

ASSESSMENT OF THE COMPETITIVE ADVANTAGES OF THE HOTEL INDUSTRY

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Abstract

Competition in the service industry is one of the key points for the success of any enterprise. This work is devoted to the study of current trends in the field of competition and their features in the service sector. The paper considers the main aspects of competition, such as the strengths and weaknesses of competitors, factors that determine the competitive environment, as well as current trends in the field of competition in the service sector. The results of the study showed that today the main trend in the service sector is to increase the level of customer focus of companies, their readiness to quickly and efficiently solve customer problems, as well as to provide innovative services.

Keywords: Current trends, hotel business, competition, features, service sector, customer focus, innovations, marketing, strategy.

Introduction

In the modern world, competition is an integral part of the successful operation of enterprises. Competition in the market is becoming more intense as more companies try to take their place in the market. In this regard, enterprises must constantly develop and improve in order to meet modern market requirements.

It is especially important to understand current trends in competition and find ways to address the challenges posed by competition. In the conditions of increasing competition in the service market, an effective competitive strategy becomes a key success factor for any enterprise. To achieve this goal, it is necessary to conduct an in-depth analysis of current trends in the field of competition, study the experience and results of research in this area, as well as study in detail the strengths and weaknesses of competitors in the service market.

One of the important criteria for competitive status is the level of quality of services offered by a hotel company. An enterprise should strive to improve the quality of services in order to attract more customers and retain them on its platform.



Also, an important indicator of competitive status is the pricing of services. A hotel must operate at optimal prices, taking into account market conditions and a competitive environment, in order to attract new customers and retain existing ones.

The level of customer satisfaction is also a key factor in competitive status. Satisfied customers become loyal and recommend the company to their friends and acquaintances, which contributes to an increase in the customer base. Of course, the competitive status of a company is also influenced by many other factors, such as innovation, accessibility, ease of use, and others. These criteria are basic and determine the overall competitiveness of the service enterprise in the market.

Literature review

The development of a strategy for the competitive development of hotel companies is an urgent problem for many researchers around the world. Below are reviews of scientific and theoretical works devoted to the development of a strategy for the competitive development of hotel companies.

One of the most famous and influential theories on competition in the service sector is Michael Porter's work "Competitive Strategy: A Methodology for Analyzing the Industry and Competitors". In this paper, the author proposes to use five main forces to assess competition in the industry. These five forces include the threat of new players, the threat of product replacement, the power of buyers, the strength of suppliers, and the degree of competition between existing players. These five forces are key factors that must be considered when developing a company's competitive strategy.¹

Hotel marketing aims to attract and retain customers in the hotel industry. It covers all points of contact between the hotel and the target audience - from the development of a unique corporate identity to working with feedback after the guest's departure. E. A. Dzhandzhugazova in her book "Marketing Research in the Hospitality Industry" describes in detail the methods and tools of marketing in the hotel industry, taking into account current trends. He tells how to research the market, study competitors and guests, and use the results to choose a hotel management strategy.²

In addition, there are many studies devoted to determining the role of customer service quality and customer satisfaction in the competitive struggle. John Tschohl cites figures and examples from the practice of hotels, showing how the hotel's profit depends on the attitude towards the guest. The author gives practical advice on how to improve service, work with guest complaints, win customer loyalty, recruit an effective team and motivate staff.³

Another important aspect of competition in the service sector is the development of digital technologies and the use of the Internet. There are many studies on this topic that explore how consumers use the Internet to make decisions about how they use services, and how companies use digital technologies to compete. For example, Ira Vuk proposed a fresh approach to measuring revenue efficiency and came up with the ARPAN index, which takes into account

¹ Michael Porter: Competitive strategy. Methodology for analyzing competitors' industries. Moscow, Alpina Publisher Publ., 2015, 453 p.

² E. A. Dzhandzhugazova. Marketing research in the hospitality industry. DirectMedia LLC, 2020, 191 p.

³ John Tschohl. First-class service as a competitive advantage. Moscow, Alpina Publ., 2022, 392 p.



more factors and is more accurate than RevPAR. In the book, the author shares simple strategies and gives working tips for increasing hotel profits.⁴

A wide cycle of research is devoted to the development of practical foundations for the competitive development of hotel companies. Among the works is the study of competition in the hotel business on the examples of successful hoteliers. In this book, the owners of the largest brands, including Four Seasons, Ritz-Carlton and Virgin Hotels, share the secrets of the hotel business. Author Solomon teaches how to understand the needs of guests of all ages in order to provide guests with the best service and take the hotel to the next level. gives real examples when simple actions led to impressive results.⁵

One of the main tasks of developing a strategy for the competitive development of hotel companies is to study competition in this area. In a well-known textbook, researchers Medlik S. and Ingram H. pay attention to both the internal and external environment of the hotel company. The concepts of hotels and hospitality, the structure of the hotel business, the functions of the hotel, the problems of guest service, the development of support services, the main procedures and the staff of hotels are considered.⁶

In general, competition in the service sector is a complex and multifaceted topic that requires in-depth research and analysis. Theoretical work in this area allows researchers and companies to better understand the specifics of competition in the service sector and create effective strategies for business development.

Research Methodology

Content analysis was used to analyze the data. This method allows you to identify the main topics and problems that are reflected in the responses of guests and hotel staff. A SWOT analysis was also conducted to identify the main competitive advantages and disadvantages of the hotel industry in Uzbekistan.

