Impact of Marketing Strategy on the Competitiveness of Tourism and Hotel Businesses

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Abstract: The relevance of the study is conditioned by the need to analyse modern marketing theory and its provisions and systematise current methods of marketing promotion of travel companies. In this regard, the purpose of the study is to develop an algorithm for creating a marketing strategy for a tourist and hotel business enterprise, describe the process of identifying competitors, disclose parameters for assessing the competitiveness of tourist and hotel business enterprises, systematise strategies for increasing demand during periods of low demand for tourist services, list elements of a modern marketing strategy for the development of tourist and hotel business enterprises, present the main characteristics of brand positioning in the market. The main approach in the study is the method of system analysis, which was used to consider a complex system of relationships between marketing strategy and the effectiveness of the tourism business. In addition, the following methods of scientific knowledge were used: synthesis, deduction, classification, data grouping, comparison, generalisation, and analysis of information sources. The study presents the results of the analysis, developed an algorithm for creating a marketing strategy for a tourist and hotel business enterprise, described the process of identifying competitors, identified the parameters for assessing the competitiveness of tourist and hotel business enterprises, systematised strategies for increasing demand during periods of low demand for tourist services, listed elements of a modern marketing strategy for the development of tourist and hotel business enterprises, presents the main characteristics of brand positioning in the market.

Keywords: Diversification of the Tourist Market; Economy; Image of the Tourist Brand; Price Competitiveness; Sustainable Development of the Tourism Industry.

1. INTRODUCTION

The main economic goal of the business is to ensure a high and growing level of profitability. The ability to do this depends not only on the concept of competitiveness but also on the productivity with which resources (labour and capital) are used. Productivity is the value of the output produced by a unit of labour or capital. Productivity depends both on the quality and characteristics of the product, and on the efficiency of its production. Therefore, businesses need to provide higher-quality products and services or produce them more efficiently to maintain a competitive advantage for a long time. This directly translates productivity into increased competitiveness (Mendieta-Penalver et al., 2018). Tourism competitiveness is defined as the ability of a tourist location or country to optimise its attractiveness to international visitors, to provide quality, innovative, valuable, and attractive tourist services to gain market share in global markets, while providing available resources to support tourism (Liu et al., 2021). The association of the tourism business with providers of other services, both domestically and internationally, guarantees a wide range of support from other forms of business for the provision of intermediate resources (such as agricultural products, electricity, or accommodation) and services (such as marketing, telecommunications, or legal advice). The association of the tourism industry with other economic sectors is defined as deep and diverse, which creates a strong indirect economic effect on income, jobs, and
value added for suppliers and contributes to the diversification of the economic structure (Sun, 2019). The crucial factor for the success of any hotel is the maximisation of revenue, preservation of a high level of customer satisfaction, and constant cost control. The hotel’s assets include the building, equipment, and furniture, and in some cases the assets surrounding the hotel (Turner & Hasford, 2019).

Images of a tourist destination often depend on information and content created by travelers, vendors, and residents. As the travel market becomes more competitive, destination marketers are using branding techniques to create an identity that focuses on the uniqueness of their products. Similar to consumer product marketing, destination marketers had to turn to branding to highlight their destinations and convey a positive message that encourages tourists to travel. In the minds of tourists, an idea of the place is created that encourages them to go and see it, that is, the main reason for the demand for travel is the image of what people will see when they arrive at the destination. Hence, the terms "destination marketing", "formation and marketing image of the destination", and others appear in the business world. Images of places leave impressions, and these impressions open up spaces for marketing. It has been recognised that the image of a destination perceived by tourists plays an important role in their decision-making, destination selection, post-trip assessment, and future behaviour (Jeng et al., 2019).

