

Competitive Revenue Management (Rm.) Strategies of Five Star Hotels: A Case From Istanbul

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ABSTRACT

In today's competitive world, the primary goal of hotels is to generate sustainable profitability. In order to achieve this goal, businesses are required to develop well-designed strategies and policies. Every vacant hotel room leads to a direct loss for the company. Therefore, because of the fixed capacity, capacity utilization and pricing is extremely important for hotels. This study explains the competitive revenue management (RM) practices of 5-star hotels in Istanbul. It investigates how hotels track their competitors, their strategies to gain a competitive advantage, and what factors they consider when determining their prices. The research employed a questionnaire containing pre-prepared RM-related inquiries administered to hotel RM department managers. Additionally, a situation assessment was conducted, drawing insights from the information provided by these managers. This study discovered that every revenue manager involved takes the competition seriously. Revenue managers consider competition to be obtaining the largest share of the available market share. This research anticipates that revenue management will extend its influence beyond room revenue and evolve into a more strategic department. The study underscores the importance of enhancing education and raising awareness about RM to address this gap effectively.

Keywords: Competition, Strategy, Revenue Management, Hotels, Istanbul

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1. Introduction

Hotels operate in a challenging, competitive environment today. As of 2023, there are at least 187,000 hotels with an estimated 17.5 million guest rooms available worldwide (McCain, 2023). The increasing number of hotels, the rise of domestic and international chains, and offering similar products and services have intensified competition (Sánchez-Pérez et al., 2020). For instance, prominent hotel enterprises have recently introduced fresh brand offerings as a strategic response in order to enhance competitiveness. For example, Hilton introduced the Spark brand in 2023 (Savoy, 2023). This heightened rivalry is not only confined to the hotel conglomerates themselves, but also encompasses alternative lodging platforms, such as Airbnb (Demir & Emekli, 2021) and online travel intermediaries like Booking.com, which have presented formidable competitive obstacles for the traditional hotel sector (Demirciftci et al., 2010).

In hotel operations, every vacant room causes a loss for the business (Guillet & Chu, 2021). Hotels with fixed capacity face variable demand. Hotels aim to maximize revenue by applying price and capacity utilization most rationally according to the anticipated demand. The systematic evaluation of demand and capacity by hotels and their behavior in determining the most reasonable prices gives rise to revenue management (RM) (Demirciftci & Belarmino, 2022).

RM is a concept that emerged in the late 1970s in the United States, influenced by the deregulation of the airline industry. With deregulation, many airline companies entered the domestic market, which led to an increased competition in national and international air transportation (Yeoman McMahan-Beattie, 2017). Airline companies applied seat capacities and prices accurately within the RM system, resulting in a five to seven percent increase in revenues. Although RM was initially used in the airline industry, it was later implemented in service businesses that sell perishable products, including hotels (Alrawadieh et al., 2021). The primary purpose of this system is to manage the demand for companies operating with fixed capacity in a way that maximizes profit. In today's competitive environment, hotels apply RM with great sensitivity to maximize profitability. In addition to managing their operations, hotel businesses closely monitor their competitors (Demirciftci et al., 2017). They track their competitors' prices, occupancy rates, and strategies and adjusted their approach accordingly. The primary goal for a hotel is to fill its capacity to the highest possible level and achieve maximum revenue (Kimes, 2017).

When analyzing competitors, revenue managers utilize various programs and reports. Firstly, they evaluate historical data from previous years. They consider criteria such as the occupancy rates, prices at which rooms were booked, the demand for the current period, and the fees applied by competitors during that period to determine the most accurate pricing (Mohammed et al., 2014). Therefore, a competitive strategy for hotels is critical to survive.

While RM is significant in terms of enhancing profitability within the hospitality industry which has compelled hotels to embrace RM strategies, opposing factors exist that impede the widespread adoption of these practices by hotels. This study aims to address these inhibiting factors. Previous research predominantly centered around algorithms and systems, often overlooking competitive strategies.

The present study investigates how RM activities are implemented in five-star hotels in Istanbul and identifies the methods adopted under different conditions in the competitive environment. By investigating revenue management strategies tailored specifically to this upscale segment (five-star hotels), the study aimed to contribute valuable insights that can directly impact these establishments' financial performance and overall competitiveness. To achieve this, pre-prepared questions related to RM were asked to the RM department managers in hotels, with a situation assessment being conducted based on the found information. The study's primary purpose is to strategically analyze the perspectives of hotels operating in the industry regarding competition and RM approaches using the gathered information.

