Marketing competitiveness of hotel and restaurant enterprise: theoretical approach and methods of definition

Sergiy Tsviliy* A; Darya Gurova* B; Tetiana Kuklina C
A. B. C National University «Zaporizhzhia Polytechnic», 64, Zhukovskoho Str., Zaporizhzhia, 69063, Ukraine

Received: April 20, 2021 | Revised: May 28, 2021 | Accepted: June 13, 2021


DOI: 10.38188/2534-9228.21.2.05

Abstract
The article considers topical issues of marketing competitiveness of hotel and restaurant business enterprises. The product marketing complex and the service marketing complex have been modernized by including the “period” element in the list of their components. The list of marketing functions of the manufacturer of a complex hotel and restaurant product has been supplemented with the function of implementing the time policy. The stages of the product life cycle are divided according to the principles of achieving effective interaction between producer and consumer based on cost structuring. The model of a complex hotel and restaurant product is presented. The principles of using a comprehensive approach to identifying different types of services in the process of integration in the direction of “producer-consumer” are formulated. An algorithm of effective actions of a hotel and restaurant enterprise to develop a marketing strategy to increase the level of competitiveness is proposed. The method of marketing assessment of the level of competitiveness of the hotel and restaurant enterprise on the basis of substantiation of quantitative criteria is developed. It is concluded that the role of digital services in the growth of a certain level of marketing competitiveness of the hotel and restaurant enterprise is growing rapidly. The priority directions for effective marketing management of the level of competitiveness of the hotel and restaurant enterprise are determined. The types of effects from the implementation of the results of the study in the practice of hotel and restaurant business are identified and grouped.

Keywords: marketing, competitiveness, customers, complex product, enterprise.

Introduction

Changes in the political, economic and social spheres of life of Ukraine, its integration into the European Community, the introduction of new technologies necessitate the improvement of all areas of enterprise management (Danko et al., 2020). Global factors of the crisis, including the action of factors COVID-19, the transformation of the tourism economy have strengthened competition, identified the need to diversify the implementation of elements of the marketing mix and apply a qualitatively new approach to marketing management of hotels and restaurants. Hotel and restaurant enterprises, unfortunately, rarely resort to scientific approaches, methods and means of marketing in order to reduce the level of risk; practically do not implement such necessary for the successful development of marketing functions as digital monitoring of environmental factors, including the study of priority consumer needs, research on the postcoronavirus market, strategic trends in certain segments, etc (Mazaraki, 2019).

* Corresponding author:
A PhD, Associate Professor of Tourism, Hotel and Restaurant Business, e-mail: 0994300103@ukr.net, ORCID: 0000-0002-1720-6238
B PhD, Associate Professor of Tourism, Hotel and Restaurant Business, e-mail: daryazntu@gmail.com, ORCID: 0000-0002-3180-0348
C PhD, Associate Professor of Tourism, Hotel and Restaurant Business, e-mail: kyklinatatyana@gmail.com, ORCID: 0000-0003-1637-3509
However, the growing level of competition, globalization of business, digitalization of activities have led to the need to review and implement in practice the enterprises of the hotel and restaurant business of the latest marketing mechanisms. That is why the chosen direction of research is relevant.

**Material and methods**

Each enterprise is a unique "open" system that has certain features that distinguish one enterprise from another. However, each of them is a socio-economic system, so it has common features with similar ones (Fedonin et al., 2006). The enterprise as an "open" system is characterized by: interaction with the external environment; synergism; dynamic equilibrium; equality of final results; multidimensionality of the management system; ability to maintain and improve information-based quality; ambiguity of the nature of the system; hierarchy; heterogeneity of goals; sustainability of many goals; sustainability, multivariate development. In modern conditions, there are many enterprises of both "technical-economic" and "socio-economic" types, which allows us to determine the relevance of the formation in market conditions of enterprises mainly as "socio-economic" systems. At the same time, the "technical and economic" systems are likely to include hotel and restaurant companies, which, depending on the specifics of the operation claim, to varying degrees, state protectionism on many issues related to their activities (Pasichnyk and Akilina, 2005).

