Strategic Planning in Hotel Industry
(Case Study: Parsian Evin Hotel)

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Abstract
In this research, we try to determine the strategic planning and the most appropriate strategic options for hotels through a case study, considering the current situation of hotel industry in Iran. For this purpose, Parsian Evan hotel, a four star located in Tehran was selected as a case study. Initially, the mission and vision of the hotel were expressed; then a questionnaire was prepared for investigating the internal and external environment of hotel and determining its strengths, threats and opportunities of the hotel and distributed among 5 senior managers in Evin Hotel. In the next step, the information of the questionnaires was extracted and the evaluation matrices of internal and external factors were formulated based on that information. Next, the related strategies were provided after comparing the weaknesses, strengths, opportunities and threats. The most important strategic options were identified based on the views and comments of the above-mentioned senior managers and consultations with two of the elites of the hotel industry in Iran, according to which the SWOT matrix and internal and external factors (IE) were prepared. Finally, the related strategies were introduced and the quantitative strategy planning matrix (QSPM) was formulated by identifying the hotel' position in the IE matrix. The results of the matrices indicated that Evin Hotel is currently in an aggressive position and can use the most important strategies related to the comparison of strengths and opportunities (SO) to overcome the competitors. In addition to Evin hotel, the top managers of other hotels can also use the presented process for their strategic planning according to their capabilities.
Keywords: strategic planning, weaknesses and strengths, threats and opportunities, hotel industry, Parsian Evin Hotel.

Introduction
Strategic planning and management is a necessity for the survival and growth of hotels in the current competitive environment. Currently, hotels operate in economic, financial, and competitive environments and have a wide range of stakeholders (Knowles, 2009: 62). In order to satisfy these stakeholders, strategic planning and management are like tools that not implementing them can weaken the position of the hotel in the market. Here, we show how planning and strategic management is a matter of great importance for hotels. For this purpose, a study has been designed to explore this issue in the hotel industry in Iran which can be very useful for senior hotel managers.

Literature Review

Strategic Management
A strategic management is a set of decisions and management measures that determine the long-term performance of a company (Hunger & Wheelen, 2007: 15). These decisions and actions result in the design and implementation of strategies in order to achieve the goals of a company (Pearce & Robinson, 1988). Kanter (1984) considers strategic management as the selection of current practices to achieve future goals and believes that strategic managers are actually the executor of actions that integrate and institutionalize the mechanisms of change (Armstrong, 2007: 59).

The main pattern of strategic management
Strategic management consists of four basic elements: environmental survey, strategy development, strategy implementation, assessment and control (Hunger & Wheelen, 2007: 20).

• Environmental Survey
Environmental survey includes monitoring, evaluation and publication of information about the internal and external environment of the company among the company's key employees. The internal or external environment includes variables (opportunities and threats) that exist outside the company and are beyond the control of the

company's top management. These variables help creating a space and context in which the company exits and operates. These variables may be macro forces and existing social environments or forces that are active in the company's special occupational environment which means industry. The company's internal environment includes the variables (strengths and weaknesses) that exist within the company itself and are usually in the senior managers' continuous and long-term control area. These variables create a context or environment in which the work is done. These variables include the structure, culture and resources of the company (Hunger & Wheelen, 2007: 21).

• Strategy development (strategic planning)

It includes designing long-term plans for effective management of opportunities and environmental threats (external factors), as well as examining the strengths and weaknesses of the company (internal factors). Strategy development involves defining the mission of the company, setting educational goals, designing strategies and setting policy guidelines (policies) (Hunger & Wheelen, 2007: 22).

✓ Company's mission: The company's intentions, or in fact its existential philosophy (Hunger & Wheelen, 2007: 22).

✓ Operational objectives: The final results of planned activities (Hunger & Wheelen, 2007: 23).

✓ Policies: Broad and general guidelines for decision making that combine the two steps of strategy development and strategy implementation ((Hunger & Wheelen, 2007: 26).

✓ Strategy: According to Mintzberg, the concept of strategy stems from the various theories and attitudes that have been suggested regarding the strategy and developed based on the schools of strategy. In his view, strategy can be defined from five perspectives:

1. Strategy as a plan: This definition includes a kind of conscious work or a set of guidelines that are anticipated in order to deal with a particular situation or event in the future.

