritual and recreational experience. In this context, the Front Office service transforms from a technical check-in hub into a "control center" for the customer experience. To confirm the relevance of the chosen concept, a sociological study was conducted (March 2026). The study revealed the following results (n=100), which identified the following patterns:

1. An analysis of the results of the author's survey on consumer priorities has identified the key factors shaping the customer experience in the recreational sector. Among the responses to the question "What is a priority when choosing an eco-hotel?" an equal distribution was found between two main factors: for 30% of respondents, the availability of active entertainment and excursion programs is decisive, while another 30% of respondents prefer a unique eco-atmosphere and the establishment's design (Fig. 1).

The results confirm the thesis of a paradigm shift in the hotel product, where accommodation ceases to be an end in itself. As noted by M.P. Malskaya and I.G. Pandyak, the modern hospitality industry is witnessing a transition from a purely “service model” to the creation of a comprehensive “experience-product”, where the emotional component becomes the primary criterion for choosing an establishment (Malska, Pandyak, 2012). Thus, the demand for atmosphere and activities forms the basis for introducing additional services as a tool for customizing the guest’s stay.

2. The transformation of the front office staff’s role is of particular importance for implementing the experience model. According to the survey results (Fig. 2), 60% of respondents view the front desk clerk primarily as a “guide” capable of providing expert advice on recreational locations and leisure activities. This correlates with the scientific approaches of I. G. Pandyak, who emphasizes that in small hotels, service quality is determined not only by the speed of operations but also by the level of personalization and the staff’s advisory competence (Pandyak, 2020). Thus, the transition from

technical registration to the Concierge-driven service model is an objective requirement of consumers in the eco-segment.

3. Financial capacity: 40% of guests are willing to spend an additional 20% to 50% of the room rate on ancillary services (spa, hot tubs, eco-transport) (Fig. 3), and the front desk staff’s recommendation upon check-in is decisive for 60% of customers (Fig. 4).

The study confirms that, in the highly competitive environment of 2026, the development strategy for small eco-hotels should be based on the principles of the “experience economy” as outlined by J. Pine and J. Gilmore (Pine, Gilmore, 2021). The results of the author’s survey of the potential target audience, in which 10 people participated (where n=100 denotes the sample size or the number of respondents surveyed), revealed a clear shift in consumer priorities. In particular, 90% of respondents are focused on rich recreational content (visiting the spa area, rituals in hot tubs), while 60% feel the need for a transformation of the front-office administrator’s role from a technical registrar to an “experience manager” or expert “guide”.