2. Literature Review

2.1. Competition among hotels

The tourism industry, which has shown rapid development in the last 30 years, ranks first in terms of establishing employment opportunities. This significant development of tourism has led to increased competition, caused by reduced barriers of entry, an increasing number of businesses producing the same goods or services, and the similarity of characteristics across the sector (Akadiri et al., 2020).

Competition between businesses was relatively simple in previous periods. Until the 1980s, every hotel was able to find customers easily due to existing demand. In the following years, the opportunity for companies in the tourism sector to achieve high profit margins led to an increase in hotels, which produced a competitive environment. This increase in hotels has also disrupted the balance between supply and demand. Customer loyalty has become more critical for businesses, with those that engage in strategic planning and quick adaptations to changes in the external environment

becoming more successful (Uzar & Eyuboglu, 2019). The intensity of competition has compelled business managers to implement different marketing practices and engage in strategic planning tactics, such as RM (Kimes, 2011).

2.2. Types of Competition in Hotels

In today's world, increasing competition has a significant impact, especially on hotel businesses. When evaluating their position in the market, hotels often consider rival hotels. However, hotels not only compete among themselves but also compete with other industries. Consumers often face numerous and diverse alternatives when purchasing products or services. Therefore, hotels also compete with other businesses and companies, such as theaters, cinemas, restaurants, and more. In such a highly competitive environment, hotels must convince consumers on an emotional and psychological level and develop different strategies and methods to attract their spending away from other products. This can be achieved through superior service levels (Lam & Law, 2019).

It is obvious that the markets where hotels operate have experienced rapid changes. These changes directly affect the market and increase the level of competition. Additionally, unexpected events that occur in the country of operation can also be counted as factors that directly impact competition. Environmental factors, such as earthquakes, storms, hurricanes, outbreaks of diseases, terrorist attacks, wars, sudden changes in the global financial markets and exchange rates, political boycotts, and embargoes, all influence the travel decisions and choices of tourists (Chan et al., 2020). Crisis management that can handle these hotel changes and make accurate decisions and strategies is crucial to maintaining competitive strength (Cetin et al., 2016).

2.3. Factors That Determine the Competitive Power of Hotel Businesses

As the importance of the service sector continues to grow in the globalized world economy, the tourism sector is directly affected. Hotels represent one of the most visible examples of industries within the tourism sector that are affected by global developments. In today's competitive landscape, the success of hotels depends on their attention to competition and their effective use of competitive power factors. The most fundamental characteristic of the increasingly important tourism sector is its service-oriented nature, which results in an intangible product. The ability of hotels to survive in this competitive environment and, more importantly, to achieve sustainable competitive power depends on certain conditions. Various academics have examined these conditions differently (Dimitrić et al., 2019; Hossain et al., 2022; Michael et al., 2019).

Xia et al. (2020) examined the conditions that affect hotels related to such environmental factors as state, economy, social, and demographics. They focused the following factors: type of establishment, size of the establishment, service quality, location, and ownership. In addition, factors such as market share and sales, costs, R&D, financial situation and flexibility, and competitor analysis were used as determinants of competition to determine the competitive power of hotels.

Similar factors were examined by Aksu & Tarcan (2002) in their study of factors which affect the success of hotels. In this study, the elements were divided into external and internal factors. Accordingly, the studied external factors included: globalization, technological change, the information age, changes in potential markets, differentiation in the competition perception among businesses, integrations, and legal regulations. The examined internal factors included: organizational culture and climate, human resource practices, and intellectual capital.

Okumus et al. (2019) differentiated the factors that affect hotel competitiveness into qualitative and quantitative. Accordingly, the examined quantitative factors that affect competitive power included: human capital and the role of education, technology, tourism supply conditions, demand conditions, cost, investment, incentives, and financial regulations. The examined qualitative factors included: sustainable tourism and the environment, service quality and customer satisfaction, productivity and efficient use of resources, product diversification, image and innovation, tourism marketing strategy and market share, state and bureaucracy, and tourism competition strategy.