It is necessary to emphasize a certain "viability" of enterprises of "technical and economic" type, because it is connected with the inertia of this system when changing the political, socio-economic, environment (A佐ev, 1996). However, global conditions stimulate Ukrainian enterprises to develop as "socio-economic" systems.

A feature of the global economy is the latest conditions of competition, which have formed due to the rapid digitalization of the service sector (Bondarenko et al., 2019). Today, similar products are offered by many competing companies. The consumer has a choice, so hotel and restaurant companies must constantly conduct market research and search for ways to improve their products in order to bypass competitors in meeting the needs of consumers (Melnychenko et al., 2020).

Despite the identity of the characteristics as socio-economic systems, each individual enterprise solves the problems associated with increasing the level of competitiveness. As noted, a particular product is offered simultaneously by many suppliers on terms that differ little. Every company that enters the market with its own products tries to gain an advantage over others (Lamben, 1996). It is clear that in such a situation the consumer prefers a more competitive product.


Today, many approaches to increasing the level of competitiveness have been proposed, which are considered important, but the most significant ones have not been identified, and no connection has been established between them. In addition, many opinions are based on fundamental assumptions that are far from the real process of competition (Porter, 1993, 2016, 2017). A number of approaches to the study of competitiveness are not confirmed in the practice of hotel and restaurant companies.

There are also many recommendations in the modern literature to increase the level of competitiveness, but they all differ in the same diversity and inconsistency as approaches to understanding it, which can lead to negative consequences for businesses if applied.

**The purpose of the article** is to theoretically substantiate the feasibility of using a marketing
approach in the management of the hotel and restaurant company and to develop a method of marketing assessment of the level of its competitiveness on a strategic basis. In order to achieve the main goal, timely scientific tasks on the use of appropriate methods have been set and solved. Methods: descriptive, survey, generalization, comparison, graphical, modeling, mathematical, expert assessments.

Results and discussion

Changing the attitude of managers to the implementation of marketing activities of enterprises requires consideration of current trends in the tourism industry (Page and Connell, 2020). So, today, it is important to reduce the company's stay on the market. That is, the period (time) is a valuable type of resources and timeliness is often a decisive factor for the hotel and restaurant company to use its own competitive advantages. According to the authors, for the effective organization of marketing activities of a domestic company on the principle of timeliness it is necessary to:

- adjust the marketing complex taking into account the time factor (1);
- single out the implementation of time policy in the function of marketing (2);
- revise the concepts of marketing management in order to analyze them in more detail, taking into account the impact of time (3).

The essence of the concept of marketing is understood as the process of interaction between the producer of a product (good or service) and the consumer in order to benefit both (Kotler et al., 1999). Thus, the modern marketing complex has the form of a "star" and consists of "5P" elements (Fig. 1). Interaction on these elements will be effective only in the case of maximum coincidence of interests of both producer and consumer.

![Fig. 1 – Marketing complex "5P" ("star" of marketing)](image)

Each element of this "star" should be understood as a changing factor of marketing, with skillful management of which a typical company can achieve the planned level of competitiveness in the market. Regarding the service sector, it should be emphasized that the classical complex is supplemented by elements: people, prosess, physical evidence (Assel, 1999). In general, the modernized marketing complex for the service enterprise has an 8P-architecture (product, price, place, promotion, period, people, prosess, physical evidence). The presented additional element "period" forms the task of monitoring other elements and adjusting them in accordance with the product life cycle and customer needs.

The list of marketing functions of the manufacturer of hotel and restaurant product (Marchenay et al., 2020). should be revised and supplemented by the function of implementing the time policy (period). Integrated use of marketing principles provides joint implementation of the following functions: market research, implementation of product policy, pricing policy, distribution policy, promotion policy, time policy, personnel policy, technology policy, circumstance policy. The number of functions should correspond to the directions of marketing activity and characterize the level of marketing activity of the hotel and restaurant enterprise (Dichtel and Hershgen, 1995). In turn, this determines the need to manage marketing and marketing competitiveness of the company. To determine and choose the most rational direction to increase the level of competitiveness of the hotel and restaurant company, it is advisable to analyze its product strategy using the concept of life cycle (Kovalev and Voylenko, 1996). It is necessary to analyze the life cycle of the hotel and restaurant product to establish the
rationality and proportionality of resource consumption and duration of work at these stages in order to find reserves of resource conservation (Sadchenko et al., 2020). For the purpose of effective management of the directions of expenses which is carried out by the hotel and restaurant enterprise, division of stages of a life cycle of a product on principles of achievement of effective interaction of the manufacturer and the consumer is made (tab. 1).

