

Strategic Management of the Hotel, Restaurant and Tourism Business: The Impact of Innovative and Marketing Strategies on Competitiveness

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Abstract

The political and economic situation in the world leads to the fact that companies operating in the hotel, restaurant and tourism business need to develop new approaches to their management in a strategic perspective, as there is an urgent need to optimise the system of ensuring competitiveness and innovative development. To optimise the strategic management process, it is essential to refine and enhance both the formulation and implementation phases of strategy development. This refinement can be achieved through the application of the Analytical Hierarchy Process (AHP), which facilitates not only the selection of the optimal strategy but also the identification of a set of criteria that determine its suitability for the business. In light of this, the primary objective of this article is to synthesise relevant theoretical frameworks and offer practical recommendations for employing contemporary tools in the development and implementation of a competitive strategy for firms in the hospitality, restaurant, and tourism sectors, with the goal of enhancing their competitive advantage. The study proves that there are a significant number of strategies that can be chosen for modern companies in the hotel, restaurant and tourism business, but given the instability of the external environment and the market, it is worth choosing a growth strategy that would strengthen the competitive position. Furthermore, through the application of the hierarchy analysis method, it has been ascertained that the predominant strategic approach for contemporary enterprises in the hotel industry restaurant and tourism business is a strategy of concentrated growth with maximum use of opportunities to introduce innovative technologies and develop a strategy to increase competitiveness, which in the long run will ensure positive transformations in the company and will increase sales and attract new regular customers.

Keywords: Forecasts, Strategic management, Hotel and restaurant business, Tourism business, Impact of innovative strategies, Competitiveness, Tourist destination, Marketing in tourism

Introduction

With the advancement of the hospitality industry, the hotel, restaurant, and tourism sectors are experiencing significant growth, particularly in light of the resurgence of tourist flows following the pandemic that occurred from 2019 to 2020. The emergence of real competition and the sophistication of the end user of services poses a number of challenges for the management of the industry, including the need to improve production efficiency, strengthen competitive positions, and implement modern management and marketing methods. However, despite the challenges, the sector has every opportunity for development, provided that market promotion strategies are effectively implemented and the rules for increasing competitiveness are followed.

The hotel and restaurant sector, as an integral component of the broader tourism industry, represents a highly diverse and competitive domain where the competitive standing of each establishment is significantly influenced by the formulation and effective execution of a well-conceived strategic plan. Management within the hotel and restaurant industry constitutes a complex and multifaceted process that encompasses numerous intricacies relevant to prospective managers.

Restaurant managers are tasked with overseeing the daily operations of their establishments, which encompass a range of responsibilities including marketing, accounting, insurance compliance, adherence to sanitary regulations, and foundational elements of catering. Thus, when conceiving and executing a management strategy for hotels, restaurants, or broader tourism enterprises, it is imperative to consider a multitude of factors and developmental conditions.

Furthermore, the development and implementation of management strategies must account for the unique characteristics of each individual establishment. For instance, the efficacy of a restaurant—whether located within a hotel or operating as an independent entity—is largely determined by the quality of interaction between its operational structures and the overarching management of the enterprise (Sembiyeva et al., 2023; Wen et al., 2022).

The success of entities within the hotel, restaurant, and tourism sectors can be evaluated according to the following criteria (Barbosa et al., 2020; Fauzi et al., 2021; Pan et al., 2022):

- the correct choice of the location of the establishment;
- the right choice of the concept of the establishment;
- bringing the external and internal components in line with the chosen concept;
- the depth of the menu and the presence of its own unique component;
- efficiency of the management and control system;
- professionalism of the staff and its compliance with the status of the institution;
- level of service.

At the same time, it should be understood that the most important elements of managing the activities of the hotel, restaurant and tourism business are the introduction of innovations, strategies for risk management and the capability to adjust to swiftly evolving external conditions.

The main characteristic of assessing the effectiveness of the management of any institution in the hotel, restaurant and tourism business is the adequacy of the set goals of functioning (Fuertes et al., 2020). The main management functions are similar to other production and economic systems and management processes.

Taking into account the content and implementation of the set management tasks, the following functions of the strategic management system of the hotel, restaurant and tourism business can be distinguished (Aleksieienko et al., 2020; Correani et al., 2020; Flammer & Ioannou, 2021):

- development of plans and forecasts;
- improving the team's work performance;
- Coordination and making adjustments;
- staff motivation;
- control;
- analytical activities.