Another study on this subject was conducted by Michael et al. (2019), which examined the factors that affect the competitive power of tourism businesses in the domestic and international markets regarding crucial resources and capabilities. According to this study, factors such as costs, investment capacity, order delivery time, capacity flexibility, compliance with quality and standards, reliability, technology and R&D, qualified workforce, company image, market share, after-sales services, inventory management practices, and production time influence the competitive power of businesses in the domestic and international markets.

Based on the above literature, the factors determining competitive power can be divided into internal (cost, qualified employees, market share, research and development, capacity flexibility, and support industries) and external (globalization, government, economy, demographics, support industries, and technology) (Kotler et al., 2006).

In recent years, developments in communication and transportation technologies have played a determining role in the success of businesses. Especially in the case of hotel businesses, it can be observed that technology has been extensively utilized since the 1990s, with many subsequent technological advances believed to be an inevitable consequence of competition (Xiang et al., 2015). Advances in transportation systems enable products to be transported quickly and at lower costs. At the same time, developments in information technology have led to business sectors such as e-commerce, e-marketing, banking, and financing (Rosário & Raimundo, 2021). In particular, the Internet has become one of the most critical competitive tools of businesses in the modern world. In the tourism field, which is essentially about transportation, even if the products and services offered by firms are of high quality, the accessibility of tourist services will disappear if the transportation network is insufficient or of low quality (Jin et al., 2019).

Additionally, the inadequacy of complementary transportation systems will hurt the competitiveness of hotels. For example, suppose there is a lack of sufficient road infrastructure or eligible vehicles during the transfer of a traveler carried by air to a hotel via land transportation. In that case, the possibility of achieving consumer satisfaction may be eliminated (Li et al., 2020). Therefore, the opportunities obtained after technological advancements in transportation are vital for tourist businesses.

In addition to advancements in transportation technology, developments in communication tools effectively increase people's knowledge about their world, which increase the desire to travel. Consumers can access the websites of hotels directly through the Internet, giving them access to all kinds of information that will enable them to make more intelligent purchases. Consumers have the opportunity, through Internet usage, to obtain detailed information, reduce dependence on intermediaries, compare alternatives, and make individual reservations. In this way, they become more sensitive to products, services, and prices that provide added value and move away from brand loyalty (Demirciftci et al., 2010).

2.4. Profit Management Activities for Hotels in A Competitive Environment

In today's competitive environment, hotels operate within a tight and challenging competitive landscape (O'Neill & Mattila, 2010). In highly competitive hotels, yield management practices are essential for achieving business goals (Demirciftci et al., 2010). Hotels must establish a competitive edge to surpass their competitors and sustain their superiority. The factors related to maintaining a competitive advantage for hotels include service quality, physical resources, the attractiveness of their destinations, price, quality, and brand image (Xie & Kwok, 2017). Businesses that possess a competitive advantage outperform other companies. That said, it is not easy to sustain a competitive advantage in the rapidly developing tourism markets. Hotels are negatively impacted by changes in the market, the inability to increase their assets, the failure to enhance their capabilities, or weaknesses compared to competitors (Koseoglu et al., 2021). As a result, even if a hotel business has achieved a competitive advantage, they may fail to sustain it over time and eventually fall behind other competing hotel businesses. To maintain a competitive edge, it is necessary to closely monitor changes in the market, examine changes in consumer expectations and the strategies of rival hotels, and carry out essential activities accordingly (Pascual-Fernández et al., 2021).

3. Methodology

This research revealed how RM activities in five-star hotels in Istanbul are implemented in the competitive environment as well as which methods their revenue managers adopt. Five-star hotels were selected as the basis of this study because they operate in a highly competitive and dynamic market, where optimizing revenue streams is paramount for sustained success. As a data collection method, one-on-one interviews were conducted with RM department managers at five-star hotels in Istanbul. The hospitality sector in Istanbul provides a suitable context for this research due to its dense concentration of over 754 hotels in a relatively small geographical area (Istanbul Directorate of Culture and Tourism, 2022) which cater to more than 16 million international tourists annually, as of the 2022 figures (Dorsi, 2023)

The face-to-face interviews of the RM managers were conducted between June 2018 and October 2018. Open-ended questions were used within the framework of semi-structured interviews to elicit participants' thoughts on the subject. During the interviews, managers were asked about how they defined competition and their views on competition, how they tracked rival hotels, the strategies they developed based on this information, the factors they considered in pricing decisions, the strategies they adopted, the influence of competitors' pricing decisions, and the tools and resources they utilized in the RM process. All interviews were recorded in electronic format and transcribed for analysis.