Table 1 – Distribution of costs by stages of the product life cycle

<table>
<thead>
<tr>
<th>Product life cycle stage</th>
<th>The direction of hotel and restaurant marketing costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic marketing</td>
<td>strategic segmentation of the tourism market; taking into account the requirements of potential consumers of the product; forecast of a certain level of competitiveness of a complex hotel and restaurant product and firm; uniqueness, selection of the target audience, formation of marketing strategy</td>
</tr>
<tr>
<td>Research and development work</td>
<td>research to test the feasibility of the consumer &quot;image&quot; of the product; development of fundamental issues of technology, products, business, enterprise development; development of design and regulatory documentation for an innovative product</td>
</tr>
<tr>
<td>Production of a complex product</td>
<td>organizational and technological preparation of production and development of an innovative product; organization of logistics; introduction of alternative technologies; integration of infrastructure elements of the institution</td>
</tr>
<tr>
<td>Operational marketing</td>
<td>tactical market breakdown, dissemination of product information, development of a marketing complex for each type of consumers, preparation of digital consumption space</td>
</tr>
<tr>
<td>Delivery and sale</td>
<td>personnel selection, delivery to the consumer, transportation, trade through digital services, sale of additional products, organization of extra service, demonstration, provision of consulting services, acceptance of complaints, sale</td>
</tr>
<tr>
<td>Providing feedback</td>
<td>advisory support, ensuring the continuous operation of communication channels, advertising of alternative products, the formation of a strong commitment to consumers</td>
</tr>
<tr>
<td>Elimination or modernization of the product</td>
<td>product update, recycling service, modernization of individual elements of the marketing complex, demonstration of alternative products, formation of a base of customer expectations, correction of shortcomings, elimination</td>
</tr>
</tbody>
</table>

The established cost structure by stages of life cycle stage allows us to determine that in modern conditions, the priority factor in choosing a product by the consumer is a digital service, which provides cost optimization for both seller and buyer. Therefore, the domestic manufacturer of a complex hotel and restaurant product when promoting and positioning it on the market should focus not on production technologies and sales methods, but on its certain sufficient representation in cyberspace and digital services in the process of consumption. Effective organization of digital services attracts consumers more than the high technical and economic characteristics of the product and the impossibility of qualified and fast service (Dimitrov, 2017). The integration of the manufacturer with the consumer in the field of digital service is effective in terms of
the elements of the marketing complex of services "8P".

Today, the international business is experiencing a digital revolution: almost all people use computer technology, the main engine of change is the customer; the needs dictate the conditions in the digital market of hotel and restaurant services (Andryeyeva et al., 2019). The strategic success of companies in the fight against competitors depends on the introduction of digital marketing, understanding of the technologies of which allows ensuring the internationalization of the hotel and restaurant business and fully entering the global digital space with their own product (Meshko and Savinova, 2020). That is why the authors offer a model of a complex hotel and restaurant product in Figure 2.

![Diagram of complex hotel and restaurant product](image)

**Figure 2 – Model of complex hotel and restaurant product:**

OA – range of hotel services of the enterprise;
OB – range of hotel services of the enterprise;
OC – presentation of a complex product in real space;
OD – presentation of a complex product in digital space.

To build the proposed model, a dual criterion was used: a complex hotel and restaurant product (hotel and restaurant) and its presentation in space (real and digital). According to the specified scheme in Figure 1, each service falls into one of the four quadrants (AC, AD, BD, BC). In turn, the hotel and restaurant company have four vectors of development of a complex hotel and restaurant product: (O→AC, O→AD, O→BD, O→BC). It should be added that some hotel and restaurant services, which are located near the axes of the coordinate system (OA and OB), have almost the same undeveloped representations in real and digital space.