2. Strategy as ploy: Advocates of this definition believe that strategy, while having the implications mentioned in the previous definition, has a specific attribute that leads to clever tricks and maneuvers against competitors.

3. Strategy as pattern: According to this definition, following the development of a strategy which can either be a plan or a ploy, the

most important step is realizing the strategies. Therefore in this definition, strategy is a pattern in the course of decision-making. This definition has been devised to operate a tangible and meaningful framework for guiding and managing studies on the formation of a strategy. Thus, strategy should include all the company's moves and actions for the achievement and realization of plans and ploys.

4. Strategy as position: Strategy is a position, especially a means to put companies where theorists want to call it an "environment." With this definition, strategy turns into a mediating or coordinating force between the company and its environment; in other words, the internal and external position.

5. Strategy as perspective: In this definition, a strategy looks inside of the company. Here, strategy is a perspective which its content is composed not only of a chosen position, but also of a deep and rooted method for understanding the world (Ahmadi et al., 2009: 33-36).

Types of strategies

A commercial company usually reviews three types of strategies: corporate, business and functional.

• Corporate strategy: It describes the company's overall orientation in line with its general attitude toward the growth and management of different types of businesses. Corporate strategy consists of directional strategy, portfolio analysis and parenting strategy. Directional strategy finds meaning in terms of words such as stability, growth, and retrenchment (Hunger & Wheelen, 2007: 24). In portfolio analysis, the company's units are assumed to be a series of investments that are expected to be profitable and fruitful. The two main methods of portfolio analysis include the market growth matrix and Boston Consultative Group (BCG) market share and General Electric Business Screen (GE) (Hunger & Wheelen, 2007: 170). Also, parenting strategy focuses on the resources and capabilities of the company in creating value and synergy (Hunger & Wheelen, 2007: 177).

• Business strategy: It is usually implemented at the level of the products or business unit and focuses on the improvement of the competitive position of the company's goods and services in a particular industry or a specific market segment. Business strategies consist of competitive and cooperative strategies (Hunger & Wheelen,

2007: 24-25). Competitive strategy creates a profitable and lasting position in an industry so that the company can compete with its rivals and overcome them. Michael Porter suggests lower cost, product differentiation and cost focus as competitive strategies (Zhao & He, 2008: 151). Cooperative strategies are those that are used through cooperation with other companies to gain competitive advantage in an industry. The main type of participatory strategy is the strategic alliance (Hunger & Wheelen, 2007: 148).

• Functional strategy: It is an approach taken by a functional area such as marketing or R&D to achieve the goals and corporate and business unit objectives and strategies by maximizing resource productivity (Hunger & Wheelen, 2007: 25).

• Comprehensive framework for strategy formulation

The comprehensive strategy formulation framework has four main steps:

Start-up step: In this step, the mission of the company is determined and its mission statement is prepared (Arabi, 2010: 7).

Input step: In this step, the main information required for the formulation of strategies are determined. This step includes the Internal Factor Assessment Matrix (IFE) and the External Factor Assessment Matrix (EFE) (Arabi, 2010: 7). Internal factor assessment matrix is a way to organize the internal factors of the company into two categories: strengths and weaknesses. It is also a method for evaluating management in responding to specific factors (coefficients) according to their expected significance (rank) for the company (Hunger and Wheelen, 1386: 120). In the external factors evaluation matrix, external factors are organized in terms of opportunities and threats that are generally accepted. Additionally, this matrix is a method to analyze how companies respond to these factors, given the importance given to each of them (Hunger & Wheelen, 2007: 90).

Adaptation or comparison step: In this step, considering the information obtained from the previous steps and taking into account the mission of the company, the main internal factors (key strengths and weaknesses) and the main external factors (strategic opportunities and threats) are adapted together and in fact a balance is created between them. Then, the strategies that are consistent with the mission of the company and in accordance with the internal and external

factors are identified. The tools used to adapt these factors include SWOT matrix (Strength, Weakness, Opportunity and Threat Matrix) and Internal-External matrix (IE) (Arabi, 2010: 7).