The number of participants was determined upon reaching the saturation point, which means that no new information could be obtained and the data was starting to become redundant (Glaser & Strauss, 1967). Accordingly, after 16

interviews, it was observed that no further information was being gathered, and the interview part of the research was concluded.

The research data was analyzed using the content analysis method. Content analysis is a research method used by various disciplines, which therefore leads to multiple definitions of the concept (Creswell, 2009). However, content analysis remains a fundamental component of in-depth subject matter analysis research. The critical aspect to consider when applying content analysis is its systematic and unbiased implementation (Creswell, 2012). It is necessary to first systematically categorize the collected data, present it as it is, and then subject it to interpretation (Creswell, 2015). At the same time, the obtained results should be generalizable. Therefore, it does not seem appropriate for this research to only analyze the measurable and quantitative aspects of the unit subjected to content analysis (Creswell & Clark, 2007).

The analysis was shaped around three main categories identified based on the research subject: competition, pricing, and RM practices. The participant's understanding, interpretation, and application of these three main concepts form the basis of this research. Subsequently, statements, categories, and codes related to these three areas were integrated before the final findings were reported.

4. Findings

In the scope of the research, interviews were conducted with 16 participants, consisting of 10 women and six men. The age range of the participants varied between 26 and 45. All participants are university graduates (14 have bachelor's degrees and two have master's degrees) and actively worked in hotels during the interview process. Furthermore, all the hotels where the interviews were conducted have an RM department. That said, RM is not always an independent department. It is often integrated within the marketing, sales, or front office departments or operates under their umbrella. Therefore, determining to whom the RM department reports in each of the hotels reveals the significance of RM to the hotel.

Table 1. Department to which it is affiliated

	Number	Percentage
General Manager	14	87.5 %
Sales and Marketing	2	12.5 %
Total	16	100 %

Table 1 shows that in almost 90% of the 5-star hotels in Istanbul, the RM departments operate directly under the general manager, which emphasizes this department's importance. The RM department, which requires expertise, is valued by the hotel management if it exists as a standalone department.

One of the crucial concepts identified in the scope of the research is competition. Competition is significant in how hotels define themselves and determines the diversity and quality of their services. The competition encompasses all activities undertaken by businesses or institutions operating in the same field to enhance their business qualities and strive to be in a better position than their counterparts. Although specific definitions of competition can be made within this framework, the understanding of competition by the interviewees who work in hotels also impacts the shaping of those strategies.

Each interviewer has a specific definition of the concept of competition. In these definitions, the following expressions are directly related to the concept of competition: "differentiation," "achieving superiority," "competition," "being better," and "struggle." The way the interviewees perceive the concept of competition based on the perspective of their organization provides clues about how they implement measures to tackle competition. For example, one interviewee defines competition as follows: "*Competition is the collective effort made to obtain a larger share from a pie that is shared in the same industry*" (R2). Although none of the specific words mentioned above are used in the definition, the content of this definition implies competing with other stakeholders and striving to excel by competing with others. Therefore, competition inherently involves being in a relationship with other businesses in the same field. Another participant's definition of competition highlights this relationship more clearly: "*Competition is the effort made by businesses to differentiate themselves to be better than their competitors. We can say that competition encompasses all actions taken to be preferred in similar business fields*" (R3). The competitive relationship between businesses prompts them to act within specific criteria to compete. These criteria are determined based on the qualities and capacities of

the hotels. Based on the interviews, the most important factors that stand out and determine the competition among hotels can be listed as follows: location, capacity, service standards, brand value, price, and product variety.

According to the participants, the top priority for competition is that their competitors are near their own location. For example, the consensus among all participants is that a hotel in Beşiktaş should have another hotel in the same area as its primary competitor.

Another factor that influences competition is considered to be service standards. Almost all participants believe that their competitors' service standards are similar. Brand value also emerges as one of the main factors influencing competition. We can best explain this with the words of participant R12: *"While my hotel is a 5-star luxury hotel with 300 rooms, considering an ordinary 5-star hotel as my competitor would not be accurate."*

Another common emphasis made by the participants is the aspect of price. It is believed that the prices of competitor hotels are both determining and highly influential in competition. Although the prices do not have to be identical, it was determined that they should be close to each other.

