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# Strategic Management and Competitive Advantage in Hospitality and Tourism Consulting: A Critical Review

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## Abstract

This critical review examines how strategic consultants advise hospitality and tourism organizations in developing and maintaining competitive advantage in an increasingly dynamic and complex global market. Using recent empirical studies, the paper explores the application of four key strategic frameworks: Porter's Five Forces, the Resource-Based View (RBV) and dynamic capabilities, Blue Ocean Strategy, and innovation-driven differentiation. The review emphasizes that while each framework offers unique strategic insights, applying them alone often fails to address the industry's multifaceted challenges. Instead, the findings support a hybrid, context-sensitive consulting approach that combines external threat analysis with internal capability development and value innovation. The paper concludes with practical implications for consulting practice and suggests future research directions, including framework integration, long-term impact evaluations, and the role of governance in sustaining innovation. This review advances the ongoing discussion on strategic management in hospitality by integrating theory and practice through the lens of contemporary consultancy.

**Keywords:** Strategic Consulting; Competitive Advantage; Porter's Five Forces; Resource-Based View; Blue Ocean Strategy; Dynamic Capabilities; Innovation Strategy

## 1. Introduction

The hospitality and tourism industry has long faced high competition and volatility, but the post-pandemic era has exacerbated these challenges even further [3]. The sector's reliance on face-to-face service, perishable inventory, and changing demand makes strategic agility crucial [21]. In this complex environment, organizations increasingly turn to management consultants to develop and implement strategies that build resilience and stand out [5]. Some of the most common strategic frameworks include Porter's Five Forces, the Resource-Based View (RBV), Blue Ocean Strategy, and innovation-focused approaches [6; 10; 2]. While each of these frameworks provides a different perspective on strategy, their true value often depends on how they are integrated and customized for specific organizational contexts [8]. This paper reviews recent academic contributions that explore the use of these strategic tools in hospitality consulting and critically examines their practical implications.

## 2. Porter's Five Forces and Competitive Positioning

Porter's Five Forces (P5F) framework remains a key tool for analyzing competitive intensity and market attractiveness in the hospitality industry. Its use is especially effective in environments with high price sensitivity, many brands, and a wide range of customer choices. For example, [7] conducted an empirical study on five-star hotels in Nairobi and found that competitive rivalry and the threat of substitutes, particularly alternative accommodations, are major pressures

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influencing strategic responses. Their regression analysis shows that service differentiation and value-based pricing are effective strategies to counter these forces.

However, the static nature of the P5F framework has limitations in rapidly evolving service-intensive markets. [12] highlight that the model inadequately addresses digital transformation and dynamic shifts in consumer expectations. They caution consultants that over-reliance on P5F may lead to defensive, short-term tactics unless combined with internally focused models that foster adaptive capabilities. This critique is echoed by research in Greece, where scholars noted that while P5F assists in delineating external threats, it fails to capture the nuance of local tourism dynamics and demand patterns [16]

In a study of mid-tier Kenyan hotels, [17] observed that excessive concentration on price competition often hinders internal differentiation efforts. Utilizing survey and interview data from Naivasha hotels, they demonstrated that firms prioritizing cost-focused strategies without concurrent investment in unique service offerings perform worse over time. Similarly, [24] found that while cost leadership increases market share among Nairobi's high-end hotels, differentiation through quality and brand identity is equally critical for long-term profitability.

Collectively, these studies support the continued relevance of Porter's Five Forces as a diagnostic framework, but also make clear that its utility is bounded. For hospitality firms, P5F must be embedded within an integrated strategy combining external assessment with internal development of capabilities, innovation, and value differentiation. Only then can consulting recommendations move beyond defensive postures and toward sustainable competitive advantage.

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### 3. The Resource-Based View and Dynamic Capabilities

The Resource-Based View (RBV) shifts strategic focus inward, highlighting the competitive advantage derived from a firm's unique internal assets. In the hospitality sector, intangible resources such as brand equity, human capital, and customer relationships are increasingly recognized as central to performance. For instance, [10] conducted a large-scale study of European hospitality SMEs, finding that human and relational capital had the greatest influence on firm performance. Their work emphasizes the importance of capability-focused internal audits and development initiatives [10].