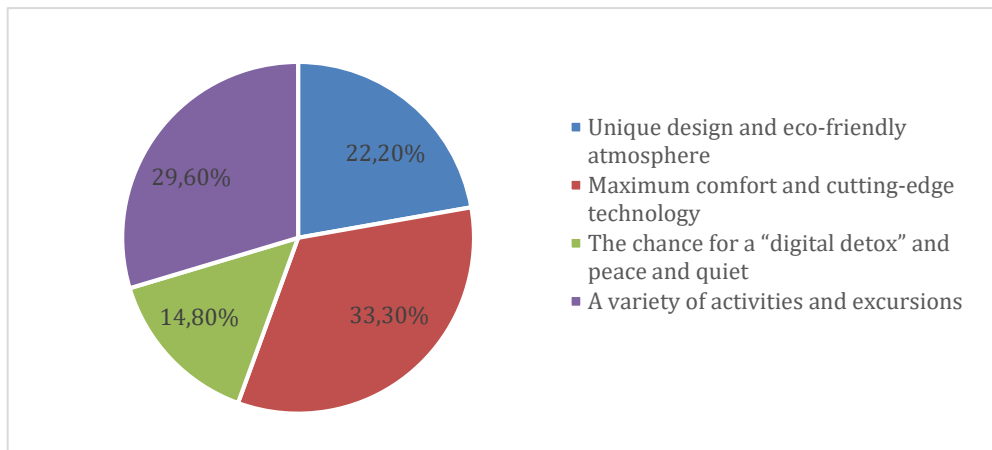


Figure 1. Statistics on priorities when choosing a hotel

Source: the authors' own research

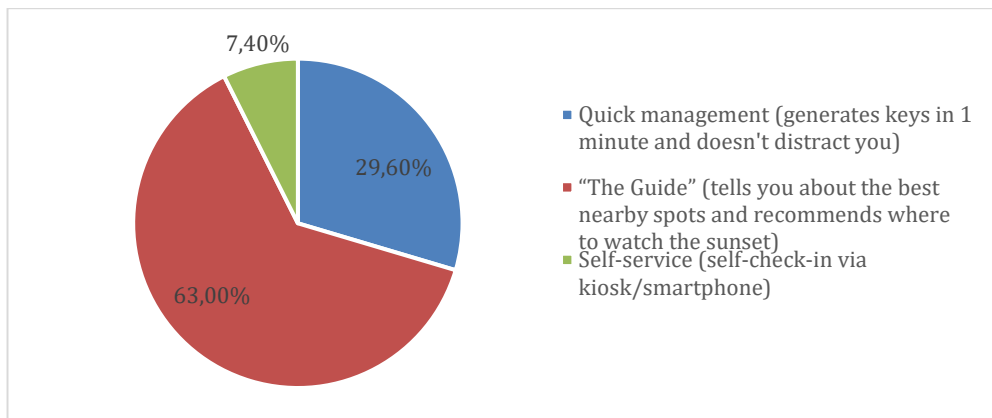


Figure 2. Statistics on the perceived importance of the receptionist’s role among guests

Source: authors' own research

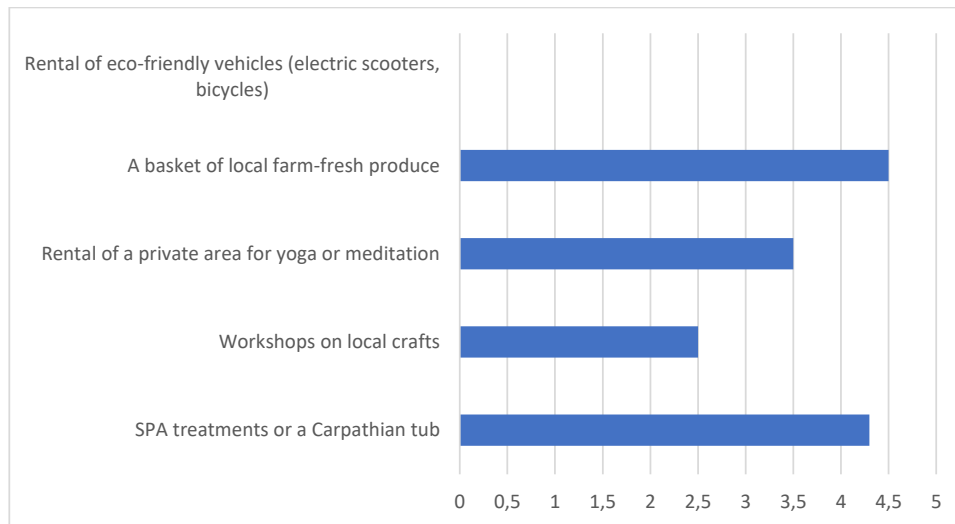


Figure 3. Demand for additional services at the hotel

Source: the authors' own research

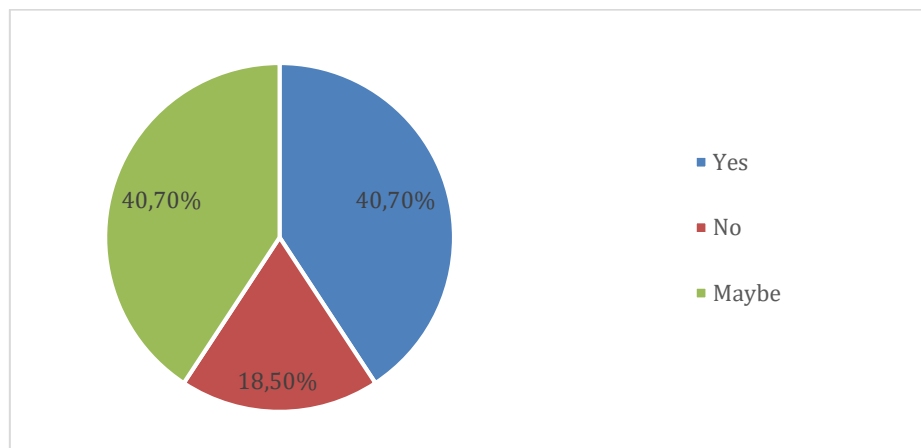


Figure 4. The impact of administrator recommendations on guests' decisions

Source: authors' own research

This shift in staff functions toward deep service personalization fully aligns with I. G. Pandyak's scientific approaches to managing the quality of hotel services (Pandyak, 2020).