A further factor that makes hotels consider each other as competitors is the similarity in the variety of products and services they offer. From this perspective, many participants argued that the similarity in hotel features, types of products, and services affect competition.

Each participant has a different definition and perspective on competition. When examining the factors determining competition according to the participants, it can be observed that these factors are all internal factors determining competitive power. Based on this, we can state that all participants interpret competition directly through their self-defined "competitive set" (composite). One of the research findings is that all of the examined hotels identify five hotels as their competitors and monitor their own situation and market position compared to these five hotels. Another finding of the research is that some hotels are no longer satisfied with a single competitive set. It has been emphasized that RM is about pricing hotel rooms and maximizing profit and the competition of the hotel's other revenue-generating outlets (banquets, meeting rooms, restaurants, bars, spa centers, etc.) with other hotels. In this regard, some interviewees have identified a second and third competitive set consisting of different hotels for other outlets and a competitive set comprising five hotels related to the rooms department (R1, R7, R11).

It is understood that many hotels consider other hotels as their competitors based on segmentation. For example, even if a particular hotel does not have a specific hotel in its competitive set, it may consider another hotel as a competitor in its own competitive set, mainly if it attracts many business or leisure guests, specifically Arab guests for the interviewees in question.

Determining the competitive set directly affects the hotel's perception of its market position. In this regard, one of the most critical factors is identifying the correct competitive set. One of the interviewees said: *"For a luxury hotel with 100 rooms to include a 5-star hotel with 500 rooms in its competitive set and determine its prices and service quality accordingly would be a big mistake, and at the end of the day, it would not have evaluated itself correctly"* (K12). As can be understood from this comment, positioning hotels correctly in the market and determining their competitive set accordingly is one of the essential rules for effective RM.

Competition with hotels that have similar characteristics, such as similar locations, similar brand value, and service standards, is possible. Globalization, government, and legal regulations are not primarily seen as the most prominent competition factors. Only four interviewees emphasized the direct relationship between the economy and the competitive environment among external factors. It was said: *"For a competitive environment to exist, the economy must be good and demand for that city or service. Otherwise, if there is no demand in an environment, there is not much you can do to increase revenue"* (R5). In this case, we can state that most participants interpret competition based on normal conditions, indicating that they do not face any issues related to external factors other than the economy when describing the competitive environment.

Based on the data obtained from the participating managers in the research, it was observed that all managers know they are in a competitive environment and apply strategies accordingly. As mentioned above, it was determined that the participating managers generally consider five major hotels with similar characteristics and sizes as direct competitors, and they mainly follow these selected hotels to continue their competitive strategies. It is an additional finding that it is not feasible for businesses to closely monitor all five-star hotels that could be their competitors in terms of time, cost, and workforce in a highly competitive environment. However, it was also found that the managers we interviewed indirectly monitor other five-star hotels, especially those in Istanbul.

It has been stated that competition has intensified in the modern world, along with the increasing prevalence of the Internet, and that the boundaries of competition have disappeared. According to many managers, a five-star hotel in Istanbul is expected to compete with a hotel in Izmir or Ankara, occasionally with a resort hotel in Antalya, or even

with a city or holiday hotel in a distant country (R1, R2, R3, R4, R5). In light of this data, it can be understood that all hotels can be seen as potential competitors.

It is argued that every business has factors that provide a competitive advantage from its perspective. From a common view, factors such as the location, capacity, and size of the establishment, as well as the service quality and brand image can be said to have an impact on competitive advantage. In addition, it is believed that the certificates and awards obtained by independent institutions and organizations contribute to businesses' competitive advantage in differentiating from their competitors. Furthermore, some managers have believed that being new or recently renovated can provide a competitive advantage (R1, R8, R9).

According to another interviewee, it is as important to maintain a competitive advantage as it is to establish it. One interviewee said that businesses need to be innovative in their competitive environment (R6). It is believed that only through this approach, they can achieve long-term success.

Obtaining a competitive advantage against competitors is also one of the main goals of businesses. Almost all managers have stated that they implement differentiation strategies that align with their unique characteristics to gain a competitive advantage, thereby fostering customer loyalty. It is a common consensus among many interviewees that conducting a thorough SWOT analysis, identifying strengths and weaknesses, and developing a competition strategy that best suits their structure directly influences competition.

