BALANCING GUEST EXPECTATIONS AND MARKET COMPETITION

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Abstract. *As time passes and technology keeps evolving, we enter into a new era of guest expectations. It's no longer enough to meet their needs simply, the challenge now lies in exceeding them. What they wanted three years ago is not the same as what they want today or what they will want tomorrow. This leaves no other option but to adapt. In this paper we will talk about how to keep the balance between guest expectation and market competitiveness.*

As we move into 2025, guests' focus on wellness and sustainability is only growing stronger. Fortunately, you don't need to be a wellness-centered or eco-certified hotel to make a meaningful impact. Small, strategic updates can go a long way toward meeting these expectations and appealing to guests who value well-being and environmental responsibility. Across industries, technology has transformed the customer experience, and travel is no exception. From booking a flight to reserving an Airbnb, most of the process is now managed digitally—often without any in-person interaction. In 2025, guests expect hotel services to be just as mobile-friendly. They want a seamless experience that's fast, convenient, and accessible from their phones, without the need for face-to-face check-ins or time-consuming calls.

Keywords*: hospitality, tourism, guest engagement, market competitiveness, guest satisfaction, business competitors.*

INTRODUCTION

In the hospitality industry, this involves implementing practices that conserve energy and water, minimize waste, and promote local economies — while still providing optimal guest experiences.

It's becoming increasingly important for hoteliers to pay attention to sustainability, as it isn't just a trend— it's a growing global focus that's set to impact every type of business in every industry. This is evident from the many global sustainability summits that have occurred over the past years and are expected to continue.

Automation in the service sector is becoming increasingly prevalent in our everyday lives. If we take a moment to reflect, we will realize that we are more frequently opting for online bill payments, ordering food through mobile applications, avoiding queues at the bank, reserving appointments there, and so on. The primary reason for this shift is often attributed to time savings. On the other hand, the situations mentioned are common with predictable outcomes, so there is nothing that excites us or compels us to go through the same process again. Instead, we want to spend our free time more quality oriented and in a different way. (Mandic, 2023)

The balance requires strategic decision-making about which personalization elements to prioritize and how to implement them sustainably. Some properties focus on exceptional service recovery, ensuring that when problems arise, the resolution process creates positive lasting impressions. Others invest heavily in pre-arrival customization, using guest information to prepare

personalized welcome amenities or room configurations. Still others prioritize seamless technology integration, ensuring that digital touchpoints work flawlessly even if human interactions remain more standardized. Successful hospitality providers also recognize that guest expectations continue evolving, requiring ongoing adaptation and innovation. They invest in feedback systems that capture not just satisfaction ratings but detailed insights into emerging needs and preferences. They monitor industry trends, technological developments, and changing travel patterns to anticipate future expectations rather than simply responding to current demands.

Most marketing managers in the hotel industry expend a tremendous amount of time opening and closing channels of online travel agents while manipulating the rates to keep a good price-demand balance in the face of competitors. Some tend to use relatively sophisticated revenue software to address the issue of pricing. In hospitality pricing and sales control techniques, hoteliers should consider the elasticity of demand, which is a fundamental economic theory of pricing. The elasticity in hospitality business is defined by how the demand for hotel rooms differs in relation to prices. For instance, when a hotel increases its prices, a decrease in the demand is observed. As a result, this market is said to be elastic. Put differently, an elastic demand is a pattern that can be noticed when prices affect the size of the demand in a specific market. Inelastic demand on the other hand, is observed when the prices have minimal effect on the size of demand. For instance, the change in oil prices may not significantly affect its demand. (Alwarabdeh, 2021)

LITERATURE REVIEW

The integration of technology in hotel management plays a pivotal role in enhancing the guest experience, operational efficiency, and adapting to evolving market trends. As technology continues to advance, its role in the hospitality industry is likely to become even more significant, driving innovation and shaping future guest experiences. These findings highlight the extensive impact of technology on enhancing various aspects of the guest experience. From operational and housekeeping efficiencies to interactive entertainment and inclusive services, technology is a key driver in meeting and exceeding guest expectations in the modern hospitality industry. As technology evolves, its application within hotel management is expected to grow, continually transforming the way hotels operate and how guests experience their stays (Das, 2023).

An organization’s ability to attract and retain customers, often in a highly competitive environment wherein one or more competitors are similarly seeking to attract the same customers, can be a formidable challenge for contemporary organizations. Customers should never be taken for granted even in those cases where an organization is doing well in terms of recognized metrics of success, including revenues, market share, and profits. History has demonstrated on numerous occasions that becoming so comfortable with and accustomed to an organization’s success can prove to be an organization’s downfall in terms of its continued success and sometimes even survival.(Fleming, 2025).

