THESIS PROPOSAL

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Hotel Competitiveness from the Perspective of Local Embeddedness

Supervisor:

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Hotel Competitiveness from the Perspective of Local Embeddedness

1. Introduction

Competitiveness has been a subject of research from the early 1990s, it is a very common expression used in business administration. Despite this fact the definition and its application still raises some questions due to the complexity of its meaning. Researchers have started to examine the tourism and hospitality competitiveness (conceptually and empirically) in the last two decades. Hospitality industry, and especially the hotel industry is a significant sector of the national economy to be investigated from point of competitiveness.

Conrad Nicholson Hilton, the founder of Hilton company highlighted one of the most dominant factor of the hotel competitiveness in the beginning of the XIX\textsuperscript{th} century with the statement, \textquotedblleft Location, location, location is everything!	extquotedblright. The hotel professionalist that time summarized the maxim for the success of his eponymous hotel chain with this statement, but these three words also sum up the most significant decisions businesses have to consider today.

The role of location is very significant, because the aim of leisure guest-travels is usually visiting a destination, but with the development of technology, the penetration and the spread of share economy; the hospitality services and the global hotel market have changed significantly. Hotel marketers are proposed to take into account the internal and external factors which contribute to their success of their firms to be competitive at a specific location.

Due to the globalization online platforms make it possible for the visitors to share their opinion about the hotel services and the destination as well, the future consumer visit a place or an accomodation with previous knowledge about the offered services and high expectations based on the previous comments. As a result of the innovation processes and technological improvements, the expansion of the tourism market, the changing market segments and changing consumer behaviour, the role of the guest satisfaction measurement, the comparison of the services, online marketing (social media) is increasing and the role of competitiveness is becoming a significant research topic in the service sector.

The investigation of hotel competitiveness from the aspect of local embeddedness is a novelty in the academic literature related to the tourism and hotel industry. The author assumes that this phenomenon has to be taken into account and analysed in the case of the
hotel industry, where economic process takes place during the service-provision, the satisfaction of the guests.

Due to the globalization, the change in the consumer behaviour and global firms, the question of location and local resources are becoming more and more significant especially in the case of international hotel chains. The international hotel company is a member of a hotel market at a specific location, and it is surrounded by a sociological environment, local people, culture and traditions which have a positive impact on the competitiveness of the hotel based on the assumptions of the author. The most significant roles of hotel companies is in a changing phase due to several factors, the most important ones to emphasize are: changing consumer behaviour, globalization and increasing competition. The tourists of the XXIst century are adventurous travellers who search for local and authentic experience. The main function of the hotel companies is to provide accommodation for the tourists (local and also foreign guests), on the other hand, due to the change of consumer behaviour and also due to profitability reasons the hotel companies realized business possibilities in offering complementary services. Based on the literature of architourism focusing on hotel industry, it can be stated, that the surface area of the community spaces is radically increasing in cases of hotels boasting with 100 or more rooms. The reasons for this on one hand is providing more place for the complementary services (food and beverage outlets, shops, event rooms etc.) and also to create a comfortable environment and pleasant ambience for the tourists and for the residents and the same time. Hotels today are much more than temporary homes for tourists, they are full of life and the symbols of cosmopolitanism. Hotel lobbies are social meeting places for the locals and globals. Community spaces of locally embedded hotels reflect the unique selling points, the local values and the traditions of the local culture. These places create a platform where co-creation and interaction can be present between the foreign employees, the local employees, the foreign guests and between the local guests also. These hotels are social hubs of the city, represent local history, traditions and offer high-level unique service for the guests. Locally embedded hotels play significant role in the community life of the city-residents, supports the economic growth of the city. The author aims to reveal the relationship between hotel competitiveness and local embeddedness in the hotel industry, investigate in which ways local embeddedness can have a positive impact on hotel competitiveness.
2. Literature review

The main aim of this section is to analyse the literature related to hotel competitiveness of the last decade, and to reveal to which extent local embeddedness plays a significant role in the determination of competitiveness in the case of a hotel. Another aim is to summarise the related literature, list the social, economic and environmental aspects of hotel competitiveness, furthermore to define the relationship of hotel competitiveness and local embeddedness. The author is not aiming at the estimation of the competitiveness by the means of quantitative methods at specific hotel firms. Based on the related academic literature and research results the aim of the research is to investigate the relationship between hotel competitiveness and local embeddedness, to reveal the ways local embeddedness can have a positive impact on hotel competitiveness.

![Figure 1.: Summary of the main concepts of the literature review (own edit)](image)

2.1. The concept of competitiveness

The concept of competitiveness first emerged in Charles Darwin’s competition by natural selection, survival of the fittest theory. Buckley et al. proposed the academic research of competitiveness first (1988). Competitiveness was the precedence of competition, a management process and a result of competition. Francis and Tharakan (1989) classified competition into three levels, enterprise, industrial and national competitiveness. Porter (1990) defined national competitiveness as an outcome of a nation’s ability to innovatively achieve or maintain an advantageous position over the nations in key industrial sectors. Porter proposed in his Diamond Model that national competitiveness meant to indicate that the business have the ability to compete in the competitive markets. On the other hand
competitiveness is concerned with whether a certain industry of a country has advantages in the global market. Competitiveness meant to indicate that the business have the ability to compete in the competitive markets. OECD, Organisation for Economic Cooperation and Development defined competitiveness as the degree to which a country can, under free and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of its people over the long term. A nation’s competitiveness can be measured by the accumulation of the competitiveness of firms operating within its boundaries (Papadakis, 1994). Boltho (1996) distinguished the short- and long-run competitiveness of nations. According to him, short-run international competitiveness is the level of the real exchange rate that ensures internal and external balance with appropriate domestic policies, the long-run competitiveness is on one hand international competitiveness, on the other hand, it could be associated with the highest possible growth of productivity that was compatible with external equilibrium. According to Porter (1998) firms, not nations compete with each other in international markets. Clark and Guy (1998) stated that competitiveness depends on the firms in the country competing both in domestic and international markets. Several factors influence competitiveness based on the researches of Newman, Porter, Roessner, Kongthong and Jin (2005). Competitiveness encompasses everything from national government policies and citizens’ attitudes to investments in infrastructure and manufacturing capability. The reason for national competitiveness is competition. Competitiveness is reflected by the consumer choice between two or more goods competing for the consumer’s dollar (Papadakis, 1994). Competitiveness is related to productivity growth and entails quality differences, relative prices, production and distribution costs, the ability to market and the efficiency of the supporting marketing and distribution system (Tefertiller and Ward, 1995). Competitiveness can be also defined as a country’s ability to create, produce, distribute and/or service products in the international economy, while increasing returns on its sources (Scott and Lodge, 1985). Firm-level competitiveness of a firm is its ability to design, produce, and/or market its products superior to those provided by its competitors, considering both the price and non-price factors (D’Cruz and Rugman, 1992). Competitiveness can be seen as involving elements of productivity, efficiency and profitability as a means of achieving rising standards of living and increasing social welfare (Huggins, 2000). The nation’s competitive position lies in the creation of a social and economic environment that encourages the firms to take actions that promote their own self-interest, while at the same
time enhancing national competitiveness (Blaine, 1993). Krugman (1994) stated that national competitiveness is a meaningless concept and the obsession with the concept is both wrong and dangerous. Instead of investigating the concept of competitiveness, he spoke of national living standards as overwhelmingly determined by domestic factors rather than by competitive rivalry between world markets. The factors of competitiveness have also drawn the attention of researchers in the fields of destination tourism and the hotel industry, there are several studies which focus on the adequate evaluation of the competitiveness determinants.