The creation of an unforgettable experience is the essence of the tourism and hospitality industry. As marketing research moves from the generally accepted information processing paradigm to the experience marketing paradigm, consumers can not only perform the utilitarian functions of consuming goods/services but also get hedonistic and memorable experiences (Perkins & Khoo-Lattimore, 2020). Thus, improvement of the memorability of the consumer experience was taken as the main marketing strategy in the experience economy. Self-satisfaction and quality are no longer adequate descriptions of the experience that modern tourists are looking for; an extraordinary, unforgettable experience is at the heart of tourism today (Ye et al., 2021). Thus, the ability to promote the development of positive memory is a new competitive advantage for tourist organisations and destinations.

The purpose of this study is to develop an algorithm for creating a marketing strategy for a tourist and hotel business enterprise, describe the process of identifying competitors, disclose parameters for assessing the competitiveness of tourist and hotel business enterprises, and systematise strategies for increasing demand during periods of low demand for tourist services.

2. MATERIALS AND METHODS

This study focused on the analysis of modern marketing theory, its provisions, and the systematisation of current methods of marketing promotion of travel companies to investigate the feasibility of using marketing strategies to increase the competitiveness of tourism and hotel businesses. The phenomenon of competitiveness in the tourism and hotel business in this study was considered from the standpoint of the company’s ability to develop sustainably in the unstable conditions of the modern world. In this regard, the main method of this study is system analysis, which considered a complex system of relationships between marketing strategy and the effectiveness of the tourism business. In addition, the study used the following methods of scientific knowledge: synthesis, deduction, classification, data grouping, comparison, generalisation, and analysis of information sources. The method of synthesis determines the marketing characteristics of tourism and hotel businesses, understanding and effective work with which increases the competitiveness of the enterprise. The use of the deduction method aimed to identify elements of a modern marketing strategy for the development of tourism and hotel businesses to increase their competitiveness. The identified elements are based on reliable, valid knowledge about business management and marketing campaigns.

Classification is an important basic research method, which was used to divide the parameters for assessing the competitiveness of tourism and hotel businesses into eight categories: price competitiveness, infrastructure development, environmental state of the destination, market openness, cultural uniqueness, human resources, digital opportunities, level of social development. The data grouping method presented four strategies for improving the efficiency of tourism and hotel businesses during the low season. This method helped to divide the known methods of dealing with seasonality into groups in accordance with their similarity and the expected result. In the course of the study, the following methods of improving the efficiency of enterprises were considered and described: differentiated pricing, change in the range of products and services, market diversification, and a strategy for supporting public initiatives.

The comparison method was used to obtain a reliable characteristic of the term competitor. For this purpose, the characteristics of the market profile and resources of representatives of the tourism business were compared. If the most similar results of the completed process are obtained, it can be argued that the compared enterprises are competitors. The results of the study were summarised using the generalisation method. The result of using this method is an algorithm for creating a marketing strategy for a tourist and hotel business enterprise, which contributes to an increase in the level of brand competitiveness. The study also conducted an analysis of scientific information sources. With its help, the results of the studies in the field of marketing and tourism were considered; in the discussion section, the results of the analysis were presented: examples of international experience in implementing various marketing strategies in the tourism industry, an investigation of the implementation of information technologies, and methods of using social networks to achieve sustainable development of tourism and hotel businesses.

3. RESULTS

Identification of a competitor is a complex process based on assessing the tension between a firm and any given competitor. Generally, competitors are evaluated in terms of their market profile and resources, and one’s own organisation is compared along with the competitor’s one. Therewith, managers adhere to the categorisation process, which is characterised by the following stages: development of a presentation of the target company; acquisition of attributes of the
"competitor" category; assessment of the similarity of the target company's representation with the representation of the "competitor" category; classification of the goal as a competitor; result preservation. This process leads to the classification of firms based on the corresponding similarity, which can encourage action. The greater the similarity in terms of resource availability and market profile, the more a given enterprise is perceived as a competitor, and the greater the competitive tension in relation to such a competitor. Therefore, the determination of perception is of paramount importance in any understanding of interaction with competitors (Czakon & Czernek-Marszalek, 2021). Table 1 was developed to assess the competitiveness of any enterprise in the tourism industry, which can be used to compare two or more enterprises or hotels.