A prerequisite to achieving organizational success is the ability of an organization to attract and retain customers. Customers are considered one of the three primary stakeholder groups that organizations and their leaders must conscientiously consider in planning and preparing for present and future organizational success. The continued support of a loyal customer base is crucial as an organization prepares and positions itself to achieve continued present and future success. Organizations that fail to properly understand and address the expectations of both current and

potential customers are missing opportunities to enhance their success, and potentially compromising their continued success and survival. Thoroughly understanding the expectations of customers whose wants, needs, and desires align with an organization's product and/or service offerings is essential. It is imperative to consider both current and potential customers as an organization proactively plans for present and future success through not only meeting the expectations of targeted customers, but also exceeding these expectations(Fleming, 2025).

Firms invest in customer experience in the expectation that these investments will ultimately provide positive financial returns. In practice, however, customers are continuously exposed by the changes occurring in their personal perceptions of customer experience and market surrounding. Using a unique and comprehensive data-set containing customer-level and market-level information for a sample of 13,761 customers in the telecom market, we empirically test the proposed framework by applying multilevel modeling techniques. The results offer novel insights into the effects of customer experience, its variability (customer level), and market turbulence (market level) on customer retention, including the moderating effect of relationship age.(Combra-Fierro, 2021)

DATA AND METHODOLOGY

Strategic way of managing guest satisfaction.. In this section, we look at the methodical procedures needed to manage the demands of a crowded global market while coordinating service delivery with changing traveler needs. In order to create a thorough picture of visitor intent, the methodology places a high priority on integrating multi-channel data harvesting, which includes post-stay psychographic profiling, historical booking trends, and real-time sentiment analysis from social media(Wu, 2011). These enormous datasets can be archived and categorized by hospitality providers using sophisticated data frameworks, ensuring that changes in customer behavior are contextualized within long-term industry trajectories rather than being seen in isolation. The identification of "service gaps," where present offerings might not meet the elevated expectations for hyper-personalization and seamless digital integration, is made possible by this analytical foundation. Additionally, we provide a thorough review. The identification of "service gaps," where present offerings might not meet the elevated expectations for hyper-personalization and seamless digital integration, is made possible by this analytical foundation. Additionally, we provide a thorough analysis of both qualitative and quantitative approaches, citing a number of studies that concentrate on the efficient storage of visitor preferences that enable "mass-customization" of experiences without sacrificing operational scalability.

Predictive Analytics is really important. This part is about what we found out when we used machine learning and artificial intelligence to look at hospitality data. Machine learning is a help in getting ahead of the competition. It is a part of intelligence that helps systems figure out what guests will want in the future by looking at patterns in the data that are not easy to see(Alphun, 2024). We look at a lot of information. Like what people can. Cannot eat, what kind of pillows they like, what temperature they like their room to be and what they like to do for fun. Predictive Analytics and machine learning use all this information to make accurate pictures of what guests are like. This enables hotels to move beyond traditional reactive service models toward proactive, anticipatory hospitality.

RESULT

The findings of this study show that hospitality businesses need to balance what guests want with what they can afford to offer. This is directly related to how they use real-time information to run their business. If hospitality providers set up a system to manage their data they can close the

gap between what guests think they are getting and what they actually get. This means hospitality businesses need to use real-time information to make decisions and provide good service to their guests. The research demonstrates that the effective storage and accessibility of large, growing datasets—encompassing guest sentiment, historical preferences, and real-time market fluctuations—converts unprocessed input into a strategic asset(Nafari, 2022). This transition allows for the identification of subtle shifts in consumer demand, enabling destinations to adapt their offerings before competitors, thereby maintaining a dominant market position.

Machine Learning is really important for making things smarter. The Machine Learning algorithms are the reason we can tell what guests need before they even ask. They take a lot of information and turn it into predictions that are usually right. This helps hotels go from reacting to problems to actually planning ahead and making sure guests have a great time. The study showed that these predictions are crucial for making the hotel run better especially when it comes to things like managing how many guests are checking in or how full the restaurant is. This directly affects how nice the guests stay at the hotel. The Machine Learning algorithms are really good at helping with this. Furthermore, the application of intelligence to market data allowed for the uncovering of operational efficiencies and the design of dynamic pricing strategies that respond to competitive pressures without eroding brand equity.

CONCLUSION

This research demonstrates that the sustainability of modern hospitality brands depends on a sophisticated equilibrium between meeting hyper-personalized guest expectations and maintaining a robust competitive stance. The integration of smart technologies and big data frameworks has evolved from an operational luxury into a fundamental necessity for creating resilient tourism destinations. This study has confirmed that achieving long-term market leadership relies heavily on the effective integration of advanced data management and machine intelligence, which together establish a scalable framework for anticipating traveler needs rather than merely reacting to them.

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