The quality of implementation of each stage usually depends on the personal management in each particular company. That is why the selection of HR professionals should be treated with the utmost care and responsibility.

When developing a restaurant development strategy, it is important to define its concept, which will determine all subsequent steps (Garud et al., 2022; Shkarlet et al., 2020). The concept of the establishment should be unique and attractive to the target audience, taking into account market trends and consumer needs.

Defining development goals and objectives will help you create a plan that includes marketing and operational strategies. It is necessary to pay attention not only to increasing profits, but also to improving the quality of service and customer satisfaction.

The analysis of competitors and industry trends plays a crucial role in the formulation of a development strategy. An effective strategy must demonstrate flexibility and adaptability in response to environmental changes and evolving customer demands. Regular monitoring of the implementation process, coupled with timely adjustments to the plan as needed, is essential for ensuring the sustainable growth and long-term success of the organisation.

In light of these considerations, the primary aim of this article is to synthesise theoretical insights and provide practical recommendations for leveraging modern tools in the development and execution of a competitive strategy for companies within the hotel, restaurant, and tourism sectors, with the objective of enhancing their competitiveness.

Methodology

The comprehensiveness of the perspectives analysed and the objectivity of the recommendations proposed are supported by the application of an integrated approach to examining the specificities of developing and implementing innovative strategies in the modern hotel, restaurant, and tourism sectors. The findings were derived through the application of several general scientific and specialized research methods, including system analysis and synthesis, comparison, and generalization.

Given the rapid changes within the hospitality industry, the

significance of strategic management planning is increasingly evident, as a well-chosen development strategy enables a company to achieve sustainable and competitive growth in the market.

The scientific literature for this study was sourced from major academic databases, including Web of Science and SCOPUS, which are widely recognized as authoritative platforms for accessing scholarly works on a broad range of scientific topics. Emphasis was placed on publications from the past five years to ensure the utmost relevance of the material, as digitalization is a dynamic field that requires the analysis of the most current scientific research. In selecting sources and conducting the research, the timeframe for database searches was defined as January 2019 to April 2024, ensuring continuity and completeness in examining the research developments over the past five years.

The primary methodological approach employed is the Analytic Hierarchy Process (AHP), which was used to identify the most pertinent criteria for selecting a competitive development strategy for the hotel, restaurant, and tourism industries. AHP is a systematic procedure for the hierarchical representation of elements central to the problem at hand (Dzwigol&Dzwigol-Barosz, 2020; Fischer et al., 2020). The method involves breaking down complex issues into simpler components, followed by a pairwise comparison of these components, which enables the expression of the relative significance of each element within the hierarchy. The procedure also includes synthesizing multiple judgments, prioritizing criteria, and exploring alternative solutions. This method provides an in-depth analysis of not only the efficacy of decisions but also the criteria by which decisions are made or rejected.

Results

An analysis of strategic management practices reveals that, in contemporary business environments, increasing emphasis is placed on strategies for competitive business development. The most prevalent strategies can be categorized according to their respective modes of development. When selecting the optimal strategy for a particular business, it is crucial to consider that business expansion may occur through either horizontal or vertical

integration, involving modifications to products, partnerships, or even entire industries. Therefore, it is essential to provide a detailed examination of the three most common and effective strategies.

1. The concentrated growth strategy (Bryson & George, 2020; Kovalchuk et al., 2023; Viu-Roig & Alvarez-Palau, 2020) focuses on how to strengthen the brand's position, refine an existing product, or create a new one in the same niche. The goal of the strategy is to develop the company exclusively in its market segment.

If a company chooses this strategy, there are three possible development vectors:

- bringing the product to the top with the help of strong advertising or acquisition of competitors;
- Searching for new markets for existing products;
- launching a new product aimed at an already developed market.
- 2. The vertical integration strategy (Dzwigol, 2020; Farida & Setiawan, 2022; Sayed, 2023) is focused on expanding the company by acquiring new structures. Two methods are used for this purpose:
 - acquisition of organisations from related business sectors. For example, a travel operator may acquire a hotel chain or a restaurant complex may acquire a set of SPA centres;
 - establishing its own divisions in these industries. For example, a restaurant buys ready-to-eat breakfasts from a third-party factory and sells them under its own brand. However, as part of its vertical integration strategy, the company launches its own production line and offers its own unique breakfasts to tourists.
- 3. Diversification strategy (Schulte et al., 2020; Yekimov et al., 2023; Zorpas, 2020), which can be offered to companies that have achieved some success in their niche and can move further in two directions:
 - the path of centralised diversification, which implies that a company can find internal resources to create a new product without changing its existing business processes or attracting investments;
 - horizontal diversification, which provides an

opportunity to launch a new product aimed at customers who have known the company for a long time and know it well.