2.2. Hotel competitiveness

A number of academic studies are available focusing on hotel competitiveness and there is no consent on the definition of hotel competitiveness, but there are studies determining the most significant factors of hotel competitiveness.

<table>
<thead>
<tr>
<th>MODEL/FRAMEWORK</th>
<th>SIGNIFICANCE</th>
<th>AUTHOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer satisfaction, Service Quality and Pricing</td>
<td>-customer satisfaction leads to profitability of the service sector -service quality has a positive impact on the performance and competitiveness</td>
<td>Akhavan (2006); Cardozo, 1965; Fornell, 1992; Halstead and Page, 1992; Mattila and O’Neil, 2003</td>
</tr>
<tr>
<td>Hotel Performance Measurement Framework</td>
<td>-three areas of strategic planning: formulation, implementation, evaluation -input, output, processes, market, strategic orientation and environmental characteristics are associated with outcomes</td>
<td>Brignall and Ballantine, 1996; Brown and Dev, 2000; Fitzgerald et al., 1991; Neely et al., 1995</td>
</tr>
<tr>
<td>Hotel Productivity</td>
<td>-priority, depends on efficiency, effectiveness, quality, predictability and other performance dimensions</td>
<td>Brown and Dev, 1999, 2000; Reynolds and Thompson, 2007; Sigala, 2004; Wang et al., 2006</td>
</tr>
<tr>
<td>Marketing/Integrated marketing strategy</td>
<td>-to attract and retain guests and distinguish themselves from their rivals in order to stay in the industry</td>
<td>Brown and Ragsdale, 2002; Keh et al., 2006,</td>
</tr>
<tr>
<td>Operational costs/Stimulation model-energy flow</td>
<td>-energy is one of the largest elements of operational costs -applied to show the importance of reducing cost and the growing sensitivity to environmental factors in hotel industry</td>
<td>Karagiorgas et al. 2007, Shamming and Burnett 2002, Trung and Kumar 2005</td>
</tr>
<tr>
<td>Productivity Assessment (DEA)</td>
<td>-DEA examines controllable and uncontrollable (environmental and situational) factors which help to analyze the firm’s productivity/efficiency</td>
<td>Reynolds, 2004; Reynolds and Thompson, 2007; Sigala 2004</td>
</tr>
<tr>
<td>Strategic decisions</td>
<td>-to guide the development of a firm and affect competitiveness</td>
<td>Roth 1993, Roth and Van der Veld 1991, Yeung and Lau 2005</td>
</tr>
<tr>
<td>Technology and innovation</td>
<td>-new technologies can improve the productivity of a hotel -technological innovation leads to better strategic planning which improves competitiveness</td>
<td>Orfila-Sintes et al., 2005, Barros and Alves 2004, Cohen and Levin, 1989; Griliches, 1990; Olsen and Connolly, 1999; Sirilli and Evangelista, 1998</td>
</tr>
</tbody>
</table>

Table 1.: Models/Frameworks of hotel competitiveness, source: own edit
According to Lashley (2001) productivity is a key element of hotel competitiveness. A competitive firm has certain advantages given by the key factors it possesses and its rivals don’t (for instance, understanding the requirements of the consumers, a brand and innovation). According to Ioncica et al. (2006), the concept of competitiveness is subdivided on two sub-concepts: comparative advantage and competitive advantage. In terms of business segment, companies can create relative competitive advantage and possess unique resources (Hsu, 2000). Competitiveness has different applications when applied to different levels and the common purpose is to achieve a beneficial position through the establishment of competitive advantage (Man et al., 2002).

Comparative advantage theory examines the decisive influence of the abundance of cheap resources in a national economy on its industrial structure. Competitive advantages theory proposes a dynamic and microeconomic approach which mentions the fact that the proper specialization of national industry depends on the competitive capacity of firms, both on the national and international market.

The competitiveness of a country derives from the performance of its enterprises (Barros, 2005). Hotels contribute to the community’s economic, social and cultural development (Go et al., 1994). The factors which determine the hotel industry’s competitiveness are input, process, output and outcome. Hotels utilize input factors and produce a variety of products and services (outputs), the nature of which depends very much on the hotels’ strategic and competitive positions in the region. The impact of these measures in terms of tangible outcomes is reflected by the market share of the hotel industry and by the price competitiveness of the hotel industry in the regional market. The available studies and literature that examine the competitiveness of the hotel industry usually investigate a limited number of factors and fail to develop a model that describes the relationships among those factors but there are some comprehensive frameworks and models (Table 1.).

2.2.1. Indicators and determinants of hotel competitiveness

There are a number of indicators which influence hotel competitiveness. Every researcher and professor approaches the topic of competitiveness from their point of view and professional perspective. Table 2. summarizes the name of the researchers and according to the authors the most important determinants which contribute to the hotel competitiveness.
The determination of the competitiveness of a hotel is very complex. The performance of the firms have a great influence on the competitiveness of a country, this includes the service sector and the hotel industry as well. As the society starts to grow and improve, it stimulates the hotel industry and the service sector to grow, in return the hotel contributes to the economic, social and cultural improvement of the society. The hotel industry stimulates economic growth and stability of the destination, due to the multisectoral impact of tourism commerce and service industries evolve, the number of visitors is growing, creating demand of increased expansion of accommodation services.

A hotel competitiveness indicator expresses the extent to which the hotel is able to provide services which are available for sale while providing satisfaction for the guests, employees and management/ownership at the same time (Juhász, 2012). In this statement the different
dimensions are highlighted and a conclusion is drawn, that reaching high business profit does not mean full competitive advantage on the market. If the guest wishes are guaranteed and the guest satisfaction is high without adequate revenue this fact is still not enough for a firm to possess competitive advantage on the market. Special indicators (GESPER\textsuperscript{1}, GOP\textsuperscript{2}-level, REVPAR\textsuperscript{3}, TREVPAR\textsuperscript{4}-results etc.), the ability to increase in profitability, guest segments, harmony of specialization, level of personal cost and the profitability of the invested capital all contribute to the competitiveness of a hotel. However, international competitiveness must be compared to foreign market conditions, due to the differences in the level of the general consumption tax, tourist tax and with regard of human resources tax. The performance and competitiveness of a hotel is determined by several factors (Figure 2.). The hotel using the input factors (work environment, technology, infrastructure, training, business environment, innovation, creativity) and products to form services, which result in output factors (economic growth, increase in the employment and in the quality of life) which depend on the strategic and competitive position of the hotel in the region. The impact of the above mentioned factors is reflected by the market share, and the productivity of the hotel, the cost and price competition in the regional market. The hotel competitiveness indicators can be classified into three groups, indicators associated with service (service capacity, capacity indices, demand, supply, distribution, availability, category, quality and innovation) performance (output growth, possibility of growth, employment, quality of labor, skills, education, sustainability, productivity, efficiency, ability to create income) and resources (location, added value, labour, capital, assets, investment in the sector, annual replacement of equipments, technology).

