

**COMPETITIVE STRATEGIES IN HOTEL MARKET**

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**Keywords:** strategy, competitive advantages, hotel business, differentiation, segmentation, positioning.

The pattern of forming competitive advantages is assumed for enterprises of hotel business, and there are also concerned the peculiarities of using competitive advantages and advantages of the growth.

Process of forming of competitive advantages in the hotel business includes the definition of the main characteristics of target segments of the market and the development of proper competitive advantages.

Suggested basic competitive advantages for independent kinds of hotels are presented in table 1.

Attraction of service receivers, due to low prices, is better to apply if the price is the conclusive factor for key counts. This approach includes hotels oriented on big groups of pupils. This approach doesn't take into consider-

ation the peculiarities of service receivers, their preferences. Thus, the main competitive advantage is only the price of stuff.

The more preferable variant of hotel business is attraction of service receivers at the expenses of differential offer, that can more satisfy the requirements of key counts.

It is necessary to use various choices of growth strategies for successful development, which provide both expanding market and the range of goods (table 2).

Conclusion of hotels "new services" may be connected non only with modification of the

Table 1

**Suggested basic competitive advantages for independent kinds of hotels with various key counts**

Competitive advantage Kind of hotel	Low expenses	Differentiation of the product
Small hotel	Strategy is based on economy of expenses	Strategy is based on differentiation on 2 segments
Medium hotel	Strategy is based on economy of expenses	Strategy is based on differentiation on 3-4 segments
Grand hotel	Strategy is based on economy of expenses	Strategy is based on differentiation on several segments

Table 2

**Alternative strategies of the hotel business growth**

Hotel	Actions concerning the market	Actions concerning proposing offers
Small	Search of the new market is recommended in view of decrease of interest of the target audience to hotel services.	The accent is placed on insignificant amelioration and perfection of the stuff. The cardinal modification of range of goods may be closely connected with entrance to the market or with tastes of the audience
Medium	Constant monitoring and analysis of new markets is recommended.	Application of new stuff is recommended in case of modification of interests of service receivers or new market entrance
Grand	Constant search of markets.	Consumer mainstream audience causes necessity of application of new services, but at the same time provides decrease of risk concerning with its future realization

\* Natalia I. Voitkevich, Doctor of Economics, associate Professor of Samara State University of Economics; Elena N. Ryabova, post-graduate student of Samara State University of Economics. E-mail: ryabovaln@mail.ru.

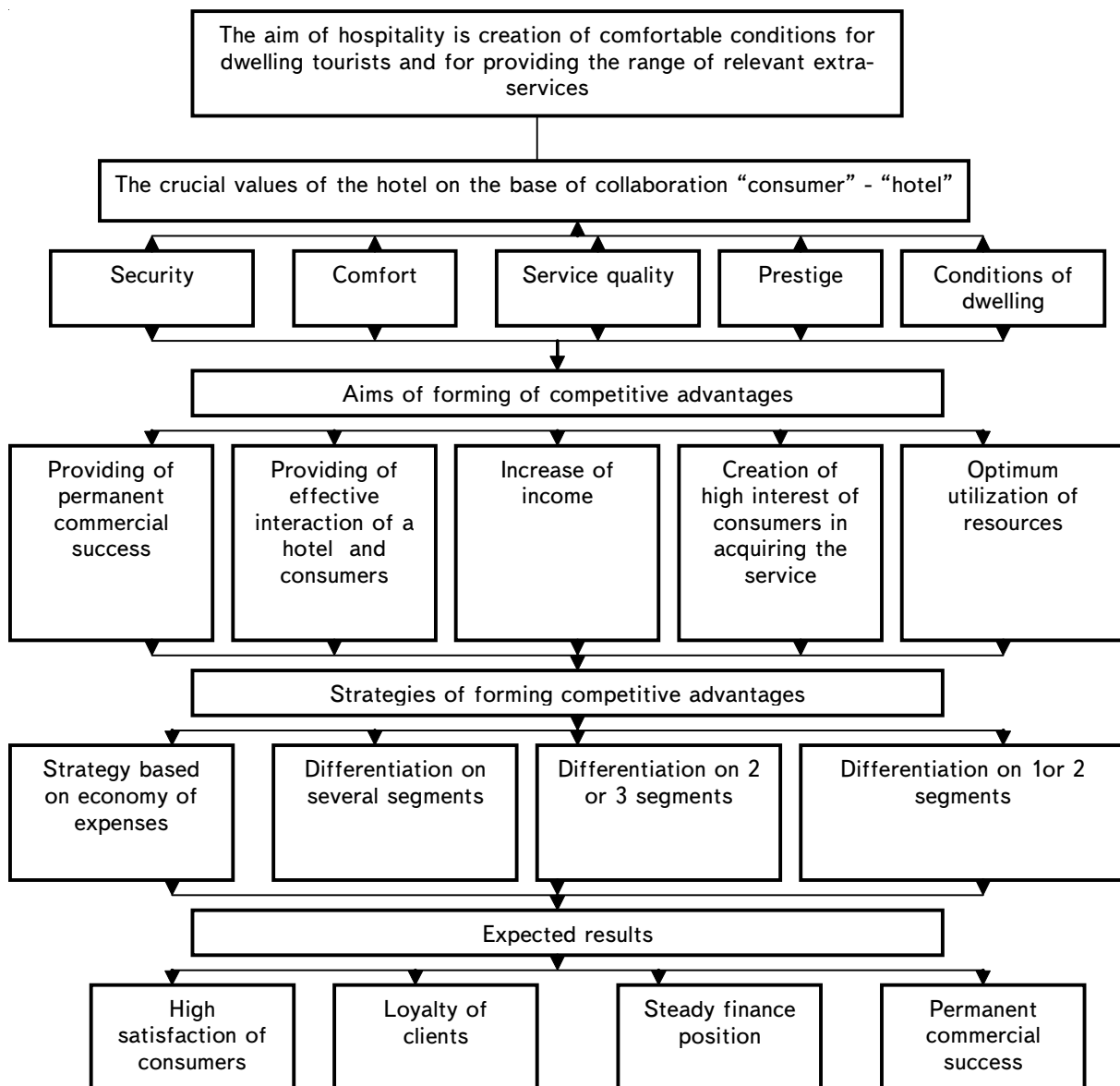


Fig. Pattern of forming of competitive advantages for hotel business

main service, but with providing either new or modified extra-services.

According to the foregoing, the pattern of forming of competitive advantages is assumed (see figure). There are following principles of the heart of the pattern of forming of competitive advantages:

- ◆ consistency of the top targets and aims, deadlines of realization, resources;
- ◆ priority of consumer in collaboration of hotel enterprises in the hotel market;
- ◆ orientation on the world standards of development of the hotels;
- ◆ creation of competitive environment as a condition of efficiency of hotel enterprises;

- ◆ optimum collaboration the state and private practice.

The mission of hospitality, crucial values, the main aims, strategies of competitive advantages and prospective results are formed in this pattern.

This suggested pattern of forming competitive advantages for hotel enterprises can be served as a methodic base in defining crucial values during the development of competitive strategies and growth strategies.

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