Undoubtedly, the implementation of this model in the business practice of the domestic hotel and restaurant company is at a strategic level. From this point of view, the use of a modern marketing approach in managing the level of competitiveness of the hotel and restaurant company significantly increases the importance of the strategy in ensuring a competitive position in the market.

In general, as international experience shows, for a hotel and restaurant company, the process of increasing the level of competitiveness should be based on integration in the direction of "producer-consumer", which is a priority in developing a development strategy (Gultek and Heroux, 2019). Therefore, in a changing market, it is necessary, in our opinion, to use a comprehensive approach to identifying different types of services. Such an approach should involve the use of certain principles, namely: maximum consideration of the needs of consumers of a complex product (1); consideration of the enterprise as a holistic system in the process of interaction with the external environment (primarily with the consumer) (2); endowment of the consumer with the function of digital control over the activities of the hotel and restaurant enterprise (3); giving priority to the areas of digital service and the implementation of various services (4); strengthening the role of digital services in the formation of a network of supporters (5). Such principles should become the basis for formulating the stages of formation of the strategy of increasing the level of competitiveness of the enterprise and determining the procedure for developing an effective procedure for its implementation.
The effective actions of the hotel and restaurant company to develop a marketing strategy to increase the level of competitiveness are schematically presented in Fig. 3.

Fig. 3 – The scheme of action to develop a marketing strategy to increase the competitiveness of the hotel and restaurant business

In general, the use of this strategy in practice should help improve the quality of digital service in accordance with consumer requirements; saving resources at consumers and saving resources in production of a complex hotel and restaurant product. The procedure for implementing a marketing strategy involves the implementation of basic management functions (planning, organization, motivation and incentives, control), as well as, based on an effective communication system, algorithmization of the marketing decision-making process (Sivachenko, 2003).

In particular, the effective use of digital service strategy as an element of marketing strategy should take into account the following features: ensuring a sufficient level of service quality (how well the company meets the digital needs of consumers compared to competitors) (1); achieving the optimal level of openness, concentration and specialization (demonstration and improvement of the production structure) in the hotel and restaurant company and, on this basis, deciding on the feasibility of establishing integrated digital connections (2); selection of the most appropriate approach to the calculation of the annual volume of work on digital service support of a complex product.

Regarding the successful management of marketing support of the planned level of competitiveness of the hotel and restaurant company, it should be noted that the solution of this problem, of course, requires a set of technical and organizational issues, which include: analysis of external conditions (1); selection of the base of comparison in the form of analogues or standards (2); determination of
individual and integrated indicators (3); development of measures to increase marketing competitiveness (4). This problem has an important methodological aspect, the essence of which is that the marketing of the level of competitiveness of the enterprise is complicated by the lack of a specific today relatively simple and convenient for practical use methods of assessing this level. The authors made an attempt to provide assistance to the heads of hotel and restaurant enterprises in the form of a developed methodology. The method of marketing assessment of the level of competitiveness of the hotel and restaurant enterprise as an integrated result of a wide range of marketing factors involves certain stages of calculations.

The key marketing factors of competitiveness (marketing competitive advantages) should be understood as a unique combination of existing marketing potential with accumulated experience and established image, which contribute to the manufacture of competitive products, through which the hotel and restaurant business is able to ensure long-term operation (Chukurna and Nikolaiev, 2021).

To sufficiently substantiate the quantitative marketing assessment of the level of competitiveness (the degree of conformity of the features is determined in shares of the unit) as guidelines, the authors propose to use such assessments of key factors in the elements of modern marketing "8P":

1. Marketing assessment of competitiveness on the element of "product" (quality, usefulness and basic indicators of the product meet the requirements of consumers fully – 1.0; not fully – 0.5; do not meet – 0).

2. Marketing assessment of competitiveness on the element of "price" (the price corresponds to the quality of the complex product and the effort to purchase it – 1.0; exceeds the quality – 0.5; significantly exceeds – 0).

3. Marketing assessment of competitiveness on the element of "place" (there is a well-organized distribution system that meets the requirements of "availability" of the product for the consumer in full – 1.0; there are shortcomings – 0.5; serious problems – 0).

4. Marketing assessment of competitiveness on the element of "promotion" (the system of feedback and information on the additional benefits of incentives meets the expectations of the consumer fully – 1; partially – 0.5; does not meet – 0).