- Given the need to choose one of the strategies for the development of modern business, it is important to highlight that the incorporation of modern technologies significantly enhances the operational efficiency of the hotel, restaurant, and tourism sectors, leading to cost reductions and improvements in service quality. Summarising the scientific literature, we can identify several key technological solutions that can be implemented to optimise the operation of the hotel, restaurant and tourism business:
 - POS (Point of Sale) systems (Barykin et al., 2021; Kovalevska et al., 2022), which improve the speed and accuracy of order intake, payment processing, and inventory management. Integrating POS with other systems, such as inventory and CRM, ensures a continuous flow of data and simplifies management;
 - automated inventory management (Zaloznova & Trushkina, 2019) helps to track real-time inventory levels, automatically order goods as needed, and prevent overproduction or stock-outs, which minimises waste and reduces costs;
 - Mobile ordering and payment apps (Cichosz et al., 2020; Rudenko & Kharkov, 2023) allow customers to select orders or reservations and pay for them via smartphones using online banking, speeding up service and improving the user experience. These apps can also be used to manage loyalty programmes and marketing promotions;
 - CRM systems (Pererva et al., 2021; Srijani et al., 2023) that collect and analyse data on customer preferences, behaviour, and feedback, allowing companies to establish closer ties with guests and personalise service. These systems can automate the sending of personalised offers and messages, increasing the frequency of visits.

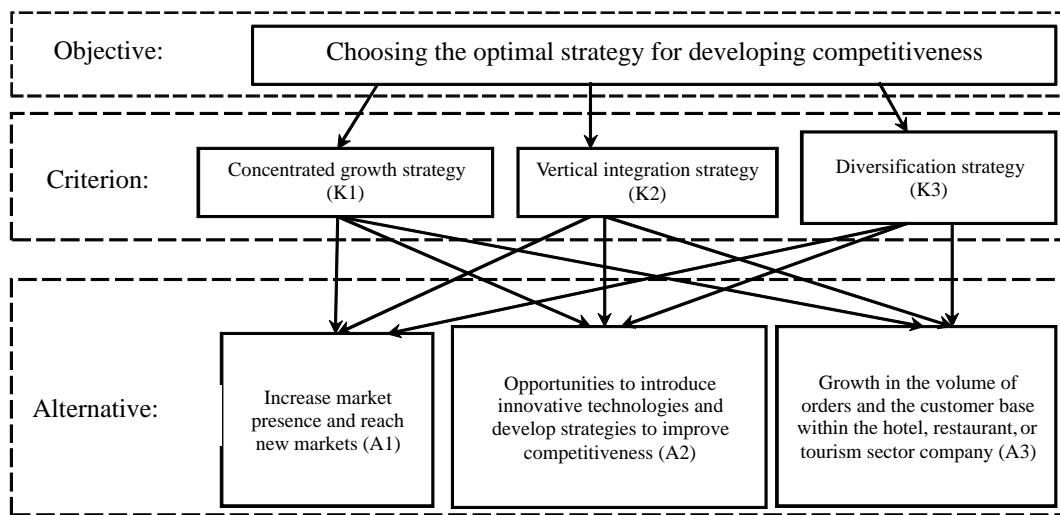
These technologies not only contribute to more efficient management of establishments, but also significantly improve the overall customer experience, which is the key

to customer retention and increased profits. Accordingly, when planning the development strategy of a hotel, restaurant and tourism company, it is worth considering the possibility of implementing these technologies.

As previously noted, the effective development of a hotel, restaurant, and tourism company requires selecting an optimal strategy that accounts for the market's specific

characteristics and the firm's current competitive position. An informed choice can be made through the application of the hierarchy analysis method, which facilitates the evaluation of each strategy based on a defined set of alternatives. Figure 1 provides an overview of the initial data used for constructing the hierarchy analysis model.