Table 1. Parameters for Assessing the Competitiveness of Tourism and Hotel Businesses.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Description</th>
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<tbody>
<tr>
<td>Price competitiveness</td>
<td>Prices for hotels and restaurants</td>
</tr>
<tr>
<td></td>
<td>Prices for goods and services</td>
</tr>
<tr>
<td></td>
<td>Exchange rate</td>
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<tr>
<td>Infrastructure development</td>
<td>Destination availability</td>
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<td></td>
<td>Quality of the road and railway network</td>
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<tr>
<td></td>
<td>Availability of up-to-date information about destination</td>
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<tr>
<td>Environmental status of the destination</td>
<td>Preservation of natural scenery</td>
</tr>
<tr>
<td></td>
<td>Preservation of natural landscapes</td>
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<tr>
<td></td>
<td>Conservation of biodiversity</td>
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<td></td>
<td>Geographical location</td>
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<tr>
<td>Market openness</td>
<td>Government support</td>
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<td></td>
<td>Rules for entering the country</td>
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<td></td>
<td>Visa index</td>
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<td></td>
<td>Historical legacy</td>
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<tr>
<td>Cultural uniqueness</td>
<td>Ancient monuments</td>
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<tr>
<td></td>
<td>Religious value</td>
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<td></td>
<td>Archaeological museums</td>
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<tr>
<td>Human resources</td>
<td>Professional training of employees</td>
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<tr>
<td></td>
<td>General education of the population</td>
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<tr>
<td></td>
<td>Labour productivity</td>
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<td></td>
<td>Knowledge of foreign languages</td>
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<tr>
<td>Digital capabilities</td>
<td>Electronic travel services</td>
</tr>
<tr>
<td></td>
<td>Email marketing</td>
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<tr>
<td>Level of social development</td>
<td>Attitude of the local population to tourists</td>
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</tbody>
</table>

Source: compiled by the authors.

Considering the competitiveness of tourism and hotel businesses, it is worth noting that the goal of developing this parameter is to increase the profitability of the enterprise. One of the ways to increase profitability compared to competitors is to reduce the impact of seasonality on the tourism business. The net worth that seasonality brings to many tourist destinations at one time prompted attempts to introduce public and private efforts to reduce seasonal fluctuations in tourism. Demand-boosting strategies can be divided into four categories:

1. First is differentiated pricing, which includes marketing solutions such as low-season discounts and group booking offers. Differentiated pricing is widely used to temporarily increase demand for travel services, although lower prices in the low season are limited by the profitability factor. Differentiated pricing in the context of seasonality leads to an increase in intra-annual flexibility of tourist prices in the destination and a shift in the delivery schedule. This means the exchange of seasonality less in quantities for higher seasonality of prices.

2. The second group of strategies concerns changes in the product range. All of them are aimed at making the destination more attractive to visit in the low season and creating the effect of seasonality reduction in both the number of visitors and prices. Examples include launching events and festivals outside of the high season, adaptation of travel services to the specific tastes and motivations of visitors in the low season, and provision of additional services. The development of the local environment, public transport, and local infrastructure can increase demand not only during the low season but also throughout the year, causing an ambiguous effect on seasonality.

3. Market diversification strategies are aimed at facilitating access to demand segments that, given tourists’ tastes and limitations, are potential low-season destinations. These strategies include marketing campaigns and collaboration with tour operators and travel agencies. Community social programmes, which aim to make the tourist experience accessible to the elderly, are also a source of demand during the off-peak season. Moreover, the appeal of the cruise segment can help mitigate seasonality in cases where the port's seasonal typology is adequate. If successful, these strategies can increase demand at the destination in the low season, reducing seasonality in both prices and the number of visitors.

4. Finally, there is a strategy to support various public initiatives aimed at overcoming seasonality. For example, provision of marketing business support ser-
services, government loans or subsidies to develop products or local services, or support for community initiatives. Most of them aim to support the tourism industry in market diversification strategies and innovative product sets, with the effects already mentioned in the model (Lozano et al., 2021).