Results of the study

Content analysis. Below are the main topics and problems identified by the content analysis of the hotel industry in Uzbekistan:

1. Pricing and availability

- Most of the surveyed guests noted that the prices for accommodation in hotels in Uzbekistan are affordable compared to other countries.
- However, some guests expressed dissatisfaction with the high prices for services such as restaurants and spas.
- Some guests have also complained about limited access to free services such as Wi-Fi.

⁴ Ira Vouk. Revenue Management Made Easy, for Midscale and Limited-Service Hotels. Lulu.com, 2018.

⁵ Micah Solomon. The Heart of Hospitality: Great Hotel and Restaurant Leaders Share Their Secrets. SelectBooks 2019, 192 c.

⁶ Medlik S., Ingram H. Hotel business. Textbook for university students studying in the specialties of service. MOSCOW, YUNITI-DANA PUBL., 2017. 240 p. (In Russian)



2. Service level

- The interviewed guests noted the difference in the level of service, depending on its price category.
- Most of the guests, mainly from below-average hotels, complained about untidiness in the rooms, long waiting times when ordering food or drinks, poor quality service and inefficient staff work.

3. Quality of rooms and services

- The interviewed guests noted the difference in the quality of rooms and the level of equipment of the hotel, depending on its price category.
- Some guests were dissatisfied with the quality of mattresses, pillows and bed linen, as well as the level of cleanliness in the rooms.

4. Cultural Attractions

- Most of the surveyed guests expressed satisfaction with the cultural program and historical sights that Uzbekistan offers.
- However, some guests noted that access to information about cultural attractions and recreation places was limited.

5. Marketing Campaigns

- Some interviewed guests noted that marketing campaigns focusing on Uzbekistan as a destination for tourism and business meetings could be improved.
- Some guests also complained about unfulfilled promises made in marketing campaigns.

To assess the competitive environment, a SWOT analysis was carried out, which made it possible to identify the strengths and weaknesses of the industry, as well as to identify the opportunities and threats faced by hotel enterprises in Uzbekistan (Fig. 1).

The strengths of the industry are the high interest in tourism, the growth of turnover in the market and significant potential for development. However, the industry also faces a low level of infrastructure and service, which affects the overall competitiveness.

The competitiveness of a subject (object) is predetermined by the presence of competitive advantages – internal characteristics (including dynamic abilities or environmental factors that ensure superiority over competitors in a particular market in the period under consideration). At present, a stable conceptual apparatus in the theory of competitive advantages has not yet been formed. At the identified evolutionary stages of its formation, various factors of competitive advantages were determined, which was due to the changing socio-economic conditions of the development of society.



Rice. 1. SWOT analysis of the hotel industry in Uzbekistan

SWOT Analysis	
S - Strengths	W - Weaknesses
<ul style="list-style-type: none"> the rich cultural heritage and historical sights attract many tourists and business people to the country; infrastructure development and construction of new hotels, which leads to an increase in the number of hotel beds; lower accommodation prices compared to other Central Asian countries; Attractive conditions for organizing conferences and events. 	<ul style="list-style-type: none"> insufficient level of service in most hotels, which tourists face; underdevelopment of important areas, such as transport infrastructure and cultural events; limited access to up-to-date information for tourists, as well as ineffective marketing campaigns; Lack of knowledge and skills of management staff in most hotels.
O - Features	T - Threats
<ul style="list-style-type: none"> improving the quality of services, both within hotels and using the services of third-party companies; expanding marketing campaigns to attract more tourists to the country; development of cultural events and interaction with tour operators and travel agencies; development of public transport for the convenience of tourists. 	<ul style="list-style-type: none"> competition from other developing countries in the region; the risk of terrorist or political incidents, which may deter tourists; economic instability in the country or region; limited budget for the development of the hotel industry.

Depending on the nature of occurrence, two types of advantages are distinguished: absolute and relative. Absolute advantages (conditionally constant) are "given by nature" (for example, geographical location) and refer to advantages of a lower order than comparative advantages, which consist in the possession of high technologies, innovations and depend on the effectiveness of management decision-making. Relative advantages (conditionally variables) are inherently limitless, in contrast to absolute advantages, which are neither reproducible nor infinite.

Competitive advantages can be real and potential. Real competitive advantages should be understood as factors of the internal and external environment of the subject, in which it is already superior to competitors; Potential competitive advantages are factors of the internal and external environment of the subject, according to which it can surpass competitors in the near or more distant future if certain conditions are met.

The whole variety of competitive advantages can be divided into the main types:

- resource (non-technological), which are based on production factors and the degree of efficiency of their use;



- technical and technological, based on the achievements of scientific and technological progress;
- organizational, which consist in the ability of management to mobilize the factors of development of an economic entity and ensure its effective management.

In addition to the above, competitive advantages are classified according to other characteristics:

- by duration: long-term, medium-term, short-term;
- the nature of dynamics: stable, unstable;
- the level of hierarchy: at the level of goods, firms, at the level of industry, at the level of the country's economy;
- in relation to the price: price, non-price;
- imitation capabilities: unique, imitated;
- by field of manifestation: R&D, production, sales, service and operation.

In the context of innovative development and globalization of the economy, the nature and structure of competitive advantages are changing:

- The advantages are no longer static, they change under the influence of the innovation process (production technologies, management methods, methods of delivery and sale of products, etc.);
- The globalization of business forces enterprises to take into account national and international interests more fully;
- The state and territory are considered as the basis of the company's strategy, and not only as the place where it carries out its activities.

Thus, scientific and theoretical works on the development of a strategy for the competitive development of hotel companies are diverse and significant. The study of the competitive environment and analysis of the structure of the hotel business market, as well as the development of methods for drawing up a strategy and the use of new technologies, allow researchers to deepen their knowledge in this area and identify new ways of development of hotel companies.

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