Figure 1. Hierarchical model for selecting the optimal development strategy for a hotel, restaurant, or tourism enterprise



Source: Compiled by the author on the basis of (Storozhyk, 2024; Suprunenko et al., 2023)

To determine the priority of the criteria, the priority vector and the normalised priority vector are calculated using formulas (1 - 2).

$$w_i = \frac{1}{\sqrt{\prod_{j=1}^n a_{ij}}} \tag{1}$$

$$w_{norm} = w_i / \sum_{i=1}^n w_i \tag{2}$$

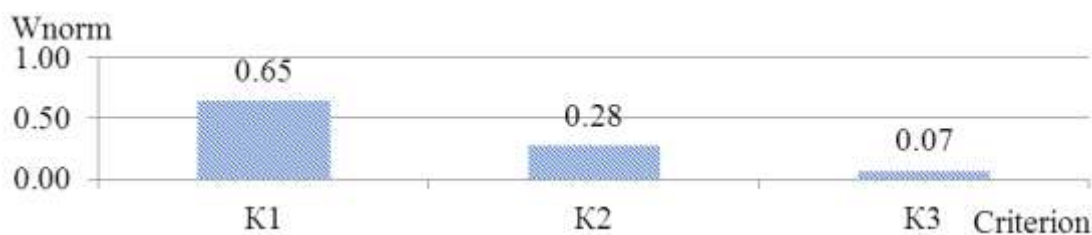
where (W) represents the component of the eigenvector of the matrix (the mean of the priority scores);

(W norm) is the normalised vector of the pairwise comparison matrix (priority vector);

(a_{ij}) refers to the values of the matrix elements.

The results are shown in Fig. 2.

Figure 2. Results of calculating the priority of each criterion



Source: Compiled by the author

According to the values of the normalised vector, it can be concluded that the priority criterion is the “Concentrated Growth Strategy” (K1), with a priority of 0.65, i.e. it is most important for the enterprise to obtain the best result in the area that is already well known and in the niche that is already occupied. This can also be logically explained by environmental factors, which are quite unstable today and active vertical or horizontal diversification may be too risky.

In accordance with the hierarchy presented, it is necessary to determine the most appropriate alternative or opportunity that the strategy opens up for the company.

The next step is to assess the consistency of experts' opinions using the formulas (3 - 5).

$$\lambda = \sum_{i=1}^n a_{ij} * W_{norm i} \quad (3)$$

$$I_c = \frac{(\lambda - n)}{(n - 1)} \quad (4)$$

$$OC = \frac{I_c}{I_{cc}} \quad (5)$$

Opportunities to introduce innovative technologies and develop a strategy to increase competitiveness offer the company significant potential prospects for improving its financial position (Sydorenko, 2023), expanding into new markets and attracting new customers, so this alternative is also logically the highest priority.

In this regard, it is important to highlight that global economic changes, political shifts, and technological advancements significantly influence the contemporary landscape of the hotel and restaurant industry. These elements not only impact the global economy at large but also directly affect the hospitality sector, creating new demands and challenges that shape the development of effective business promotion strategies.

Economic transformations, including fluctuations in the global market, alterations in consumer demand, currency variations, and various other determinants, exert a direct influence on the financial stability and success of

where λ is the eigenvalue of the matrix;

I_c is the consistency index;

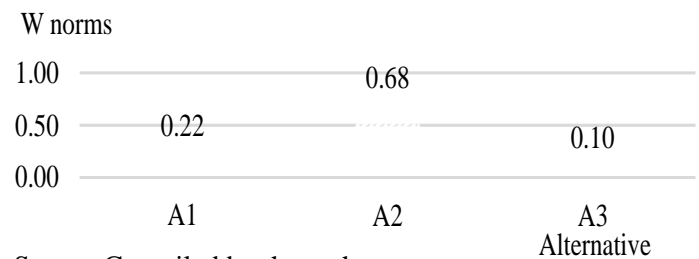
I_{cc} is the average value of the consistency index;

OC is the consistency ratio;

n - number of criteria (alternatives).

Thus, according to the criterion “Strategy of concentrated growth” K1, the highest priority is given to the alternative “Opportunities for introducing innovative technologies and developing a strategy to increase competitiveness” A2 - 0.68 (Fig. 3).