Decision-making step. In the final step, the various options of the strategies identified in the previous steps are evaluated and judged in an objective manner and without personal opinions by using the quantitative Strategic Planning Matrix (QSMP). This matrix identifies the relative attractiveness of different types of strategies; therefore, provides a concrete basis for the selection of choosing specific strategies (Arabi, 2010: 7).

• Strategy Implementation

It is a process by which strategies and systems are taken into account and applied in all the steps of programs, budgets and procedures (Hunger and Wheelen, 2007: 27).

• Control and evaluation

Controlling and evaluation is a process by which the company's activities and outcomes are monitored in order to compare the company's actual performance with the desired performance (Hunger & Wheelen, 2007: 29).

The Necessity of Strategic Management

The goal of deploying strategic management at all the levels is to facilitate the company's leadership for better adaptation to changing environments and longer survival. In this process, the main task is empowering the company to adapt to the opportunities and environmental threats and this makes strategic management an important part of the planning system. Nowadays, the need for strategic management is obvious for many different branches, such as hospitality and tourism industries that are increasingly growing (Knowles, 2009).

Strategic management hotels

Nowadays, service companies play an essential role in the economy so that in 2004, the service sector's share in global GDP was 62%. Thus, service companies are more faced with the challenge of competitive environment and need to use competitive and development strategies (Kaiser & Ringlstetter, 2011: 145). Among service companies, hotels and especially chain and multinational hotels, in addition to increasing the number of competitors, are faced with the rapid development of

information technology, the changing demand of customers, the investors' demand for more return on investment and the increasing changes in global security and environment. Therefore, they have to use these strategies to respond to these issues (Zhao & He, 2008: 153). A brief review of literature on this subject suggests that much research has been done regarding the competitive strategies in the hotel industry. The majority of studies focus on areas such as information technology, especially the Internet and data mining (Sigala et al., 2001; Magnini et al., 2003; Martin, 2004; Law and Jogaratnam, 2005); strategic human resource management (Tracey, 2003; Knox and Walsh, 2005; Wilton, 2006); quality management services (Keating and Harrington, 2003; Candido, 2005; Presbury et al., 2005); strategic marketing and pricing and strategic management of hotel's income (Yelkur and DaCosta, 2001; Lai and Ng, 2003; Cai and Hobson, 2004; Jain and Jain, 2005; Holverson and Revaz, 2006). Other studies have examined the patterns of ownership in the hotel industry (Dimou et al., 2003) by using a specific competitive strategy in this industry (Crook et al., 2003). Later researches have studied the relationship between strategic behaviors and performance. For example, it has been determined in one research that hotels should have a medium to large size, belong to a specific chain and develop and expand their competitive strategy in order to achieve higher levels of performance (Zhao & He, 2008: 158). In another example, the methods employed in the competitive and participatory strategies of the hotel industry have been studied. Some of these examples are listed below:

• Implementation of information technology: wireless communications, entertainment facilities, self-service facilities and e-commerce technologies.

• Implementation of management and decision support technology: customer relationship management system, asset management system, database marketing and data mining, income management system, returns management and cost control system

• International development and expansion and earning more market share: integration, exclusive representation, joint venture with a strategic competitor and strategic partnership

• Managing relationships with stakeholders: customer relationship management, employee relationship management, business partner relationship management
• New products and services: innovation in the concept of services and participation in research
• Changing the structure of business: changing the structure of the organization and introducing new key personnel
• New marketing methods: special programs for promotion, joint promotion with the marketing partner, brand repositioning, advertising campaign for the company's image, internet marketing, and effective pricing
• Quality improvement: investing in human assets, upgrading assets, improving service standards, evaluating and rewarding for quality performance
• Social awareness and environmental sensitivity: participation in community development, programs for assisting the areas affected by natural hazards, using environmental protection methods (Zhao & He, 2008: 156-173).

As it can be seen, the above methods show the complexity of the hotel industry's competitive environment. Before applying the above methods, hotels must first examine their internal and external environment, so that they can choose the most appropriate strategy based on the results of this survey.