5. Marketing assessment of competitiveness on the element of "period" (the company's response to the demands of consumers, which are constantly changing, is prompt – 1.0; with a delay – 0.5; the reaction is almost absent – 0).

6. Marketing assessment of competitiveness by the element "people" (compliance with the competencies of the company's marketing staff, the ability to meet consumer needs is complete – 1.0; partially meet – 0.5; staff creates problems and cannot solve them – 0).

7. Marketing assessment of competitiveness on the element of "prosess" (modern service technologies and "openness" of the production process are available to demonstrate to the customer the transparency of technological operations for the manufacture of the product – 1.0; availability is limited – 0.5; closed process – 0).

8. Marketing assessment of competitiveness on the element of "physical evidence" (successfully created environment, friendly atmosphere of service – 1.0; the client has a certain discomfort of presence – 0.5; complete dissatisfaction – 0).

The recommended rating scale for hotel and restaurant enterprises is as follows: competitive enterprise – from 1 to 0.7 (1); enterprise at the transition stage – from 0.6 to 0.4 (2); the company is a candidate for exit from the market – from 0.3 and below (3). By this logic, the formula for calculating the average marketing assessment of the level of competitiveness of the hotel and restaurant company takes the following form (n – the number of indicators):
\[
K_{\text{mark.comp.}} = \frac{K_{\text{prod.}}^2 + K_{\text{price}}^2 + K_{\text{place}}^3 + K_{\text{prom.}}^4 + K_{\text{period}}^5 + K_{\text{peop.}}^6 + K_{\text{pros.}}^7 + K_{\text{evid.}}^8}{n}, \tag{1}
\]

- \(K_{\text{prod.}}\) – marketing competitiveness by element "product";
- \(K_{\text{price}}\) – marketing competitiveness by element "price";
- \(K_{\text{place}}\) – marketing competitiveness by element "place";
- \(K_{\text{prom.}}\) – marketing competitiveness by element "promotion";
- \(K_{\text{period}}\) – marketing competitiveness by element "period";
- \(K_{\text{peop.}}\) – marketing competitiveness by element "people";
- \(K_{\text{pros.}}\) – marketing competitiveness by element "prosess";
- \(K_{\text{evid.}}\) – marketing competitiveness by element "physical evidence".

\(n\) – the number of indicators of marketing competitiveness.

The method of marketing assessment of factors is an expert, which is based on the actual indicators of marketing activities of the enterprise, namely:

- marketing assessment of the competitiveness of the "product". Assessment of the quality of the product, which reveals the consumer value, taking into account its profitability;
- marketing assessment of competitiveness "price". Assessment of specificity and conformity of prices of quality of a complex product taking into account all services;
- marketing assessment of the competitiveness of the "place". Assessment of the level of organization of distribution systems taking into account business logistics systems;
- marketing assessment of the competitiveness of "promotion". Estimation of the amount of additional income in relation to the cost of consumer incentives;
- marketing assessment of competitiveness "period". Estimation of time spent by the company to create a product in accordance with customer requirements;
- marketing assessment of the competitiveness of "people". Assessment of the level of work organization of staff to provide a certain level of service;
- marketing assessment of the competitiveness of "prosess". Assessment of the level of privacy, manufacturability, digitalization of the customer service process;
- marketing assessment of the competitiveness of "evidence". Assessment of the client's level of comfort and desire to stay in a "unique" atmosphere.

However, the level of competitiveness, which is assessed by the elements of the marketing complex "8P", is not an inherent quality of the hotel and restaurant company and can be correctly and realistically assessed only within a group of companies in one industry or those offering a similar complex product. That is why the marketing assessment of the level of competitiveness of the enterprise should be understood as an assessment in which the internal characteristics are compared with the marketing parameters of other enterprises in the industry. That is, this evaluation criterion is a relative concept: the same company within, for example, a regional industry, destination, location may be recognized as competitive, and within the global market – no (Gudz et al., 2020). The key parameters for hotel and restaurant enterprises of one group are determined: compliance of the characteristics of a complex hotel and restaurant product with the identity of the needs met with its help (1); compliance of the market segments for which the product is intended (2); compliance with the phase of the life cycle in which the enterprise operates (3). Thus, the competitive advantage of one company over another can be assessed in the
case when both meet the identical needs of customers who belong to similar market segments. Thus, the enterprises should be approximately in the same phases of a life cycle. In cases where these requirements are not met, the comparison will be incorrect.