\textsuperscript{1} Guest Night Per Revenue  
\textsuperscript{2} Gross-Operating Profit, result of the business activity  
\textsuperscript{3} Revenue Per Available Room  
\textsuperscript{4} Total Revenue Per Available Room
2.2.1. Different aspects of hotel competitiveness

As tourism and hotel industry prospers in the global economy, the number and variety of accommodation possibilities is increasing, the desire of the tourists for discovering and visiting new destinations is also increasing and the future guests are provided several online and offline platforms to make decisions about which is the most adequate hotel which fits their needs and suits their expectations. Competitiveness becomes a more significant question than ever. Competitiveness can be observed as an evolution of the concept from static competitiveness, during which the competitive advantage is given by an endowment with technical factors, to the dynamic one, whose key factors are technical progress, salary raises and modern management methods. In this case competitive advantage surpasses the economic dimensions and starts to include the increase of the country’s financial and productive forces, education, safety and standard of living. Competitiveness is also associated with the idea of success, of long term survival and it does not characterize only the economic life but the effects can be also felt in the social domain.

Nowadays Corporate Social Responsibility (CSR), the social and environmental responsible activities of the firms is more and more significant. CSR is a concept which possesses economic, social and environmental dimensions. Nowadays the international organizations pay the greatest attention to increase the quality of working environments, to use forms of renewable energy and to fight against corruption. The fact that the larger companies not only
take out but give back something for the citizens is very important in the case of CSR. With the appropriate implementation and application of CSR, the improvements can be sustainable on long-term.

Economic effect of hotels is easy to understand, hotels work through markets, the aim to be profitable is evident for them. Revenue and yield management play a significant role in reaching the highest revenue with optimal utilisation. In other words yield and revenue management aims to conduct an active price changing policy at the market which finally results in the increase of the revenue and occupancy. These results can be reached by the exact analysis of the demand of the guest segment, defining the appropriate target market and the positioning of the services. This is the task of the hotel marketing, among these the hotels have to pay attention to the feedback of the guests which provide long-term sustainability and guest loyalty. Hotels pay an important role in the economy of a destination of a country with the multiplicator effect employment places are created, foreign capital flows in and the tourist are spending, using the facilities and services of the region.

<table>
<thead>
<tr>
<th>ECONOMIC ASPECT OF COMPETITIVENESS</th>
<th>SOCIAL ASPECT OF COMPETITIVENESS</th>
<th>ENVIRONMENTAL ASPECT OF COMPETITIVENESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enhancing employment</td>
<td>• Effect on local culture and</td>
<td>• Implementation of sustainable</td>
</tr>
<tr>
<td>• Inflow of foreign direct</td>
<td>traditions</td>
<td>solutions</td>
</tr>
<tr>
<td>investment in case of foreign</td>
<td>• Raising awareness</td>
<td>• Role of alternative energy: solar</td>
</tr>
<tr>
<td>chains</td>
<td>• Preserving authenticity but</td>
<td>energy, wind energy, biomass,</td>
</tr>
<tr>
<td>• Multiplier effect</td>
<td>the utilization and implementation</td>
<td>geothermal energy</td>
</tr>
<tr>
<td>• Boost of local economy</td>
<td>of smart solutions</td>
<td>• Healing/heating</td>
</tr>
<tr>
<td>• Realized profit not necessarily</td>
<td>• CSR activities</td>
<td>• Waste management, recycling,</td>
</tr>
<tr>
<td>returns to the local economy</td>
<td>• Relationship of the employees</td>
<td>upcycling</td>
</tr>
<tr>
<td></td>
<td>and owner/management</td>
<td>• Water management</td>
</tr>
<tr>
<td></td>
<td>• Adequate local transmission</td>
<td>• Environment protection and value</td>
</tr>
<tr>
<td></td>
<td>of company values</td>
<td>preservation</td>
</tr>
<tr>
<td></td>
<td>• Global-local interaction</td>
<td>• Respect of the local values</td>
</tr>
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</table>

Table 3: Summary of the different aspects of hotel competitiveness
Source: Own edit
2.3. Destination competitiveness

Despite the significant role of the destinations in the tourism systems, there is no widely accepted definition of the term destination competitiveness. According to Dwyer, Forsyth and Rao (2000) tourism competitiveness is a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of a destination (Dwyer et al., 2000). Hassan defines competitiveness as the destination’s ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitors (Hassan, 2000). Destination competitiveness can be associated with the economic prosperity of residents of a country (Buhalis, 2000; Crouch & Ritchie, 1999). According to (Adams & Parmenter, 1992; Dwyer & Forsyth, 1998; Dwyer, Forsyth, Madden & Spurr, 2000; Dwyer, Forsyth & Spurr, 2003) the economic impact of tourism will depend upon variables over and above market share, including an economy’s situational conditions such as factor constraints, industry structure, profile of traditional exports and import-competing industry, exchange rate regime and current government macroeconomic policy stance (fiscal, monetary,labour market) (Dwyer et al., 2000). Poon (1993) suggests four key principles which destinations must follow if they are to be competitive: put the environment first; make tourism a leading sector; strengthen the distribution channels in the market place, and build a dynamic private sector. Go and Govers (1999) measure a destination’s competitive position relative to other destinations along seven attributes: facilities, accessibility, quality of service, overall affordability, location image, climate and environment, and attractiveness. The selected attributes appear not to be based on any model of competitiveness and, in any case, apply specifically to the conventions sector of tourism. Dwyer et al. (2000; 2002) have provided the most detailed study of tourism price competitiveness published to date. Hassan has developed a new model of competitiveness that focuses on environmental sustainability factors associated with travel destinations (Hassan, 2000). Hassan posits four determinants of market competitiveness: comparative advantage (includes those factors associated with both the macro and micro environments that are critical to market competitiveness); demand orientation (the destination’s ability to respond to the changing nature of the market demand); industry structure (existence or absence of an organised tourism-related industry); and environmental commitment (the destination’s commitment to the environment).
Underlying his model is a conviction that a global perspective to understand key determinants of market competitiveness is critical for the tourism industry to sustain its growth and vitality (Hassan, 2000). The most significant analysis carried out by tourism researchers on overall tourism competitiveness is that of Crouch and Ritchie (1995, 1999) and Ritchie and Crouch (1993, 2000). They examined the applicability to tourism destinations of competitiveness research and models in other contexts spanning companies and products, national industries, and national economies, as well as competitiveness related to service industries. They claim that, in absolute terms, the most competitive destination is one which brings about the greatest success; that is, the most well-being for its residents on a sustainable basis. And that competitiveness is illusory without sustainability (Ritchie & Crouch, 2000). They claim that to be competitive, a destination’s development of tourism must be sustainable, not just economically and not just ecologically, but socially, culturally and politically as well. Ritchie and Crouch focus on long-term economic prosperity as the yardstick by which destinations can be assessed competitively. Thus the most competitive destination is that which most effectively creates sustainable well-being for its residents. A model of destination competitiveness has been developed by Ernie Heath who claims that: existing models do not appear to adequately provide an integrated treatment of the various issues surrounding the concept of ‘competitiveness’ and do not place sufficient emphasis on the key success drivers (people) and the vital linkages that need to be considered when developing a comprehensive framework of sustainable destination competitiveness (Heath, 2003). Heath’s model is presented in the form of a house with foundations, cement, building blocks and roof: ’The Foundations provide an essential base for competitiveness. These include: Providing and Managing the Key Attractors (e.g. history, culture, climate, events, entertainment, etc.); Optimising the Comparative and Competitive Advantages; Addressing the Fundamental Non-negotiables (e.g. personal, safety and health issues); Providing the Enablers (e.g. infrastructure (airports, roads, signage, etc.), managing capacity); Capitalising on the Value Adders (e.g. location, value, and destination linkages); Ensuring Appropriate Facilitators (e.g. appropriate airline capacity, accommodation, distribution 376 Current Issues in Tourism channels, etc.); Focusing on the Experience Enhancers (e.g. hospitality, service excellence, authentic experiences). The Cement binds and links the respective facets of competitiveness. These include continuous and transparent communication channels; balancing direct and indirect stakeholder involvement and beneficiation; information management, research and forecasting; managing competitive indicators and benchmarks.
The Building Blocks are essential to make tourism ‘happen’ in a destination. These include a Sustainable Development Policy and Framework (policy and legislative framework, organisational and financing framework, resources and capabilities, investment climate, sustainable environmental principles) and a Strategic and Holistic Destination Marketing Framework and Strategy (destination image and branding, competitive positioning, target marketing/demand management, innovative marketing strategies, visitor satisfaction management). The Roof (the key successdrivers) comprises the ‘people’ part of destination competitiveness. These include a shared tourism vision and leadership, guiding values and principles, placing strategic priority on the ‘people’ factor (political will, entrepreneurship, community focus and human resources development). The present model explicitly recognises demand conditions as an important determinant of destination competitiveness. Destination competitiveness is not an ultimate end of policy making but is an intermediate goal towards the objective of regional or national economic prosperity.