Figure 3. Priority values of alternatives according to the “Concentrated growth strategy” criterion



Source: Compiled by the author

enterprises within the hotel and restaurant sectors. Such shifts may require companies to revise their business models, pricing policies and innovative management tools to adapt to new economic conditions. Hospitality companies have to respond quickly to these changes, adapting to new rules and requirements to comply with standards, quality control and customer safety, while effectively using the latest tools for development and ensuring an appropriate level of competitiveness. Innovating requires investment, there's no arguing with that. But if you choose the right direction, the investment will pay off quickly. The primary objectives addressed through the incorporation of innovations within the development strategy of the hotel and restaurant industry are to attract new patrons and to cultivate a recurring desire among guests to revisit the establishment on multiple occasions. The ultimate goal is to increase financial performance and achieve conditions for sustainable business development.

Therefore, it is worth considering the innovative opportunities for strategic development that are currently available to hotel and restaurant companies to increase their competitiveness.

One of the options for innovative transformations in restaurants can be the introduction of an interactive menu. Instead of a classic paper menu, the waiter provides the customer with a tablet that allows them to see photos of dishes, read their descriptions, calculate calories, place an order and find out the final price. Moreover, the customer can choose a drink from the wine list by year, region, bouquet and price, and then receive recommendations on the most suitable dish to go with it. Having replaced the usual menu, tablets or other interactive menu display devices have become the main channel of communication between restaurateurs and customers, allowing them to make instant adjustments to the list of dishes, read news, and use additional mobile marketing opportunities, such as ordering a taxi after visiting a restaurant or creating an additional order to order food for home delivery.

Interactive tables for restaurants are becoming a development of interactive menu technology, which is especially relevant for companies or youth establishments. Utilising such designs enables users to access news pertaining to the establishment, log into their client accounts, and verify the bonuses associated with their discount cards. Furthermore, users have the capability to modify the countertop design and place orders that are promptly delivered to the kitchen. While waiting for the order, the interactive table allows you to play board games or watch videos. An interactive table for catering and hospitality establishments is a whole attraction and attracts the attention of additional customers, especially companies.

Another innovation, but in the field of visual design, is the design of shop windows with models of dishes offered in the establishment. Of course, they should be of high quality, beautiful, believable and informative to fully satisfy the public's curiosity about the appearance, names, composition, calorie content and prices. Experience indicates that display cases featuring models can draw in more customers and significantly enhance the overall

image of the establishment.

In general, when it comes to development strategies and ensuring competitiveness, innovations should be implemented not only in the service sector, but also in the field of human resources:

- To track an employee's movements and determine how often they wash their hands, whether they wear gloves when cooking, etc., they are given an identification card;
- Webcams are installed in the kitchen to record violations of sanitary and safety standards,
- Special applications are being introduced to the POS system to process documentation and create a work schedule;
- walkie-talkies can be used to improve communication between the kitchen and guest rooms.

There exist numerous methods for the implementation of innovations within the food service industry; however, it is crucial to recognize that patrons of catering establishments rapidly acclimatize to these innovations, resulting in a continual openness to novel experiences. In this context, restaurateurs must adopt a more open-minded approach and remain vigilant regarding the innovations introduced by competitors. It is essential to understand that innovations in the restaurant sector serve merely as instruments that facilitate additional opportunities for development and enhancement. The hotel business will not stand aside from the introduction of innovations. The hospitality industry is using new technologies to make accommodation even more comfortable. The trend is to use so-called smart devices controlled via smartphones. For example, a guest can set a comfortable room temperature for himself or herself, even if he or she is away from the hotel, and prepare the room for his or her return. It is warranted to delineate various strategies employed within the hotel sector as a response to the global transformations occurring in the international hospitality landscape and, more broadly, in reaction to evolving trends within the hospitality industry.

Changes in tourist demand are manifested through the emergence of new tourist trends, changing tourist preferences and increased interest in certain types of recreation, which may require a review of the range of services and facilities of hotel companies. Development strategies must be modified to accommodate these changes in order to effectively address the evolving needs of tourists. Furthermore, it is essential to take into account the competitive landscape, as global shifts may precipitate the entry of new competitors into the hospitality market and necessitate strategic adjustments by incumbent firms.

This requires companies to constantly monitor competitors and be flexible in defining their strategy in line with changing conditions. And the main condition for modern changes is the introduction of innovations. In the light of global changes, hospitality companies should actively implement innovations and technologies that will help improve efficiency and competitiveness. Regional strategies may include a focus on digitalisation, artificial intelligence, process automation and other modern solutions. In addition, with the growing focus on environmental and social issues, hospitality companies should pay more attention to sustainability and corporate social responsibility. Development strategies may be augmented by incorporating these aspects, which will not only mitigate adverse environmental impacts but also attract a target audience that prioritizes such principles.