The developed model of integrated sales through the "Eco-Activity" and "Deep Relaxation" packages has proven its economic viability: the projected 43.6% increase in ADR (from 2,500 to 3,590 UAH) allows for a significant improvement in the property's profitability without expanding the room inventory. This supports the arguments put forward by A. Sokyra and L. Gonchar regarding the effectiveness of innovative revenue management tools in the hotel industry (Sokyra, Honchar, 2024). Thus, monetizing the emotional experience through the front desk and accommodation services is a key driver of eco-hotels' competitiveness, transforming a standard lodging service into a unique value-added product.

3. Analysis of the Potential for Additional Services and the Technology for Providing them in Small Eco-Hotels

The effectiveness of designing additional services in small-scale hotels directly depends on the accuracy with which the target audience's needs are identified. Unlike large hotel chains, a small eco-hotel has the ability to flexibly tailor its offerings to meet a guest's specific requests.

Based on the analysis of survey data (March 2026) conducted by the authors, a profile of the key consumer was developed. It was found (Fig. 5) that 60% of respondents belong to the 18-25 age group (Generation Z). This segment is characterized by a high demand for authenticity, environmental friendliness, and technological flexibility. An analysis of the financial behavior of the respondents (Fig. 6) indicates the presence of stable effective demand: 60%

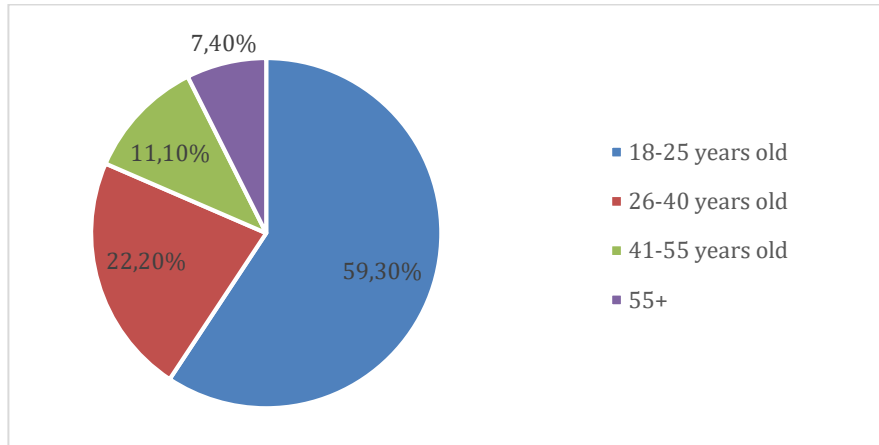


Figure 5 Distribution of Respondents by Age Group

Source: authors' own research

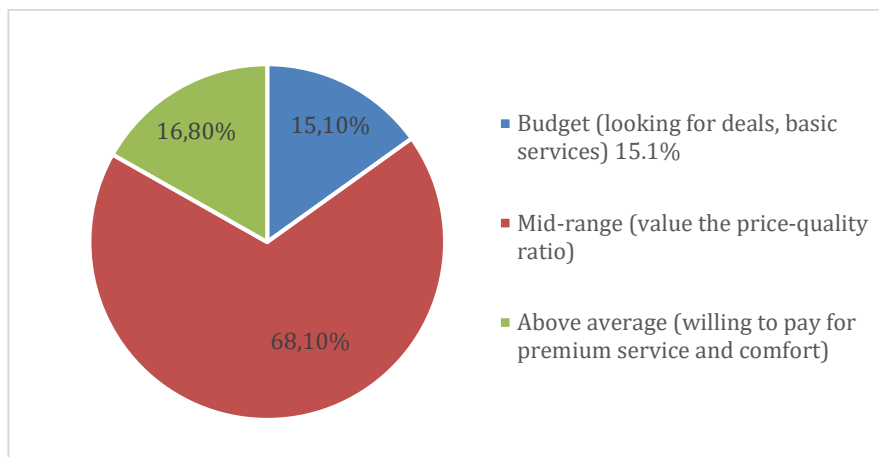


Figure 6. Analysis of the financial behavior of respondents

Source: authors' own research

of respondents rate their level of spending on leisure as "average", and 20% as "above average". This confirms the audience's willingness to invest in emotional value and personalized service.

Given that 60% of respondents view the front desk manager primarily as a "guide", transitioning to a concierge-driven service model is strategically sound. In this format, the front office transforms into a consultation hub, where the key offering is a personalized "experience map" tailored to the guest's emotional state. For small eco-hotels, we propose implementing a three-tier system of service packages, which staff present directly during check-in.