2.4. Local embeddedness

The investigation of local embeddedness is a novelty in the academic literature related to tourism and the hotel industry. From the aspect of sociology, Karl Polanyi investigated embeddedness first in 1944. Due to the globalization, the change in the consumer behaviour and global firms, the question of location and following the advantages of the resource-based view in cases of firms are becoming more and more significant especially in the case of international hotel chains to sustain competitive advantage for longer period of time at a specific location. The international hotel company is a member of a hotel market at a specific location, and it is surrounded by a sociological environment, local people, culture and traditions which have an impact on the competitiveness of the hotel according to the assumption of the author. Based on various examples, it can be stated that tourists and residents in day-to-day contexts and life, has today become a design parameter for the tourist experience, giving rise to new and emerging forms of urban and tourist organisation together (Cipoletti, 2014). Economic sociology has established the interdependencies between economic and social structures using the notion of embeddedness of the former in the latter (Brailly et. al., 2016). In the area of economic sociology a number of researches has exposed the importance of social networks in markets, indicating the relevance of relational structures for the emergence of economic activities (Granovetter and Swedberg, 1992, Brass et. al.
Granovetter’s (1985) article on embeddedness is famous for asserting at a high level of generality that economic phenomena take place in social structures and are shaped by social networks. Individuals do not act as atoms in social life, their behaviour is not entirely defined by macro-structures, and their actions depend on a relational context. Bathelt and Schuldt (2008) called global pipelines the long distance partnerships between companies that globalized markets require. Behind each partnership a different relationship is represented. Behind each partnership between companies, there are always inter-individual ties (Gulati, 1995). According to the literature, the definition embeddedness, is identified as the nature, depth, and extent of an individual’s ties into the environment, has recently been commented upon as a configurating element of general business process (Whittington, 1992; Uzzi, 1997; Dacin et al., 1999). In the last decade embeddedness from economic aspect in the academic literature is connected to performance, competition, innovation and firm embeddedness.

Another aspect has to be investigated in cases of embeddedness and analysis of networks, the question of outsourcing. There has been a long tradition of hotels providing both food and accommodation for the travellers as part of the hotel product. In the recent years, several hotel restaurants were not profitable, hotel restaurants have become support amenities to what has come to be seen as the core business of accommodation (Strate and Rappole, 1997). Two significant trends have emerged (Hemmington and King, 2000). On the one hand, the independent restaurant sector has become highly competitive and has focused on meeting the needs of the market with creative and innovative branded restaurant concepts (Casper, 1995). Hotel restaurants, on the other hand, are generally perceived to fall behind at the competition and to have lost touch with their customers (Hallam and Baum, 1996). Dining at a restaurant which is operated at the hotel is sometimes not fancy, and sometimes standardised, that is the reason the guests go out of the hotel and try some local restaurants.

Another trend which led to the outsourced management of the food and beverage outlets is the continuous need to maximize cashflow which finally led to close scrutiny of the profit performance of every square metre of the hotel spaces. As a result, the poor economic performance led to an increased attention to the "food and beverage bottom line" (Wexler, 1993). The outsourcing of the hotel restaurants is becoming increasingly common, particularly, as hoteliers become more comfortable with the presence of restaurant brands in their properties and as restaurateurs become more competitive in the terms they are prepared to agree (Hemmington and King, 2000).
3. Research Methodology

The research is carried out and explained based on the research design of Figure 3, which is applied to describe and specify the research goals, research questions, research methodology, conceptual framework and validity.

![Conceptual Framework](image)

**Figure 3.: Research design (own edit)**

3.1. Research goals

Research goals include the goals of the researcher, goals for the investigated company, results for the society and also to local authorities. The personal goal of the researcher is based on personal experience. The researcher has worked for several years in different luxury hotels operated by international chains in Hungary and abroad, has gained professional experience at different departments of luxury hotels. The author was always interested in the question what the main motivations of the local citizens who enter the hotel, which services they consume, which facilities they visit. The analysis of the non-hotel guests who enter the hotel is an interesting question to reveal for the hotel company and also for the operating hotel chain. Being locally embedded by focusing on the complementary hotel services is a way to increase the hotel revenue, a solution to increase the hotel presence in the local society, and can represent a solution for the problem of seasonality, creating fix revenue from the loyal
local guests, increasing the competitiveness in the future. From the point of local society and
local community, raising awareness about the community spaces and services the hotel is
offering not only for the hotel guests but also for non-house guests is a significant question
of investigation. The relationship within the local residents and tourists, the outsources, local
businesses or managed foreign businesses and the networks in the city through the hotel is
aimed to be explored by the investigation of these questions. The academic goal is to
contribute to the academic literature by exploring a new point of investigation of this theme.
Until this time economic embeddedness has only been investigated from the perspective of
geographical and firm embeddedness. Investigation of the relationship between location and
competitiveness (Yang et al. 2014), local embeddedness and competitiveness (Brailly et al.
2016) is a novelty in the field of tourism literature.
Literature related to hotel competitiveness, geographical embeddedness, economic
embeddedness, analysis of ties and networks at a specific destination has already been
examined (details in the literature review part). Investigating what services non-house guests
are consuming in the hotels is a difficult question, related to the management of the hotel
firms and not always are recorded, based on the management system. The analysis of
complementary hotel services at different locations of the world later in the future would be
a great contribution to the academic studies related to hotel competitiveness.