Commonly, marketers distinguish the following characteristics of tourism and hotel businesses: brand image; brand quality; brand awareness; awareness of the target audience about the brand; loyalty of the target audience to the brand; brand associations; perceived quality; perceived value. A modern marketing strategy for the development of tourism and hotel businesses that can increase their competitiveness should include the following elements:

- creation and application of innovative technologies of the tourism business;
- development of a more perfect organisational structure of the tourism business;
- introduction of new markets for travel services;
- management of attracted investment funds;
- development and management of new financial interactions with contractors;
- management of individual investment sources;
- the use of new intelligent marketing and technologies to provide travel services;
- creation and implementation of an innovative tourist product.

Brand positioning elements are presented in Table 2. It is worth noting that high-quality brand positioning gives an advantage over competitors and affects brand awareness.

Table 2. Key features of Brand Positioning in the Market.

<table>
<thead>
<tr>
<th>Customer Relations</th>
<th>Service Relations</th>
<th>Relations with the Media</th>
<th>Brand Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-conflict target markets.</td>
<td>Services as the main message of the brand: Retail trade.</td>
<td>Organic marketing communication that is characterised by: Publicity.</td>
<td>Logistics services: external (air, sea, land, and rail) and internal (transportation within the enterprise or hotel). Parking lots. Business conglomerations.</td>
</tr>
</tbody>
</table>

Source: compiled by the authors.

Advertising and marketing activities aimed at encouraging tourists to use the services or products of the tourism industry usually focus on advertising and public events to promote the brand. The following steps need to be implemented to create a marketing strategy for a tourism and hotel business enterprise that can increase the level of brand competitiveness:

1. Identify the market (internal or external) and goals (families, teenagers, newlyweds, outdoor enthusiasts, adventurers, or vice versa).
2. Identify the client's needs and desires (what exactly people expect from a vacation).
3. Combine available travel resources and products with the chosen goals and markets. Ascertain that the plans match capabilities.
4. Explore competitors: how other tourist destinations implement the same goals/products; how direct competitors implement their own goals/products.
5. Develop original travel products that meet the chosen goals of the demand; modernise existing products.
6. Develop and implement a marketing campaign with the establishment of methods, deadlines, and budget, considering the previous steps.
7. Track results.

Using the algorithm presented above, it is possible to create a unique marketing strategy to increase the competitiveness of tourism and hotel businesses.

4. DISCUSSION

Strong competition between tourist destinations requires marketers responsible for promoting places to focus on the factors that create competitive advantages. One of the main resources that travel and hotel businesses can use to create a sustainable competitive advantage is a strong brand. Although the brand value was initially approached from a marketing perspective, later the brand capital was considered from the standpoint of the individual consumer and provision of a conceptual framework of what consumers know about brands and what such knowledge means for marketing strategies. A customer-centric brand property is defined as the differential impact of brand knowledge on consumers' response to brand marketing. Conceptualising brand capital from this perspective is useful because it offers specific guidelines for marketing strategies, tactics and areas in which research can be useful for making managerial decisions. The customer-centric brand capital concept offers destination marketers a performance tool that can be used to assess and measure customers' perception of a travel brand (Castaneda-García et al., 2020).