Consequently, the development strategy within the hotel industry may evolve in response to global transformations, enabling it to adapt to new conditions, attract and retain clientele, enhance competitive advantage, and bolster the sustainability of the business. It is important to constantly analyse changes in the external environment and the company's readiness for them in order to respond effectively and make the necessary strategic decisions.

As a result, the successful implementation of a business development strategy allows restaurant and hotel companies to strengthen their market position, stand out from the competition and build a sustainable customer base. Adaptation to market conditions and needs, innovative business approaches and continuous improvement allow

restaurants not only to survive in today's market, but also to achieve long-term success. These instances of innovation illustrate the necessity for restaurants and hotels to engage in continuous analysis of both global and local trends, and to adapt their strategies accordingly to maintain competitiveness and achieve success in an evolving landscape. It is imperative that these establishments exhibit flexibility, creativity, and a readiness to confront emerging challenges in order to effectively address the needs of contemporary consumers and establish themselves as leaders within the new paradigm of the hospitality industry.

Furthermore, the integration of cutting-edge technologies in the hotel and restaurant sectors is a critical factor in enhancing service quality. Empirical research indicates a consistent upward trend in profitability among establishments that implement innovative solutions for their clientele. However, before using this experience, you should analyse how this or that innovation will affect your business. It is important that the expected profit covers the costs of use.

Accordingly, in today's environment, companies developing in the hotel and restaurant business should pay special attention to the possibility of implementing a concentrated growth strategy, which allows them to focus on the competitive advantages of the business itself and focus on the possibilities of introducing innovative technologies to ensure the implementation of this strategy.

Discussion

The literature suggests that strategy itself is a lot of work to analyse the market, define the concept and unique offer of a restaurant or hotel, work with the audience, its motives, and preferences (Budnikevich et al., 2023; Dzwigol, 2020). The strategy shows the strengths and weaknesses of competitors and offers solutions for presenting your restaurant in the most advantageous way. Of course, the development of a strategy for any hotel and restaurant business is practically an instruction manual for all further development activities, not only online or offline, but even within the restaurant itself. Nowadays, there are a lot of offers on the market to develop a strategy and a lot of options for this strategy. In addition to these opinions expressed in the literature, it is

worth adding the aspect that the company's resources, sources of income, key customers, sales offer, etc. should also be considered. The creation of a business model relies on an in-depth analytical framework and serves as the foundation for formulating a future strategy.

Also, considerable attention should be paid to the price category of the restaurant or hotel that is choosing or developing the strategy. The estimated amount of the average bill, the estimated number of guests in the restaurant for the restaurant to generate income and pay for itself, all of this affects the ambitious plans and the specifics of the strategy to be chosen.

Another issue that receives attention in the scientific literature is the strategic positioning of the company (Sydorenko , 2023) - this involves identifying factors, important customers, conducting surveys and questionnaires. This is the basis for forming the main direction of development and creating a unique selling proposition for each segment of the target audience. However, it should be added that a deeper approach can also include the development of a roadmap for implementing positioning not only in marketing tools, but also in the daily work of a restaurant or hotel, i.e. detailing the specifics of implementing the developed strategy.

Scientists (Rudenko& Kharkov , 2023) also note that strategy development is impossible without competitive analysis, which implies that any marketing activity, pricing policy, motive for coming to them, and their audience are analysed. What promotions they run, how they are positioned. It also analyses the customer journey of each competitor, convenience, pros and cons when ordering or buying in the establishment. Based on this analysis, a table with recommendations will be drawn up.

However, the matter of conducting a competitive analysis warrants a more comprehensive and systematic examination in order to formulate a robust strategy for the advancement of the hotel and restaurant sectors. In particular, it is essential to prioritize the target audience and the nuances of engagement with that audience.

1. Characteristics of the Young Guest Demographic: Specifically, the segment known as Millennials or

Generation Y, encompassing individuals aged 18 to 35, is notable for its early adoption of technology (Pan et al., 2022). This demographic is characterized by high levels of self-sufficiency, frequent travel, and a tendency to independently plan their trips without reliance on travel agencies. Moreover, they often integrate work and leisure, exhibit a preference for personalization and functionality, and seek novel experiences. For hotels and restaurants aiming for successful business growth within this demographic, it is imperative to acknowledge and address their distinct needs. First, Millennials possess advanced technological proficiency and are adept in utilizing electronic devices; for instance, mobile applications serve as the most convenient means for booking accommodations and managing orders. Secondly, this audience prioritizes experiential purchases, often preferring to allocate their financial resources toward new experiences rather than material possessions. Consequently, the rise in popularity of unique boutique hotels, characterized by distinct designs and co-working spaces, can be attributed largely to this demographic.