3.2. Research questions

After the review of the related literature and investigation of current business trends the
author outlined 7 research questions to be answered (Figure 3.).

**RQ1:** Can the presence of locally embedded hotels influence the competitiveness of a city?

**RQ2:** Is it possible to state, that the presence of locally embedded hotels is related to
international hotel firms or to specific cities/locations?
(Is there any relationship between the cultural background, consumer behaviour,
discretionary income etc. of the local residents and their attitude towards consuming hotel
services or specific international hotel chains imply local embeddedness based on their
strategy?)

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RQ3: Which hotel services are consumed by the non-house guests and local residents in the cases of locally embedded international hotel chains?

RQ4: To what extent can the reconstruction and expansion of the community spaces in the hotels enhance the local embeddedness of the hotel firms?

RQ5: Can the online presence of local residents at the virtual space increase the competitiveness of the hotel?

RQ6: The increase in the complementary services offered by the hotel is a way to increase hotel competitiveness?

RQ7: The presence of the locally embedded hotels is a way of increasing hotel competitiveness at specific locations?

3.3. Research methodology

The presence of local embeddedness of the hotels goes back to the vivid social life of the grand hotels in the XIX\textsuperscript{th} century in Europe. The cosmopolitan social life of the XIX\textsuperscript{th} century can reborn in the XXI\textsuperscript{st} century by the means of focusing on the complementary services. Back to the basics, the most significant function of the hotels is to provide accommodation and other services for the hotel-guests, on the other hand, they also offer complementary services and a community space for the city-residents and for non-hotel guests. Hotel-life takes place usually in the hotel lobby and in the different outlets which offer complementary services (restaurant, bar, shop, beauty salon, spa etc.) on the ground floors. In the past, the hotel lobby was a central meeting point, a so-called public arena, where a particular kind of urban sociality flourished in the XIX\textsuperscript{th} century. One reason for this, is the fact, that time the number of restaurants, event halls and social places were not as high as today. On one hand, the luxurious hotels functioned as second home for the aristocrates, on the other hand, they provided space for high-class events and gatherings providing great spaces and luxurious service. Grand Hotels were iconic landmarks of the cities, where also the invited residents were pleased to join on some special occasions. The main function of the hotel companies is to provide accommodation for the tourists (local and also foreign guests), on the other hand,
due to the change of consumer behaviour and also due to profitability reasons the hotel companies realized business possibilities in offering complementary services. If the relationship of the hotels and cities is investigated, it can be stated, that there are iconic hotel buildings, which not only function as places providing accomodation for tourists, but represent a social meeting space for the residents and the tourists, a business place, to create a comfortable environment and pleasant ambience for the tourists and for the residents and the same time. A number of examples exist also from the XXI\textsuperscript{st} century, innovative processes from the hotel industry, hotels assets which aims to target the citizens as well. These hotels in most cases are located in the city-centres and from architectural point of view, it can be stated that the facilities which are popular for the citizens as well are located in the hotel-front so that the citizens can enter to the specific shop or any other special facility without entering the hotel lobby. Some hotels use their special facility as a competitive advantage and only offers an outsourced place to rent in the back of the hotel to force the citizens to go through the lobby, meet the hotel-guests, creating a vivid-hotel life contributing to the style and ambience of the hotel. Hotels today are much more than temporary homes for tourists, they are full of life. Hotel lobbies are social meeting places for the locals and globals. The author describes these hotels as locally embedded hotels. Community spaces of locally embedded hotels reflect the unique selling points of the city, the history, the local values and the traditions of the local culture. These places create a platform where co-creation and interaction can be present between the foreign employees, the local employees, the foreign guests and between the local guests also. These hotels are social hubs of the city offering high-level unique service for all guests.

The research method part is divided into three sections, questions and facts related to the past, present and future of the hotel market and hotel industry.

The historical past related to the hotel industry is revealed by the means of expert interviews and secondary data analysis from hotel websites and historical blogs. A case-study is carried out investigating the reconstruction of the community spaces in the hotel buildings from the point of local embeddedness.
Case-study I.

Before the first World War the Austro-Hungarian Monarchy was regarded as the largest political entity in Europe. Budapest, the Hungarian capital, was flourishing at this time, and provided home to a number of hotels that still combine fascinating architecture with great history. The foreign tourists and the middle-class citizens who visited the grand hotels were wealthy aristocrats who filled the famous boulevards and remarkable buildings with vivid social life. By the end of WWI the national borders have been redrawn, the cityscapes were destroyed and finally, the Austro-Hungarian Empire ceased to exist. After the second world war most of the hotels were destroyed in the area of Hungary and therefore the prospering and vivid hotel-life ceased in the XXth century. During the post-war reconstruction the previous catering establishments and hotel units were utilized for different purposes, they were transferred to government entities or were used as part of welfare tourism (Behringer et al, 2004). New hotels have only been built after the 1950s, focusing on mainly the area of the capital city, Budapest. Despite the fact, that great number of these hotels were partly or totally destroyed, in some of these establishments the original style of the buildings has been preserved and also exhibitions offer a real time-travel historic experience.

The following case-study demonstrates the alteration in service provision and changing socio-cultural role of the hotel in the community-life. Floorplans of iconic buildings of the capital city, Budapest are investigated, which are currently operated by international hotel chains. By the means of reconstructions and increasing the area of community spaces, a great
number of hotels utilise these spaces for social activities and in this way are locally embedded, offering their services for the local citizens as well.

**Case-study IV.**
Accor Hotels is launching a new brand called Joe&Joe to reach the young adults, the millennials, and as a response to the challenges posed by Airbnb and the appearance of share economy in the hospitality sector. The company described Joe&Joe as a brand that blends the best of private-rental hostel and hotel formats and called it a “totally reinvented and disruptive experience in terms of design approach, catering, service, and customer journey.”

At its most basic description, co-living is about community and developing connections among those who occupy that particular co-living space. It’s group living, with shared kitchens and living areas, and social programming. To create Joe&Joe, AccorHotels undertook an “excubation” project, led by the company’s Marketing Innovation Lab, which reached out to guests, experts, students, and various members of AccorHotels executive team and departments.

**WHAT IS JO&JOE?**

JO&JOE creates the Open House, a new kind of hospitality!

A house open to neighbours and travellers alike. A cool, affordable and caring house, filled with ever surprising so design, events and talents. A house where you feel free to meet and mix: clink glasses, have a bite to eat together, cook, chat, laugh, unwind, dream, work, love, do yoga, play the guitar, explore the city... and sleep! A house where you will simply live life to the fullest.