In today’s global environment, even with the rapid digitalization of business, it is impossible to collect all the necessary information about competitors, but it is advisable to analyze the current state of the competitor, its competitive position in the industry, potential and strategies for its use, as well as marketing goals for the short, medium and long term (Ohota, 2017). From this point of view, it is almost impossible to estimate exactly the total beneficial effect that has already been obtained by the consumer or is planned to be obtained in the future for a new product that was not previously offered to the consumer in the domestic market. When using traditional approaches to assessing the level of competitiveness, there are problems with limited information (Basyuk and Barna, 2018; Kramarenko and Sirous, 2018). In order to correctly assess the level of competitiveness of the hotel and restaurant company, the authors proposed a method that can be used in a wide range of conditions with a correspondingly small amount of initial data.

In general, the method of marketing assessment of the level of competitiveness of the hotel and restaurant company should include the following stages:

– first, the formation of an expert group of independent specialists;
– selection of the research base from the composition of analogous enterprises and the standard firm;
– coordination of indicators on key marketing factors;
– determination of an integrated marketing indicator for assessing competitiveness according to the system of weighted and weighted assessments;
– analysis and evaluation of the obtained results.

**Discussion.** Taking into account the impact of digital service on the level of marketing competitiveness of a complex hotel and restaurant product, it makes sense to note that its impact can be assessed using individual factors, which can be adjusted to each case taking into account the specifics of the product. The use of digital service concept in the practical positioning of the enterprise as one of the priority elements to increase its competitiveness is an effective tool that will increase sales of a complex product, improve operational activities and improve the competitive position of domestic hotel and restaurant market and its segments. This may be of interest to scientists and become a direction of further research and development.

**Conclusions**

Thus, it is possible to identify priority areas for effective marketing management of the level of competitiveness of the enterprise:

– to know, study and analyze marketing facts related to the level of competitiveness of the enterprise (regularly conduct retrospective analysis, identify the marketing logic of events in the internal and external environment with which to interact, study the consumer, diagnose internal problems of complex product production, forecast action of external factors);
– to forecast current and future marketing goals for the level of competitiveness of the enterprise, and the goals and objectives should be under constant control, develop a marketing strategic concept, develop a competitive marketing strategy aimed at using the potential marketing opportunities of the enterprise;
– to organize and combine resources and technologies for their rational use in marketing management of the level of competitiveness;
– to form adequate structures for marketing support for the implementation of strategic and operational goals of competitiveness;
– to ensure the integration of all divisions and specialists of the enterprise related to the process of marketing decisions on the rational satisfaction of customer needs through the production and sale of the product, i.e. which affect the determination of the level of competitiveness.

The scientific novelty of the article is:
– the use of a marketing approach when planning the activities of a hotel and restaurant company to increase the level of competitiveness;
– providing a description of the impact of the concept of the product life cycle on the development of a strategy to increase the level of competitiveness of the enterprise;
– introduction of a comprehensive methodology for marketing assessment of the level of competitiveness of the hotel and restaurant company as a strategic factor in monitoring its competitive position in certain market segments.

Evaluation of the results of the implementation of such an approach to increase the level of competitiveness of the hotel and restaurant company should be carried out in the following areas (prospects for further development): improving the efficiency of economic activity (1); digital service development (2); improving product quality (3); gaining benefits from different types of integration with the consumer (4).

The results of the study can be used by managers to:
– increasing the reliability of strategic management decisions to select the most acceptable development strategy, assess the degree of attractiveness of different areas of integration growth and forms of interaction with the consumer;
– development of a modern organizational and economic mechanism for managing marketing activities to increase the level of competitiveness of the hotel and restaurant company, increase the efficiency of strategic and operational management of the level of its overall competitiveness;
– ensuring a certain level of competitiveness of the enterprise, increasing its share in the market and the planned volume of sales.

References


Sadchenko, O., Davydova, I., Yakymyshyn, L.,