In addition, advertising and public relations activities are believed to contribute positively to the image of businesses. It is thought that without giving them the necessary attention, it would not be possible to build a competitive advantage.

Table 2. Implementation of general competitive strategies in hotels.

Total Cost Leadership	2
Focus	2
Differentiation	12
Total	16

All of the hotels have adopted general competitive strategies. However, as seen in the table above, out of the 16 participating hotels, 12 consider differentiation the most important among these strategies. At the same time, only 2 have stated that they prioritize focus and overall cost leadership implementation (See Table 2). Regarding the focus strategy, hotels primarily focus on marketing through travel agencies and corporate guests. Additionally, as another focus strategy, hotels in Istanbul prefer to target and concentrate on a different market. In this context, the chosen markets are Asia, the Far East, and the Middle East.

This study shows that differentiation is considered the most effective competitive strategy among the general competitive strategies. It is substantial for five-star hotels, which hold an essential position in the industry, to focus on product and service differentiation without compromising quality, service, and brand value. For instance, the differentiation strategies might be listed as presenting the coffee served to guests in a visually appealing manner, providing cold towels in summer and hot towels in winter, or offering complimentary treats like apple tea or rosehip tea during check-in to make guests feel special. These differentiation initiatives aim to enhance the guests' sense of value and produce a unique experience.

A key finding from the research is that businesses need to prioritize their revenues and expenses to achieve their goals. It has been determined that minimizing costs and fees without compromising service quality produces a competitive advantage. Another conclusion drawn from the research is that businesses are not targeting only one market segment; they are expanding into different markets and are not restricted to a single location. R2 stated, "*After the decrease in European guests by half following the explosions in Istanbul, we are already making sales calls to the Asian and Far East markets to be a leader in terms of competition.*" This statement indicates that they are not limited to a single market but rather target all markets and are proactive in expanding into new markets. However, it is stated that hotels primarily adopt differentiation as a general competitive strategy, successfully maintaining their prices as a result. Managers commonly agree that reducing costs would harm the hotels' brand image, and rebuilding the image to its previous level would be much more challenging.

Many managers stated that while being in the center of a city like Istanbul is their greatest advantage, it also brings disadvantages, such as traffic, intense competition, and noise pollution. Additionally, the fact that the hotel managers interviewed are affiliated with international hotel chains is a significant advantage for businesses, as it ensures a

high brand image and recognition. It is also mentioned that some chains receive exceptionally high demand from the countries they are affiliated with, and customers from those countries directly choose the hotel based on the affiliation. For example, American visitors prefer an American hotel chain, while visitors from the Far East prefer a Far East hotel chain.

Table 3. Pricing View of Revenue Managers

R1	We determine the prices based on the position we want to be in within our competitive set or sets.
R2	First, we consider the prices of competing hotels.
R3	We take into account our current occupancy rates and demand.
R4	We are not a hotel that compromises on prices. Generally, we don't make significant price reductions in line with the hotel owner's and management's decisions.
R5	When determining prices in the business, we consider weekly, monthly, quarterly, six-month, and yearly forecasts. Of course, the hotel's forecast (estimated occupancy) is crucial.
R6	I determine our prices by looking at the costs of competing hotels based on the information we gather from the market and the level we want to achieve.
R7	We consider the hotel's occupancy and our competitors' prices.
R8	We determine prices primarily based on demand. We consider market conditions and our position within the competitive set. We also utilize past data.
R9	For us, it is vital to align pricing with budget constraints. Local and international events play a significant role in achieving this.
R10	Prices are influenced by special days, holidays, and peak demand periods.
R11	The expected occupancy and competitors' prices in 10 days are crucial for us.
R12	Competitors' prices certainly have an impact on our prices.
R13	We consider special days throughout the year.
R14	We definitely take into account school holidays, holidays, Ramadan, in short, periods that will affect demand.
R15	We generally monitor the city's occupancy. For example, if a conference or a major event is happening around us, we consider its impact on our occupancy.
R16	We determine prices by considering the hotel's history and the current situation of competitors.