First opening in Hossegor on May 29th and aiming 50 Open Houses in your favorite destinations.

![Figure 5.: JO&JOE, a new innovative member of Accor Hotels portfolio](https://www.joandjoe.com/en/)

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Downloaded: 12 February, 2017
Through a case-study on the JO&JOE brand, the author would like to investigate this new concept and find the answer on how a hotel can regain its social role in the XXI\textsuperscript{st} century and be the centre of cosmopolitanism at different locations of the world.

4. Research results (pilot-studies)

4.1. Case-study II.

In this case-study, the question of local embeddedness is investigated from a quantitative perspective. The investigated luxury hotel in Budapest is operated and managed based on the standards of an international hotel chain. The problem is, that revenue system this luxury chain is applying, does not differentiate the revenue received from non-house guests and in-house guests in the case of the complementary services. On the guest receipts and during the controlling process of the analysis of the guest expenditure, three different payment groups are formed: cash, credit card or room charge. Unfortunately, this type of data recording does not make it possible to analyse the expenditure of the non-house guests. When predictions are made, the controllers usually regard the cash-receipts non-house guests. They check the payer member based on the provided credit-card data, investigate, if the person is a hotel guest, and make a decision based on this result. But this analysis is neither totally correct. Despite the fact, that in a hotel room there are two guests, the room
is only recorded under one name. The other person of the room can settle the bill for the restaurant consumption, and then this amount of revenue will be regarded non-house guest revenue falsely. In the case of corporate guests the revenue analysis is not correct. In the case of corporate guests, the rooms are usually financed by their firms and the complementary services are paid by themselves.

Hotel managers are aware of this fact. Their opinion is that until the revenue received from the complementary services is not as high as the revenue received from events, this data will not be recorded separately.

The author assumes, that in the case of grand hotels, luxurious hotels which offer a great variety of services, boast with large, spacious events rooms, possesses community and meeting spaces, can offer services not only for business, but for leisure guests; this data should be correctly recorded.

Definitely, this revenue will never compete with the revenue gained from the events, but these facts should be considered to handle low-season revenue for example. This could provide a solution to aim the loyal citizens with unique services; but first of all, the question has to be investigated, if a non-house guest segment really exists, who visits the hotel.

Due to the above mentioned reasons, in-house business data describing precisely the results for the research questions could not be obtained, therefore a questionnaire was applied. From September, the author started to build up the questionnaire, it was re-written and edited several times according to the consultation with the hotel managers and the head of the different outlets. There is another interesting fact during the investigation of this hotel. Some of the outlets offering complementary services are outsourced, which means that they are not under the operation of the hotel management, a different firm operates these places. Due to this fact, altogether 5 types of questionnaires were formed. The different type of questionnaires were distributed at the different hotel outlets and the guests had the possibility
to provide responses during a period of 8 weeks, from 24 October until 18 December, 224 responses were received out of which 223 can be regarded valid. The questionnaires were divided into department-specific and general questions.

The author assumes, that the investigated Hotel in Budapest, a more than 120-year-old grand hotel (boasting with than 300 rooms) is a locally embedded hotel, due to the fact, that it offers its services not only for the hotel guests, but also invites a great number of non-hotel guests (and local citizens), who regularly visit the hotel because of its high-level and unique services.

The research question focuses on the investigation of the relationship between these complementary services analyses if they can be grouped or sorted based on any statistical method.

**Research Results – Case-study II.**

In the case of this research the best applicable method for finding the answer for research question is ALSCAL. ALSCAL is a nonmetric multidimensional scaling process with several individual-differences options. This method attempts to find the structure in a set of distance measures between objects or cases. This task is accomplished by assigning observations to specific locations in a conceptual space (usually two- or three-dimensional) such that the distances between points in the space match the given dissimilarities as closely as possible. In many cases, the dimensions of this conceptual space can be interpreted and used to further analyse the data. The main advantage of this is that it is suitable for any type of two- or three-way data, that may be measured at the nominal, ordinal, interval or ratio level of measurement. ALSCAL permits the analysis of an unlimited number of points or subjects in as many as six dimensions.

Distance measurement has a central role in multidimensional scaling. At the beginning of the analysis the distances between pairs of items should be measured. These distances can be compared to other distance values between pairs of items in the analysis that can be calculated in a low-dimensional coordinate system. The original distance may be proximity or similar values, but the distances are usually Euclidean distances.

The ALSCAL model was an adequate process which provides statistically acceptable answers and also gives an adequate answer for the research questions. The guests who have ever stayed or currently stay in the hotel can be categorised into four groups based on the complementary services they choose: who visit the restaurants, who take part at events, who
sleep at the hotel and the other group of complementary services (these are not used as many times as events and restaurants). Who stay for a night at the hotel can go to the restaurant or take part at an event as well, but usually who attends an event, does not go to the restaurant. These two services are usually requires separately. Guests who attend events or visit the restaurant can both use any of the other complementary services. Some of these services were grouped, now this group is further analysed with ALSCAL. The stress factor is 0.01709 which is acceptable. The number of the variables investigated in this case were 9. From the 9-dimension space a 2-dimension space can be created with the error of 1.79%.

In the cases of the dimension of the complementary services, which were not as much used as the other services can be made further categories by the means of ALSCAL. Business and leisure guests can be divided again into sub-categories, maybe a gender division, "ladies" and "men" services can be differentiated. Those who visit the bar and the flower shop is a third group (Fig. 7.).

![Diagram](https://via.placeholder.com/150)

**Fig. 7.: Analysis of the complementary services in the investigated hotel**

The complementary services of other hotels were analysed as well. In this case three categories were formed. Different segment visits the bars, the complementary services and
the leisure services. Based on these results, it can be concluded that business and corporate guests usually spend on complementary services higher than leisure guests.
In the cases of the dimension of the complementary services, which were not as much used as the other services can be made further categories by the means of ALSCAL. Business and leisure guests can be divided again into sub-categories, maybe a gender division, ”ladies” and ”men” services can be differentiated. Those who visit the bar and the flower shop is a third group (Fig. 8.).

![MDS, ALSCAL model](image)

**Fig. 8.:** Analysis of the complementary services in the investigated hotels (Group of Business, Bar, Flower, Office and Souvenir group)

**Conclusion – Case-study II.**

Based on the assumptions of the author, and the investigated grand hotel is a locally embedded hotel, due to the fact, that it offers its services not only for the hotel guests, but also invites a great number of non-hotel guests (and local citizens), who regularly visit the hotel because of its high-level and unique services. Being locally embedded in the environment from the aspect of sociology it can be concluded that on the long term this fact has an effect on the competitiveness of the hotel.
From September 2016, the author started to build up the questionnaire, and with the help of it asked the opinion of the guests on complementary hotel services. The different types of questionnaires were collected from the different hotel departments. In this study not the whole data-set was analysed, only a part of them managed, related to answer the research questions.