2. Engagement through social media: The role of social media has become increasingly significant in contemporary life (Pan et al., 2020). In the current social landscape, patrons are more inclined to recommend a restaurant or hotel on social media in exchange for positive experiences, rather than through direct monetary incentives. However, dissatisfaction can equally lead to immediate public complaints posted in relevant forums. To maintain a favourable public reputation and cultivate audience loyalty, it is crucial for establishments to focus on fostering these communications while being highly responsive to customer feedback and emerging needs. A number of hotels and restaurants strive to incorporate distinctive elements into their branding, design, or service offerings, thereby creating additional motivations for customers to share their experiences online. This initiative should be integral to the formulation and evolution of a strategic plan for hotel and restaurant development.

3. Artificial Intelligence and Chatbots in the Hospitality Sector (Wen et al., 2022). In contemporary settings, artificial intelligence (AI) technologies are significantly enhancing service efficiency within the hospitality industry. AI-powered chatbots facilitate the resolution of basic inquiries and provide recommendations, thereby reducing the reliance on human staff. For instance, chatbots deployed in restaurants enable patrons to view menus, place orders, reserve tables, and settle bills, thereby streamlining the dining experience.

We concur with Wen N.'s assertions; however, it is imperative to recognize that individuals who engage actively with gadgets and diverse digital platforms in their daily activities anticipate seamless interactions and optimal service through these channels. Consequently, stakeholders within the hospitality sector are actively exploring innovative technological applications to fulfil the experiential expectations of their clientele. Nevertheless, while technology adoption is vital, it should not constitute the primary strategic framework; rather, it ought to be integrated as a component of a broader developmental strategy, a premise substantiated by the findings of this study.

Moreover, advancements in technology are transforming staff operations across both large hotel chains and smaller establishments. Customer Relationship Management (CRM) systems, for example, are instrumental in fostering enhanced organizational efficiency and facilitating improved communication between staff and guests.

Thus, the strategic development of businesses within the hotel and restaurant sectors should be oriented around systemic operational aspects, wherein the implementation of specific technologies serves merely as an adjunct to the overarching strategic framework.

Conclusion

In general terms, strategy means planning further actions that should lead to a certain result (Riabov&Riabova, 2021). Forming a company's development strategy allows for qualitative changes in the management system and improves the competitive position of the business in the market. However, such results are possible only if the

strategy is chosen correctly and a balanced approach to its implementation is taken.

In general, a business strategy can be defined as a comprehensive plan of action that an organization formulates to achieve its objectives. This framework facilitates clarity regarding the specific tasks to be undertaken, the requisite personnel to be engaged, and the resources necessary for the effective implementation of these initiatives. The presence of a well-defined business strategy enhances interdepartmental collaboration, as professionals from various sectors gain a clearer understanding of the organization's overarching goals and are thus better positioned to contribute to its advancement.

The study found that a modern company operating in the hotel, restaurant and tourism business should choose among growth strategies, as this area has significant prospects for further development. The key strategies are as follows:

1. Concentrated growth strategy.
2. Vertical integration strategy.
3. Diversification strategy.

Representatives of the hotel, restaurant, and tourism sectors are inevitably confronted with the challenge of selecting an optimal strategic approach amidst the prevailing conditions characterized by instability and risk in the external environment. Utilizing the hierarchy analysis method, it becomes evident that the primary strategy for contemporary enterprises within the hotel, restaurant, and tourism industries is one of concentrated growth. This strategy emphasizes the maximization of opportunities for the adoption of innovative technologies and the enhancement of competitive positioning. Such a strategic orientation is anticipated to yield positive transformations within the organization, ultimately resulting in increased sales and the attraction of new, loyal customers.

The development of strategic management within the hotel and restaurant sectors presents substantial opportunities for further academic inquiry. Several promising avenues for research can be identified, particularly those pertaining to the privacy and data protection of customers within these industries. This issue warrants careful consideration,

especially given the potential breaches of privacy that may occur during the implementation of innovative practices. Additionally, the exploration of conditions necessary for facilitating horizontal integration in the evolution of the hotel and restaurant sectors also merits focused scholarly attention.

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