Due to the rapid development of information technologies, educational content from the Internet started offering a new opportunity for updating data related to tourism and timely forecasting of demand. Big data from the Internet can reflect tourists’ preferences and progress in their decision-making in real time, providing rich and high-quality information for investigating and forecasting demand. Big data is related to tourism and is created by tourists, such as web search data or social media data, which were used to examine demand in hotels and tourism. Google Trends data are new variables that can be used to explain and model tourist demand, thereby unlocking the potential of search data in predicting tourist demand. Upon using data from multiple sources, including
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Commonly, travel companies attempt to attract foreign customers to consume tourist products in the domestic market of companies. The perishable nature of tourist products dictates that tourist consumption is often limited to a specific location. For example, Disneyland theme parks can only be consumed in certain locations. Usually, the marketing efforts of travel companies are aimed at reaching foreign clients in the form of representation of the tourism board or marketing cooperation. On the one hand, placing agents and offices in foreign markets is one of the most commonly used strategies of globalisation, which is used by almost all business sectors. It is thought that the presence in foreign markets helps to overcome cultural and language barriers. Technological innovations such as social media allow destination management organisations and travel companies to consolidate their presence in the virtual space with the potential to connect with customers regardless of their location. Social media promotes instant information dissemination, awareness-raising, and interactive communication. On the other hand, collaborative marketing is observed among companies that deliver part(s) of a complex product. This creates the benefits of large-scale advertising activities and reduces the complexity that customers face. Prime examples are the Star, SkyTeam, and Oneworld airline alliances (Song et al., 2018).

Numerous strategies and innovations were introduced to increase the level of demand for tourism services in India, which were implemented considering the potential of the tourism industry, for example, electronic tourist visas, 100% foreign direct investment in the tourism and hospitality industry, various marketing and advertising campaigns and tax reforms. The country's government recognised the collective superiority of various forms of tourism, including niche products such as golf, medical, gastronomic, adventure, and spiritual tourism. India, being an important untapped market supported by vast resources, offers many opportunities for suppliers in the tourism industry (Gupta et al., 2021). Ethnocentrism is a positive bias in a group that reflects a systematic positive attitude towards the home nation or its members, which as a result makes travelling within the country a higher priority than travelling abroad. The researchers suggest that both domestic tourists and locals may have this systematic intra-group bias, which manifests itself in the supposed belief and moral obligation that the domestic tourism economy should be supported (Kock et al., 2019).

Conventional market exchanges co-exist with alternative forms of consumption, which consist of goods or services offered by competitors. These forms of consumption are known as the "sharing economy", which has spread rapidly in a number of sectors. Among other things, the sharing economy has changed the placement sector everywhere. In this sector, conventional alternatives (i.e., hotels) now co-exist with another type of accommodation, often referred to as P2P (peer-to-peer) accommodation. P2P accommodation provides living space that tourist rents for a short stay using a digital platform, thus creating a business for sharing residential premises in the cyber market. Studies in the field of tourism and hospitality management pay great attention to the phenomenon of P2P accommodation. Various areas of literature have emerged that focus on various issues, in particular: understanding the motivation, attitude, and behaviour of guests; determinants of demand for P2P accommodation; host behaviour models and effective marketing strategies; impact on international tourism demand; social and economic impact (Yang et al., 2021).

Facebook is one of the largest social networks on the Internet with more than 1.9 billion monthly active users and 50 million active pages of small companies. Facebook's popularity makes it an attractive marketing platform for companies in addition to their own websites. Many of the company's websites also have "like" and "share" buttons on Facebook, which is not surprising given a large number of users on the platform. The importance of destination management organisations for coordinated destination marketing is beyond doubt and understanding the factors that may hinder their marketing efforts is a crucial goal of tourism research. The study in question focused on the use of the organisation's Facebook destination management pages in four popular cities in Austria: Graz, Innsbruck, Salzburg, and Vienna. These four cities were selected based on their importance to tourism in Austria, as they attracted the largest number of tourists from all Austrian cities between 2012 and 2017. Typically, destination management organisations are responsible for marketing the destination and providing information about the destination and other events related to it. According to the data reviewed, 41.5% of the 195 countries in the study use at least one social media platform, with Facebook being the most widely used. Today, Facebook has a large amount of information that can potentially be used by companies and can be valuable for their marketing efforts (Onder et al., 2020).