The first level is the "Eco-Activity" package, designed to meet the demand for active recreation through eco-vehicle rentals and guided forest tours. The second, most popular level is "Deep Relaxation", based on the 90% of the audience's demand for spa treatments, including hot tub reservations and personalized herbal therapy. The third direction is the "Local Taste" gastronomic

package, which focuses on authenticity through tastings and farm-to-table baskets.

The implementation of these proposals is based on cross-selling technology, where the sale of additional services is integrated into the natural flow of communication between the administrator and the guest. As noted by Vlaschenko N. M., for small hotels, it is precisely the customization of services and the creation of specialized offers that are critical factors in increasing profitability (Vlashchenko, 2023). The effectiveness of this model in the eco-segment is also confirmed by the works of I. Povoroznyuk, who emphasizes the importance of operational management of available slots for additional services through the hotel's PMS system to maximize revenue from each guest (Povorozniuk, 2024).

The practical implementation of the value-added service model in an eco-hotel is based on the synergy of cross-selling and up-selling techniques, where the sale of a service becomes a natural extension of the

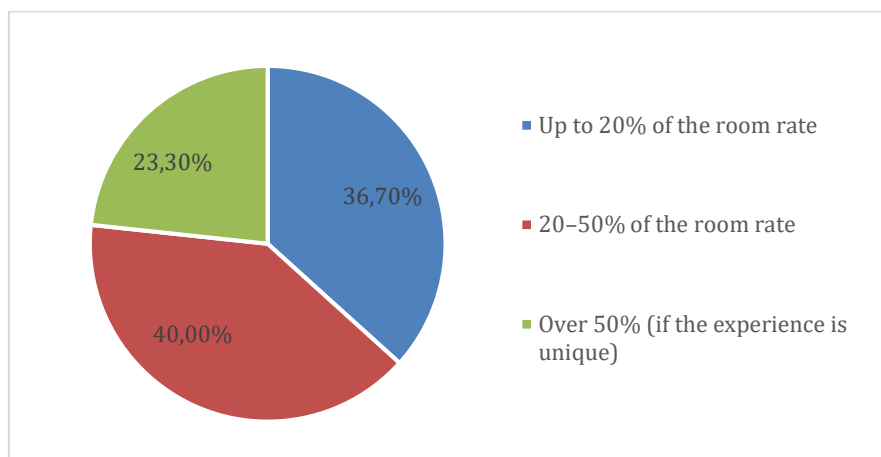


Figure 7. Demand for Additional Services at the Hotel

Source: Authors' own research

guest experience. We propose a three-step algorithm for staff interaction with guests at the reception desk, which allows for maximum personalization of the offer within the first few minutes of the guest's stay.

In the initial-or diagnostic-stage, during the check-in process (which typically takes 5-7 minutes), the front desk clerk conducts an informal assessment of the guest's needs, clarifying the purpose of the visit and expectations for the stay. This allows for the transition to the second stage: crafting a value proposition. The key here is shifting the focus from a technical description of the service to its "emotional benefits". Instead of the standard offer of "renting a tub", the staff presents an "evening of relaxation under the open sky", which appeals to the psycho-emotional needs of eco-segment consumers.

The final stage – confirmation – involves the immediate inclusion of selected services in the total bill via the hotel's integrated PMS system. This approach supports the "single receipt" concept, which meets the modern audience's demand for a seamless and convenient payment experience. As O. Nosyrev notes, the effectiveness of marketing communications at touchpoints directly depends on the staff's ability to transform standard service into a personalized experience, which ultimately becomes the foundation for increasing loyalty and ADR (Nosyriev, 2024).

4. Economic Justification and Calculation of the Efficiency of the Additional Service Model in an Eco-Hotel

The ultimate goal of implementing an additional service system is to increase the property's profitability without expanding its room capacity. For small-scale eco-hotels, the ADR (Average Daily Rate) is a key indicator of success. Based on the survey results, we conducted a comparative analysis. With a base room rate

of 2,500 UAH, the potential ADR growth is calculated using the following formula:

$$ADR_{proj} = ADR_{base} + (V_{add} \times P_{conv}) \quad (1.1)$$

ADR_{proj} – projected average daily rate per room following the implementation of the value-added service system, UAH;

ADR_{base} – base rate for accommodation at an eco-hotel (standard package without additional services), UAH;

V_{add} – average cost of the developed service package ("Eco-Activity", "Deep Relaxation", or "Local Taste"), calculated based on market prices in the recreational segment, UAH;

P_{conv} – conversion rate reflecting the proportion of guests who took advantage of the Front Office administrator's offer (based on our research, this indicator is set at 0.6, corresponding to 60% of loyal respondents).