Post-pandemic research further underscores the relevance of dynamic capabilities—a strategic extension of RBV that involves sensing, seizing, and transforming resources in response to environmental shifts. [9] analyzed East Asian hotels and demonstrated that those that had proactively invested in digital platforms, flexible operational systems, and health-safety measures were more resilient during the COVID-19 recovery. This highlights the consultant's role in guiding the reallocation of resources to fit rapidly evolving contexts [9].

Complementing these findings, [18] explored technology-enabled human capital in Kenyan hotels. Their results indicate that leadership in digital literacy and staff empowerment were key factors in successful reopening and market re-entry strategies. This trend reinforces the strategic need for consultant-led training programs and digital capability assessments [18].

Another important contribution comes from [15], who investigated Spanish resort hotels. Their study shows that hotels that embedded learning routines and knowledge-sharing mechanisms were better positioned to innovate service delivery and sustain competitive advantage through crisis periods. This provides further support for consulting frameworks grounded in organizational learning and systems thinking [15].

Overall, these studies confirm that the RBV and dynamic capabilities framework offer a robust strategic toolkit for hospitality firms, but their effective application requires sustained investment in learning, innovation, and change management. Consultants play a vital role in bridging internal strengths with external market dynamics, ensuring that strategic planning and execution are aligned with organizational capabilities and industry trends.

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### 4. Blue Ocean Strategy and Market Repositioning

Blue Ocean Strategy (BOS) presents a compelling alternative to traditional competitive approaches by urging firms to establish uncontested market spaces through value innovation. This paradigm is particularly applicable in the hospitality industry, where differentiation is increasingly driven by experience design, personalization, and emotional engagement. Empirical evidence supports these assertions. [17] evaluated thirty-eight three- and four-star hotels in Naivasha, Kenya, finding that low-cost strategies combined with value innovation positively and significantly predicted

organizational performance ( $p < .05$ ). Their study emphasized that resource optimization and service redesign are central to performance improvement [17].

In urban hospitality markets, [20] observed that BOS adoption among four- and five-star hotels in Kuala Lumpur led to measurable increases in revenue per available room (RevPAR) and overall operational performance. The study highlighted that BOS, when combined with strategic capacity and revenue management, effectively aligns supply with changing guest needs [20]. Additionally, case analysis of citizenM Hotels demonstrated how BOS principles, mainly the removal of front desks and reduction of room size, along with luxurious sleep experiences, allowed the brand to deliver affordable luxury, achieving roughly 90% average occupancy and profitability per square meter, nearly double that of comparable hotels [11].

Furthermore, qualitative research from Taiwan shows that BOS attributes in hospitality include guest value perception analysis, distinctive value offerings, unique ambiance creation, strategic alliances, and adaptive distribution channels [23]. These elements align with BOS frameworks like the Strategy Canvas and Four Actions Framework, providing a clear strategic path to uncontested market space. However, BOS also faces implementation challenges, such as organizational inertia, limited innovation capacity, and capital constraints [20]. Consultants must therefore support structured change management, capability development, and investment prioritization to turn BOS from an idea into a sustainable business model.

Collectively, these studies demonstrate that BOS is more than just a competitive tactic; it serves as a strategic guide for systemic change. It enables consultants to help clients reposition themselves in the market using value innovation, design thinking, and organizational readiness strategies.

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## 5. Innovation and Strategic Differentiation

Innovation has emerged as a pivotal component of competitive advantage in the hospitality sector, transcending mere adoption of new technologies to include service process design, organizational agility, and market responsiveness. [13] examined Greek hotels and found that aligning innovation initiatives, particularly in new service development, with financial health and customer preferences led to significant improvements in performance. Their study highlights the importance of ensuring innovation is both creative and commercially viable.

In Ghana, [19] categorized innovation into four dimensions: product, process, organizational, and marketing. Through a mixed-method approach, the study demonstrated that hotels engaging across all four dimensions experienced stronger customer retention and profitability, underscoring the need for integrated innovation strategies rather than isolated initiatives.