Some researchers emphasise that the volume and valence of an online presence reflect the competitive marketing strategies of service providers and can affect their market results. Therefore, it is very important to develop an approach to support the analysis of the competitiveness of a service provider and identify its key competitors through the online presence of the enterprise (Ye et al., 2020). For many years, the Hong Kong Tourism Board has promoted accredited quality travel services and responded to tourist complaints to strengthen Hong Kong's image as a tourist destination offering quality travel services and products. In 2018, China amended its tourism law to protect the legitimate rights and interests of tourists and travel operators, and to regulate the order in the tourism market. There are laws in the country that do not specifically mention travel services, but certainly cover all service offerings; regulation of the tourism market is directly or indirectly mentioned in the Constitution, in civil and commercial laws, such as contract law, company law, economic law, criminal law (Liu et al., 2020). China has issued a number of policy documents, including regulations that correct market order, which can be considered one of the indirect methods of creating a competitive advantage.

In one of the studies reviewed, researchers examined the factors that influence the hotel's acceptance of mobile book-
ing; it was established that compatibility in a technological context, the size of the enterprise, technological competence in an organisational context, and critical mass in the context of the environment positively relate to the acceptance of mobile hotel reservations, while complexity in a technological context is sharply negatively associated with the implementation of a mobile booking system. On the other hand, the researchers stated that the relative advantage in the technological context, the support of senior management in the organisational context, in addition to competitive pressures and information intensity in the environmental context, did not affect the introduction of mobile hotel booking (Khwaldeh et al., 2020).

Since 2000, there have been a number of pandemics: Severe Acute Respiratory Syndrome (SARS) in 2002-2003, avian influenza in 2005-2006, swine influenza in 2009, Middle East Respiratory Syndrome (MERS) and Ebola in 2012. Most business impact studies focus on SARS. The study in question used a detailed quantitative modelling approach, survey data, and an input-output model to assess the impact of SARS. The result of the study showed that China’s tourism sector was most affected: revenues from international tourism decreased by 50-60%, revenues from domestic tourism decreased by 10%, and the economy lost 25.3 billion United States of America dollars. The study also examined the recovery of Taiwan’s tourism sector, which welcomed tourists from Japan, Hong Kong, and the United States of America after the SARS. The researchers established that the perception of travel risk in the post-SARS period varied among tourists from different countries. A combined marketing strategy for tourism recovery after the pandemic was proposed to overcome the effects of the pandemic: a media campaign aimed at the public to project an image of safety in the destination country along with segmented and personalised marketing to reduce risk assessment among individual travellers (Wang et al., 2022). Thus, it is advisable to use marketing strategies to overcome the consequences of emergency situations, thus winning a competition with foreign tourist destinations rather than local enterprises in the tourism industry.

5. CONCLUSIONS
Based on all the above, the main goal of any tourism and hotel business is to achieve sustainable development by delivering positive impressions and experiences to its customers. The study showed that the impact of a marketing strategy on business success is quite high. The study considered and presented several marketing strategies aimed at achieving the sustainable development of enterprises, including value creation strategy, strategic management and marketing, email marketing, and clustering (cooperation). In the course of the study, the issues of brand positioning were investigated, which is also a factor in increasing the level of business competitiveness. The paper also presents methods of combating the seasonality of the tourism business. Assessment of the success of the performed activities should be conducted in accordance with the parameters for assessing the competitiveness of tourism and hotel businesses presented in this paper.

The discussion section demonstrated international experience in solving the problem of choosing and implementing a marketing strategy in the tourism sector. A frequently used method is a combination of private and public initiatives and actions to increase the demand for tourist destinations within the country and popularise them among both foreign and domestic tourists. In addition, it was established that the psychological phenomenon of ethnocentrism among citizens contributes to the development of unique tourist destinations within the country, the popularisation of authentic goods. The findings indicate that subsequent studies should focus on the issue of a rational budget for financing a marketing strategy. It is recommended to pay attention to collecting data from real marketing campaigns in the tourism sector with an analysis of the number of newly attracted customers, repeat customers, and the profitability of the enterprise. The above research activity in combination with this paper would contribute to the creation of more effective marketing campaigns, development of the tourist market, and popularisation of previously little-known tourist destinations, because a more effective strategy and accurate budget increase the availability of marketing technologies among small and medium-sized enterprises, rather than large travel companies and chain hotels.

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