In the pilot-study the author aimed to answer the research question (categorisation and grouping of the hotel services) with the application of the ALSCAL (multidimensional scaling model). All the assumptions were true in the case of this investigated hotel, but to be able to define the complementary services and their presence, revenue derived from them and to be able to make long-term statements on competitiveness, a more representative data-set should be collected.

This pilot-study was a great challenge. The test-questionnaire has to be re-edited and made more simple to be able to receive more answers from the respondents. The outlet-specific questions should be re-organised as well, and more different variables should be listed in the cases of different departments. A whole-year analysis would be a very interesting data-set to analyse comparing it with the results of other luxury hotels.

Receiving data from hotels managed by international chains is a great challenge, but the author would like to focus on it, to be able to receive valid and representative data-set for the final dissertation from other hotels, too.

4.2. Case-study III.

The research problem is the fact that most of the international hotel chains do not pay significant attention to the local residents consumption in the hotels. This fact is considered not to the same extent at different locations of the world. In this case-study the assumptions are made upon previous research results and conclusions. The investigated hotel market is the 4- and five star-rated, mostly luxury hotels in Budapest, because this is the specific segment which can offer a great variety of services and also community spaces for events for the future guests. Most of the above mentioned hotels belong to international hotel groups or hotel chains and due to this reason, they have to be operated based on the international hotel standards. Most of the chains only take into account separately the MICE (meetings, incentives, conference, exhibitions and events) but do not take into account the events organised in the restaurants, bars or at other outlets of the hotel. Another trend is today to
have some of the outlets rented or managed by outsourcing, other firms. This is a very interesting case to investigate, to examine how a local restaurant brand can invite the local loyal guests to their hotel outlet as well.

The methodology focuses around the problem, that most of the hotel outlets do not record separately the consumption of the hotel guests and the non-hotel guests.

It is assumed that in the case of grand hotels, luxurious hotels which offer a great variety of services, boast with large, spacious events rooms, possesses community and meeting spaces, can offer services not only for business, but for leisure guests; this data should be correctly recorded. Definitely, this revenue will never compete with the revenue gained from the events, but these facts should be considered to handle low-season revenue for example. This could provide a solution to aim the loyal citizens with unique services; but first of all, the question has to be investigated, if a non-house guest segment really exists, who visits the hotel.

The revenue is formed from the following categories: accommodation, food and beverage related services (events and outlets) and other services. The author aims to identify the non-house guest segment who visits the specific departments of the hotel and/or consumes other types of services. The non-hotel guests who visit the hotel for only specific reasons, to visit one or some of these outlets usually stay for shorter period of time in the hotel than the guests who stay for nights as well. This is the reason explained why the application of qualitative research methods should be applied in this case.
Analysis of Instagram-photos (Corinthia Hotel Budapest)

Photography is a logical extension of the long tradition of tourists illustrating their travel experiences and memories. Nowadays the continuous motivation for sharing information and the nonstop co-living with smartphones made photo-sharing became essential for the users of the social networks. The use of photography has been also explored in academic researches related to recreation, tourism, landscape, architecture and urban design but only a few number of researches focused on the application of image-based methods in hotels, resorts and restaurants (Pullman et al. 2007). Geurin-Eagleman et al. (2016) investigated Instagram photos of the Olympic athletes’ visual self-presentation. Fatanti et al. (2015) investigated the case how Instagram become a popular media to promote a tourism site at a given destination, in Indonesia. Weilenmann et al. (2013) applied the method, analysis of Instagram photos for the investigation of communication of the museum experience through social photo sharing.

The research methodology is the content analysis of the Instagram photos uploaded on the social media platform by the guests with the hashtags: #corinthiahotelbudapest (Fig. 9.).
The data was collected based on Figure 10. and according to the photo content, different categories were formed: selfie, people, food, beauty & wellness, event, montage, building. The name of the photo, the outlet where the photo has been taken, information on the user, if the user is a hotel-visitor or not, number of likes and comments were recorded in an excel file. The categorisation was done manually. Several Instagram analytic tools exist, but with the application of these only some of the registered profiles can be investigated. In the case of the Instagram profile, Corinthia Hotel Budapest, the number of photo engagements, likes and comments can be recorded with Instagram Performance analytic tools. This is the online marketing communication platform for the hotel, in this way the success of the marketing activity can be measured and recorded. But the problem with this analytical tool is the fact, that the users still cannot be analysed, based on the application of the given hashtags.
Different classifications were applied when the users uploaded the pictures marked with the hashtag #corinthiahotelbudapest. Most of the photos, exactly 165 out of the 638 depicted people. This fact proves, that Corinthia Hotel Budapest is a social gathering for events as well, where the guests spend their time in company. 115 photos were related to events and 121 depicted food. Not all of the photos were taken really at the hotel, and sometimes it cannot be decided for sure. Summarizing the research results, the conclusion can be drawn, that a specific visitor segment, especially foreign tourists between 15 and 30 love to post on Instagram and record their travels. During the analysis of the users demoraphically this age segment was the most common, the number of visitors posts with leisure aims was two times greater than those who arrived with corporate and business aims. The most popular outlets were the social spaces, restaurant, bar and the event places, where people, company, event place and food were recorded and posted. Based on the literature, it can be concluded that the complementary services have a positive effect on hotel competitiveness. The director of
communication was asked about the research results. Based on his opinion Instagram analytical tools will improve in the next years and with the help of this huge database it will be possible to delegate and carry out more precise research.

**Validity**

The research data was collected manually, the first uploaded Instagram photo which included #corinthiahotelbudapest was uploaded 225 weeks ago (more than 4 years ago) by the user “luxurylondonguy”. From his user name we can draw some conclusions and by the means of analysis of the previous posts, friends comments, we can demographically segmentise some of these profiles. Despite the fact, that these posts (#corinthiahotelbudapest) are available for everyone to see, most of the user profiles are private, and no information is shared about the user. Until the end of the investigation period, 8 January 2017, 638 photos were uploaded with the application of the hashtag #corinthiahotelbudapest. These 638 photos were uploaded by 532 different users. 7 users posted on more occasions (4 of them were members of the hotel staff), and 14 other users posted more photos on the occasion of the upload.

This is one solution to analyse the hotel visitors, but exactly no answers can be gained if the photo-uploaders entered from the street, took some photos, and then went out or really looked around in the lobby, had a coffee, talked to the staff or consumed any type of service offered by the hotel. With the future widening of the applied hashtags more exact answers can be gained for the research questions. For example with the application of the hashtags #corinthia, #hotelmoments. Competition check and analysis of the competitor luxury hotels is also possible to analyse or different hotels which belong to the same chain. This explorative case-study focused on the representation of the application of a research method on the basis on one luxury hotel in Budapest. This investigation only explores those hotel guests who used the Instagram application. This is a relatively limited segment, and the Instagram-users are usually members of the Y or Z generation.

The choice for the investigation of Corinthis Hotel Budapest is the reason, that this hotel can be regarded an iconic landmark of the city in the XIXth century. Local residents and also foreign tourists gathered at this building to use the hotel services. The reason why I chose this hotel to analyse is the reason because I know it personally, I have worked here for almost 5 years, on the other hand, from the investigation point of research it is a disadvantage not
to be biased. To gain valid results, all the luxury hotels should be investigated based on this method for example.