Based on the results of the survey and market analysis of eco-hotels' additional services, a forecast of revenue growth from the implementation of the experience system has been developed, as presented in Table 1.

Table 1 is based on: the results of a survey of potential guests of the eco-hotel, an analysis of offerings from competing eco-hotels in Ukraine, average market prices for recreational services in the ecotourism sector, and a projected conversion rate of guests into additional services. The results indicate that potential additional revenue per guest could amount to 1,090 UAH, which would significantly increase the ADR and the overall profitability of the eco-hotel without expanding the room inventory.

Calculations show that integrating package deals ("Eco-Activity", "Deep Relaxation", "Local Taste") transforms the eco-hotel's financial model. The projected ADR increases from 2,500 UAH to 3,590 UAH, resulting in a 43.6% increase in revenue per room sold.

Table 1

Projected revenue growth from the implementation of the experience system

Service Category	Percentage of interested parties	Average cost of service, UAH	Additional revenue per guest, UAH
SPA and hot tubs	90%	800	720
Eco-friendly baskets and food	50%	500	250
Active recreation	40%	300	120
In total	–	–	1090

It is important to note that alongside the revenue growth, there is a significant increase in the average cost of stay (Guest Spend per Stay). This indicates consumers' willingness to invest in a personalized experience, where every hryvnia spent is converted into emotional value. This approach allows small businesses to move away from price competition and shift toward a "value proposition", where the average check per guest increases due to the high proportion of additional services in the overall structure of the customer's expenses.

In addition to the direct financial impact, the "experience economy" model allows for significant optimization of investment metrics, including a reduction in the project's return on investment (ROI) by 1.5–2 years. This is achieved through the high margins of ancillary services, which, unlike the room inventory, do not require significant depreciation costs or the maintenance of a large staff. As M. G. Boiko points out, a value-oriented approach lays the groundwork for "word-of-mouth marketing" (UGC), which, in the long term, reduces customer acquisition costs (CAC) and stabilizes demand during the off-season (Mamontenko, 2025).

5. Conclusion

The study confirmed that, in today's market conditions, the key factor in competitiveness for small eco-hotels is not the scale of their physical infrastructure, but their ability to create a unique emotional experience for guests. The transition from the traditional model of selling accommodation services to the concept of the "experience economy" allows for the transformation of additional services from a secondary element of operations into a strategic tool for revenue management and increasing the establishment's profitability. It has been proven that integrating personalized service packages into Front Office operations not only increases the average check but also fosters long-term customer loyalty by creating a customized stay experience.

An analysis of the target audience revealed that today's youth (Generation Z, ages 18-25) exhibit a specific consumption profile, with 90% of respondents prioritizing the presence of an integrated recreational

component (SPA areas, hot tubs, and herbal rituals). This reinforces the view that a modern hotel experience should be a "series of experiences" rather than merely a collection of amenities. The high demand for eco-friendliness and authentic locations provides the foundation for developing package deals such as "Eco-Activity" and "Local Taste", which align with the principles of sustainable tourism.

The study found that today's consumers of eco-tourism products are primarily drawn to recreational content, an atmosphere of authenticity, and the emotional value of their vacation. This is precisely why the role of the front desk manager extends beyond standard operational functions and transforms into a concierge-driven service model, where staff act as "experience managers" and guides to local experiences. The proposed model for bundling additional services ("Eco-Activity", "Deep Relaxation", "Local Taste") has proven its effectiveness both in terms of service personalization and financial viability. Economic modeling confirmed that the use of cross-selling and up-selling techniques in guest communication increases the ADR by 43.6%, demonstrating the high adaptability of the proposed system for small-scale hospitality businesses. In addition to the direct economic effect, the model creates the conditions for generating positive user-generated content, enhancing the establishment's reputation, and stabilizing demand during the off-season. The proposed model of additional services demonstrates that monetizing the emotional experience is one of the most promising areas of development for small-scale eco-hotels. The practical implementation of the proposed mechanisms will help improve the financial stability of such establishments, optimize guest interactions, and create a competitive advantage based on the quality of the experience, rather than just the basic features of the accommodation service.

Creating an "experience economy" can reduce the return on investment (ROI) by 1.5–2 years and encourages the generation of user-generated content (UGC), which serves as a free promotional tool on social media. Thus, the shift by small eco-hotels toward selling emotional benefits rather than technical room specifications is a fundamental prerequisite for their financial stability and competitiveness in today's market.

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