According to the research findings, pricing is another concept that needs to be carefully considered. Pricing is determined by factors such as the location of the business, brand value, service quality, number of rooms, prices of competing hotels, and demand generated by upcoming special occasions. It was observed that all the hotels participating in the research were five-star hotels, and they followed a sharp perspective when it came to pricing. It was evident that the way they approached pricing was intentional in order to maintain brand value by being market leaders. Within this framework, it was observed that they preferred not to decrease prices during periods of low demand in the market. Instead, they followed a pricing policy that focused on preserving brand value and maintaining service quality without compromising it. Here is a summary of the responses provided by the managers regarding pricing, as shown in table 3 below:

According to the research findings, various programs are used in the implementation process of RM in hotels. Still, it can be said that IDEAS is primarily used as the fundamental program with STR. One of the respondents (R2) summarized that *"Hotels have started using various programs. But primarily, we use IDEAS as software. Similarly, other hotels use RM systems. STR is used for benchmarking. Travel Click is used, and it is one of the most commonly used RM tools in Travel Click. We use Rate360 and Rate shoppers to see the prices of other hotels for the next 90 days. We use Agency360 to see the GDS performance of hotels and where their customers come from. With Demand 360, we can see hotels' on-the-books and future segments and how they compare to the competition. In addition to these, for example, when you log into the extranet of Booking.com or Expedia today, there is a lot of RM-related data. It shows the prices and demands of competitors, and many analytical sections have been created to understand the market. So now there are many RM-related programs, and the job has become much easier. But the basic logic remains the same, and it presents your data to you from different perspectives. It shows you how many days in advance your customers made a reservation, how many of them canceled, how many days in advance they booked in your competitor's set, how*

many nights they stayed on average, what percentage canceled, and what percentage resulted in a no-show. It also shows how your pricing compares to your competitors' pricing and how your situation compares to theirs. Essentially, the logic of this business is to look at yourself, understand it, and thoroughly absorb and analyze all your historical data and your competitors in the market. It is not important what the names of these programs are; what matters is how the content is (R14)."

5. Discussion and Conclusion

One of the most prominent consequences of the globalized world for hotels is the need to develop and implement new strategies to survive in an unlimited market environment. This situation leads to increased hotel businesses, similarity in goods and services, and intensified competition. Hotel businesses prioritize demand and capacity management to gain a competitive advantage, which will allow them to increase market share and profit. In this context, RM is considered a systematic activity to achieve the optimum revenue goal for hotel businesses in a competitive environment.

This study focuses on an environment of intense competition and implementing RM activities in five-star hotels in Istanbul. The interaction between competition and RM has been examined through interviews with revenue managers. The study reveals that competition places hotel businesses in a fierce race. The essential determining factors for competition include location, capacity, service standards, brand image, product diversity, and price.. The hotel managers interviewed in this study prefer differentiation in their competitive strategies (See Figure 1).



Figure 1. Factors for Determining Competition

Furthermore, it has been emphasized that hotel businesses should have a dynamic structure and be open to change and innovation. The importance of guest satisfaction is also highlighted, stating that besides being revenue-focused, attention should be given to guest satisfaction. The significance of interdepartmental communication and collaboration is emphasized for successfully implementing RM activities. It is mentioned that advertising and public relations activities are given importance, and hotels affiliated with international chains exhibit a more professional approach to RM.

This study predicts that RM will be associated with revenue items other than room revenue and will be seen as a more strategic department in the future. However, it is noted that there is currently insufficient teaching and research on RM in schools and universities. It emphasizes the need to increase education and awareness of RM. Collaborative efforts between hotels and educational institutions are essential to bolster education and raise awareness regarding revenue management techniques. This collaboration could involve the establishment of workshops, seminars, and academic programs aimed at equipping upcoming hospitality professionals with the essential competencies for proficient revenue management.

One drawback of the research is the chosen location for the study. Although Istanbul, being a well-known tourist destination, is ideal for RM, due to its high fixed costs, competitive environment, and unpredictable demand, it may possess distinct market attributes related to booking timing and the level of local demand. In future research, it would be valuable to examine other regions worldwide. Additionally, it is worth considering that the current study only involved

revenue managers working at international chain hotels in Turkey. Including respondents from independent hotels in future studies would provide a broader perspective. Moreover, expanding the sample size could enhance the ability to draw more generalized conclusions. Last but not least, qualitative software, such as Nvivo, might be used for frequency analysis.

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