The analysis of Instagram photos is a relatively new methodology, the grouping and categorization of the photos based on their content is a recent research methodology used in the last few years, development and amelioration of the method should be taken into consideration.
Competitiveness is becoming a very common expression used in business administration. The definition and its application still raises some questions due to the complexity of its meaning. The role of the measurement of competitiveness and its effect on performance and profitability is increasing in the field of hospitality and tourism as well. The measurement of hotel competitiveness is a current issue in business life due to globalization, sharing economy and the change in the consumer habits. The steady increase in the number of accommodation possibilities create a need for competitive strategy among the hotels. Complex indicators and indices formed of special factors are available for estimating the level of competitiveness in the service sector but these methods still hold several untrapped areas. The aim of this quantitative research is to introduce the existing literature in connection with hotel competitiveness and with the application of the grey relational analysis evaluate the level competitiveness of five luxury hotels in Budapest. Grey relational analysis is applied on the basis of the competitiveness pyramid and finally a methodology and further business implementation of the index is proposed.

http://orizonturi.ucdc.ro/arhiva/khe-vol7-nr32015/Juh%C3%A1sz_D%C3%B3ra_Katalin.pdf
The aim of this research is to investigate and explore the meaning of hotel competitiveness from different point of views; for the guests, employees and hotel owners in Hungary. The research focusing on the guest opinions is accomplished through the complex analysis of qualitative feedbacks and opinions regarding different hotel and guest segments in Hungary. With the application of the Delphi-method the expert opinions were listed to summarize the significant determinants of competitiveness based on a complex qualitative study. Several in-depths interviews were carried out with different experts and professionals working in the hotel industry, teaching hotel management or related to the hotels from different perspectives (general managers from different hotel categories, hotel owners, hotel directors, middle managers, consultants, researchers, teachers, students learning hotel management, a journalist and a blogger focusing on hotels) to define the meaning and components of Hungarian Hotel Competitiveness. As a result of the research the significant determinants and components of the service and elements of hotel performance determining competitiveness were collected and listed based on the qualitative study.

The paper describes Charles B. Stabell and Oysten D. Fjeldstad's work from 1998 based on the Porter Value Chain (1985). The two authors outline the corporate value creation by identifying three different types of configuration solutions: the value chain, the value workshop and the value network. The three models are also described as strategic positioning opportunities, furthermore, the utilisation of the investigated alternative value creation solutions support the retention of competitive advantage by the implementation of value chain analysis in firm competitiveness.

http://unipub.lib.uni-corvinus.hu/2613/1/Nkzi_163.pdf
The significance of competitiveness has increased in the last decade, therefore, the application of adequate marketing tools has gained major emphasis in the hotel industry. Despite the increasing role of website communication in the hotel industry worldwide, there have been little interest in the relationship between renewable energy usage and hotel competitiveness from the viewpoint of website communication. The aim of this study is to analyse how the different forms of the available renewable energy are utilised in Hungarian hotels. Moreover, the study explores to which extent the utilisation of renewable energy is communicated at the hotel websites in the Hungarian hotels.

Following the right marketing strategy is a solution to stay competitive in the industry by means of attracting and retaining guests and distinguishing the hotel firm from their rivals. The hotel websites play an essential role in hotel marketing, the website content and the features are significant management decisions. As a result of the website content analysis, it can be stated that only 2 of the investigated 91 green certified hotels in Hungary communicate the utilisation of renewable energy and apply this fact as a competitive advantage on the hotel website. From the viewpoint of website communication, non-green hotels pay more attention to advertise and communicate their green attitude and renewable energy utilisation than the green certified hotels based on the research results.

http://www.frugeo.co.uk/TYPESET_GLS4_Paper-5.pdf
Photography is a logical extension of the long tradition of tourists illustrating their travel experiences and memories. Nowadays the continuous motivation for sharing information and the nonstop co-living with smartphones made photo-sharing became essential for the users of the social networks. The use of photography has been also explored in academic research related to recreation, tourism, landscape, architecture and urban design but only a few number of researches focused on the application of image-based methods in hotels, resorts and restaurants. The author aims to analyse the Instagram-photos of seven luxury hotels in Budapest. The applied method is content analysis of the posted photos. The investigated time period of the uploaded photos is one year, between July 2015 and June 2016. The photographs posted by the users and the photographs posted by the hotel brands are analysed by classification into different categories with the aim of searching for aspects corresponding with the marketing activity and identity of the brand. Instagram is a mobile photo (and video) capturing and sharing application, a new form of communication which makes it possible for the users to record and to share their experiences. Since the launch, October 2010 over 500 million people⁶ have registered and used the photo-sharing application. This application provides the users an instantaneous way to capture and share their life moments through a series of filters, which is an adequate database in case of the analysis of guest hotel experience.

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Downloaded: 24. October 2016
The investigation of additional services from the aspect of local embeddedness is a novelty in the academic literature related to the tourism and hotel industry. The author assumes that this phenomenon has to be taken into account and analysed in the case of hotel industry as well, where economic process takes place during the service-provision, the satisfaction of the guests. The primary function of hotels is to provide accommodation and other services for the hotel-guests. Secondarily, they may also offer complementary-services and a community space for the city-residents and for non-hotel guests. Due to the globalization, the change in the consumer behaviour and global firms, the question of location and local resources are becoming more and more significant especially in the case of international hotel chains, therefore the role of these complementary hotel services have increased. The international hotel company is a member of a hotel market at a specific location, and it is surrounded by a sociological environment, local people, culture and traditions which have an impact on the competitiveness of the hotel. The author investigates the impact of local embeddedness on hotel competitiveness and explains the results with the application of the multidimensional scaling model, finding answers for the questions in which ways the local embeddedness can have a positive effect on the competitiveness of a hotel based on a case-study carried out in a five-star hotel (member of an international chain) in Budapest, 2016.
The hotel lobby was a central meeting point, public arena where a particular kind of urban sociality flourished in the XIXth century. At that time the number of restaurants, event halls and social places were not as high as today. On one hand, the luxurious hotels functioned as second home for the aristocrats, on the other hand, they provided space for high-class events and gatherings providing great spaces and luxurious service. Grand Hotels were iconic landmarks of the cities, where also the invited residents were pleased to join on some special occasions. Despite this fact, the basic and most significant function of the hotels is to provide accommodation and services for the hotel-guests, on the other hand, they also offer complementary-services and community spaces for the city-residents. Hotel assets are surrounded by natural, social, economic and infrastructural spheres. As a consequence of the changes in any of these spheres, also the operation of the asset changes. In this study the socio-cultural contribution to city-life in Budapest is investigated, taking into account the negative effects on all of the surrounding spheres of the hotel system.

The aim of this study is to investigate the changing functional and social roles of the hotels before, during and after the world wars in the historic hotels of the capital city. A case-study is accomplished, focusing on the analysis of Corinthia Hotel Budapest.

The case-study demonstrates the changing socio-cultural role of the iconic hotels in the community and changing lifestyle of the citizens and the visitors of the capital city of Hungary.
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