



Article Title

Dynamics of pricing and non-pricing strategies, revenue management performance and competitive advantage in hotel industry

Citation

Nair, G. (2018). Dynamics of pricing and non-pricing strategies, revenue management performance and competitive advantage in hotel industry. *International Journal of Hospitality Management*. <https://doi.org/10.1016/j.ijhm.2018.10.007>

Abstract

This research attempts to establish linkages between the dimensions of pricing and non-pricing strategies adopted in hotels in Qatar on the revenue management performance and the gaining of the competitive advantage in business. Nine of the prominently used pricing strategies and four of the non-pricing strategies commonly used in hotel industries have been considered.

Methods

The research methodology uses interpretivist paradigm using SEM to test the 14 hypotheses with a sample size of 210 managers chosen from 20 five star hotels.

Results

Results indicated that hotels should closely monitor demand based pricing, optional product pricing, promotional pricing, and psychological pricing among pricing strategies and length of stay control in non-pricing strategies, as they have a significant relationship with revenue management performance which in turn can provide competitive advantage in business as revealed through the hypothesis testing.

Conclusion

Hypothesis testing revealed that among nine pricing strategies and four non-pricing strategies, four of the pricing strategies: demand based pricing, optional product pricing, psychological pricing, and promotional pricing and one non-pricing strategy, viz., length of stay control were found to have a significant relationship with revenue management performance, which in turn had an influence on the gaining of competitive advantage. These revelations have led to the development of the strategic implications to the managers of the hotels in Qatar. Primarily, the pricing and non-pricing strategies which have relationships with revenue management performance need to be implemented in these hotels so as to gain the competitive advantage.