

Chapter 14

Trends in Hospitality Marketing and Management: Facing the 21st Century Challenges

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ABSTRACT

Faced with a contextual environment marked by a different reality from the one that leveraged tourism in the 20th century, hotel companies are confronted with the need to review their strategic principles with consequent effects and changes in their operational concepts and management models. This chapter aims to contribute to a critical reflection on those changes. In this new environment, the old philosophies and paradigms for hotel management, like heavy, rigid, and static management structures, as well as passive management approaches, were necessarily and forcibly replaced by new principles, leveraged in flexibility, dynamism, initiative, and designed by reference to a global world. The analysis was structured using a classical management approach, through a STEEP analysis model framework, and discussing its consequences and effects on the strategic and operational level of hotel management.

INTRODUCTION

In the late twentieth century and more intensively during the first years of the twenty-first century, we have witnessed a set of facts that have meaningfully changed the logics and daily rhythms of markets, relationship dynamics and forms of interaction. This new scenario is characterized by a new economic, social, political, environmental, and technological order with relevant effects on tourism in general and on the hospitality management in particular (Cunil, 2006; Evans, 2015). The constant oil price fluctuations and the subprime market bankruptcy in 2007, which contributed decisively to an unprecedented crisis of the financial markets, have led the world economy to unique levels of uncertainty, undermining the confidence and the behaviour of consumers.

The increasing levels of globalization and liberalization, the new spectrum and vulnerability that guides the world economy and the financial markets, the increased mobility and cultural diversity, the

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high levels of technology and the increased relevance of information and communication technologies, all shaped and the reduced product and service life cycles. These facts particularly affected the development of communication and transports, and shaped more intensely our daily lives, and, in a way, the universe of tourism activity, leading to a profound change in the strategic and operational models and principles in hotel management (Whitla, Walters & Davies, 2007; Enz, 2010; Tribe, 2016).

In this new context, the 4 *Ss* -single, static, simple, safe- gave way to the 4 *Ds* -diverse, dynamic, difficult, dangerous- (Tribe, 2010), and hotel managers had to adopt new strategic and operational solutions to respond to this new economic, political, social, environmental, and technological order, but also, and mostly, to a *new tourism* scenario.

Alongside the traditional models and concepts of hotel management, new solutions have emerged reflecting a more global and specialized business dynamics. As in so many other areas of business, hotel management tends to incorporate new matrices and principles in its dynamics, including the network economy, the shared economy, and the digital economy (Zee & Vanneste, 2015; Tussyadiah, 2016; Kandampully, Bilgihan, Zhang, 2016). The result has been the increasing diversity of business models and processes, including peer-to-peer, which have contributed to a more developed and competitive market with increased responsiveness to a consumer that is increasingly heterogeneous in terms of behaviour, profile and decisions (Ivanova & Ivanov, 2015). This has been an important way to broaden the scope and attractiveness of the hotel industry by enhancing its business potential, in particular by removing barriers to initiative and creativity, and opening the door to a new era of “entrepretality”:

... a combination of the words «entrepreneurship» and «hospitality». Entrepretality focuses on the process of using available resources to create value to a customer. (Ahmad, Bakar & Ahmad, 2018, pp. 15)

A NEW MACROENVIRONMENT IN HOSPITALITY DEVELOPMENT

Social

Social, uncontrollable, and structural changes shaping these first years of the twenty-first century are in the genesis of this new context. These changes are determinants of the mutation in the macroenvironment of societies in general, as well as the tourism and hospitality businesses (Knowles, et al., 2004; Holjevac, 2003). Generally, the world is facing a set of unprecedented transformations that have made it more global, uncertain, and dynamic.

The West undergoes a series of profound changes, namely in terms of sociocultural structure, showcasing a new sociodemographic profile characterized by a propensity to extended life expectancy and increased birth rate, as well as changes in the family concept and increased levels of urbanization. In turn, Eastern cultures and religions are becoming more influent and spreading throughout the world.

At the same time, the world is faced with a new contextual scenario in which consumers move and think more globally.

Future generations of immigrants and travellers will self-identify more fluidly, and will not have fixed ideas about the characteristics which define this or that national, ethnic or religious group. (Future Foundation, 2015, pp. 5)

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