Expanding the geographical coverage, [14] investigated South Korean mid-market hotels and revealed that digitally-enabled guest personalization initiatives correlated with higher guest satisfaction and repeat bookings. Their findings underscore innovation's role in differentiating customer experiences within competitive markets.

A comprehensive meta-analysis by [22], which reviewed 261 studies in hospitality and tourism innovation, identified persistent gaps related to corporate governance and the long-term viability of innovative initiatives. The authors argued for a stronger focus on leadership structures, collaborative culture, and strategic alignment to ensure sustainable innovation outcomes.

Furthermore, [1] studied hotel chains in the Middle East and North Africa (MENA) region, finding that organizational learning systems, such as feedback loops, cross-departmental teams, and continuous training, were essential to successful innovation adoption. These practices enhanced employees' ability to co-create value and adapt to evolving market demands.

Collectively, these studies illustrate that innovation in hospitality is multidimensional. Consultants play a crucial role in embedding innovation into organizational DNA by fostering a culture of experimentation, enabling cross-functional collaboration, prioritizing digital transformation, and aligning initiatives with strategic objectives. This approach ensures innovation efforts contribute to sustainable differentiation across the customer journey.

## 6. Conclusion and Future Research Directions

This critical review has examined four major strategic frameworks widely used in hospitality and tourism consulting: Porter's Five Forces, the Resource-Based View (RBV) and its dynamic capabilities extension, Blue Ocean Strategy (BOS), and innovation-led strategic differentiation. Each framework contributes valuable insights into the complex mechanisms of achieving and sustaining competitive advantage in the sector. However, their isolated application often leads to narrow or incomplete strategies. The findings across multiple studies suggest that consultants should adopt an integrative, context-sensitive approach, one that aligns internal resources with external environmental demands while promoting long-term agility and resilience.

Porter's Five Forces remains effective for diagnosing external threats and market positioning, yet its prescriptive power is limited without consideration of firm-specific capabilities. The RBV and dynamic capabilities framework fill this gap by enabling firms to identify, reconfigure, and leverage internal assets in response to rapid change. Blue Ocean Strategy, as demonstrated in both emerging and mature markets, provides a compelling path for value innovation and market redefinition. Meanwhile, innovation has become the operational backbone of differentiation, requiring structural enablers such as learning routines, leadership engagement, and cross-functional collaboration.

As the hospitality industry continues to evolve, particularly under pressures of digital disruption, climate change, and post-pandemic consumer shifts, future research should pursue several directions:

- **Framework Integration Models:** Future studies should explore hybrid strategy models that combine P5F, RBV, BOS, and innovation frameworks in practical consulting contexts. Empirical testing of such models across regions and firm sizes would provide valuable guidance for consultants and academics alike.
- **Longitudinal Case Studies:** There is a need for longitudinal research tracking how hospitality firms implement strategic frameworks over time, including the outcomes of consultant-led interventions. This would enhance understanding of the temporal dynamics of competitive advantage.
- **Governance and Innovation Sustainability:** Building on gaps identified in the innovation literature, future research should investigate the role of corporate governance, leadership styles, and strategic alignment in supporting long-term innovation sustainability within hospitality organizations.
- **Digital Capability Development:** As digital transformation accelerates, more research is needed into how consultants can support the development of digital dynamic capabilities, especially in small and medium-sized hospitality enterprises with limited resources.
- **Cross-Cultural Strategic Consulting:** Finally, comparative research across different cultural and regulatory contexts could illuminate how strategic frameworks must be adapted to suit varying market conditions, particularly in the Global South.

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## 7. Conclusion

In conclusion, strategic consulting in hospitality must evolve beyond rigid frameworks to embrace a more adaptive, innovation-driven, and systems-oriented approach. Consultants must function not only as analysts but as facilitators of change, bridging theory and practice to co-create value in an increasingly complex global industry.

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## Compliance with ethical standards

### *Disclosure of conflict of interest*

No conflict of interest to be disclosed.

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