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RESEARCH PROPOSAL An exploration into how the Intercontinental hotel can use effective pricing strategy to increase Market Share of the Name of the University

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1. Introduction

In the contemporary competitive hospitality industry, organizations resort to aggressive strategies with the underlying aim of increasing their market share and profit subsequently (Abrate, Fraquelli & Viglia, 2012). One such aggressive strategy falls on the domain of pricing where organizations such as hotels and restaurants are hitting new levels of reduced prices in order to attract more customers (Hung, Shang & Wang, 2010). This industry is so concentrated that no organization can respite on its laurels alone and yet a considerable number of restaurants and hotel owners fail to realize the benefits of having an effective pricing strategy in place (Guo, et al., 2013). Majority of organizations that operate in this industry are mostly concerned with their marketing strategies in order to establish their physical evidence and make it look convincing in front of their customers (Wong & Kwan, 2001). Nonetheless, what they fail to recognize is that the market is becoming sensitive both in terms of quality and price at the same time (Collier & Gregory, 1995). Therefore, organizations, in particular hotels, have

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to make sure that that they keep control over the price that they charge and at the same time maintain a superior quality of service (Kandampully & Suhartanto, 2000). This is precisely because the pricing strategy and its complementation with the quality of service provided by hotels is a key determinant of the extent to which customers is satisfied (Yelkur & DaCosta, 2001). The satisfaction index of customers in turn becomes a fundamental determinant of the hotel's success and sustainability.

The price factor is considered to be one of the strongest weapons in the arsenal of hotel managers as far as implementing a proper strategy based on this factor in order to increase market share is concerned (Whitla, Walters & Davies, 2007). This is precisely because this variable is intrinsically flexible, can be quickly modified and have a direct association with profitability.

According to a survey conducted by Srinivasan, Popkowski Leszczyc & Bass (2000), price was regarded extremely important by nearly 72% of the respondents and was ranked third amongst the fundamental factors of marketing. According to the comments made by Chen and McMillan (1992), the likelihood for matching response is much higher for in case of price reductions, be it an aggressive pricing strategy or deterring pricing strategy. Nevertheless the impact of both these strategies is still contentious. It is with regards to this fact that the researcher endeavors to conduct a research on the ways in which intercontinental hotel in Geneva can implement effective pricing strategies in order to increase market share.

2. Research question

Which pricing strategies will prove to be more effective for Intercontinental hotel in Geneva as far as increasing the organization's market share is concerned?

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3. Research objectives

In order to address the above mentioned research question the following objectives need to be achieved:

To critically assess and evaluate different pricing strategies and explain different factors that influence this strategies in the hospitality industry.

To investigate different pricing strategies that can provide intercontinental hotel in Geneva with a sustainable source of competitive advantage.

To learn about the pricing strategies that is currently being implemented by the Intercontinental hotel and compares the effectiveness of the same with its competitors.

To elaborate on the most appropriate pricing strategy for David Intercontinental hotel based on secondary research.

4. Methodology to be adopted

In order to conduct this research in an appropriate manner, the researcher will perform an extensive secondary research by conducting review of existing literatures that revolves around the effect of appropriate pricing strategies on organizational financial performance with particular respect to the hospitality industry. The researcher will also endeavor to conduct a thorough study of the hospitality industry in Geneva in order to learn about the competitors of David Intercontinental Hotel and the pricing strategies adopted by them. This research combined with the review of existing literatures will form a foundation that will pave way for the researcher through which appropriate pricing strategies can be recommended to the Hotel's management board.

5. Timeline

(Source: Author's creation)

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