A five step model was designed for chain hotels for their environmental survey:

Step 1: Information as a process for the entire company. An environmental survey is transformed into a process in which information is gathered for the entire company, resulting in synergy, and information is considered as the company's asset that is used by all people in need.

Step 2: Planning for the environmental survey step. This step provides the ability to determine the information needs. After identifying these needs, the relevant resources are identified and chosen; then qualified employees are selected for the process.

Step 3: Information analyzing and processing. By analyzing the information, the trends of the environment and their significance are identified for the company.

Stage 4. Information storage, dissemination and sharing. Storage and dissemination of information are essential to the success of the process. The result of this step is the availability of information in a single source with a standard structure available at any time which can be easily shared.

Step 5. Creating communication between information and development of strategy and decision making. Information about environmental trends and their possible effects are used for reviewing strategies and can be applied in two areas: making changes in products/markets and identification of opportunities ahead for the company (Costa, 2008: 29- 32).

After environmental survey and formulation of appropriate strategies, hotels should focus on the implementation and monitoring of the process in order to fully implement the strategic management process and achieve the desired objectives. In this context, Knowles (1995) has written a book for the hospitality industry that can be used by senior managers.

A description of Parsian Evin Hotel

Hotel Introduction

Evin Hotel is a four star hotel located in Tehran and offers all hotel services, including room selling, selling of food and beverages and other services relating to the hotel industry, including communication through telephone, fax, Internet, laundry services, sports and recreational services such as swimming pool, tennis, bodybuilding and leasing of saloons and hotel halls, holding celebrations, parties, banquets, conferences and seminars.

Background

Evin Hotel started its activity under the Pahlavi Foundation in ١٩٦٩ without registration in Iran's companies and industrial property registration offices. After the Islamic Revolution of Iran, this hotel was administered under Iran's Travel and Tourism Organization from March 19, 1980 until April 8, 1982. Following the verdict No. 20946 dated 2/8/1961, management of the hotel was appointed to Bonyad-e Mostazafan va Janbazan (Foundation of the Oppressed and Disabled) and since July 1982, it became one of the autonomous units under the organization of tourism and recreational centers of Bonyad-e Mostazafan va Janbazan. In July 1992, according to the order of the

president by the organization of tourism and recreational centers, Evin Hotel was covered as a subset of the institute for educational studies and tourist advices. Since September 12, 2001, according to the letter No. 971/6584 dated 8/25/2001, Evin Hotel continued its activities and rented the Parsian International Hotels Company (a special joint stock company) with the management of the selected directors of the company. Based on the decisions of the Board of Directors of the Parsian International Hotels Company (joint stock company), Evin Hotel was renamed to Parsian Evin Hotel.

General facilities

Accommodation facilities: This hotel has a total of 150 residential spaces.

Restaurants: This hotel has 3 restaurants (Pardis restaurant with 90 seats, Parseh restaurant with 120 seats and Abshar summer restaurant with 400 seats) and a coffee shop (lobby cafe with 60 seats).

Meeting halls: This hotel has 3 halls including a 250-seat Ashir hall, a 300-seat rose hall room and 80-seat Gol hall.

Research methodology

This is a case study in which the Evin Parsian Hotel has been investigated. Initially, the mission and vision of the hotel were explained in terms of nine key mission characteristics. For investigating the hotel's interior and exterior environment, a questionnaire was prepared and distributed among the five senior managers of Evin hotel. In the next step, the information of this questionnaire was extracted and the evaluation matrices of internal and external factors were formulated based on them. Then the related strategies were presented after comparing the strengths, opportunities and threats. The most important strategies were determined based on the views of the above-mentioned senior managers and in consultation with two of the elite of the hotel industry in Iran, according to which the SWOT matrix and internal and external factors (IE) have been prepared. At the end, the related strategies were introduced after identifying the hotel' position in the IE matrix and the quantitative strategy planning matrix (QSPM) was formulated.

Research data analysis

Formulating the strategy of Parsian Evin Hotel

A) Starting step

- Determining the mission

To formulate the mission of the organization, we consider nine key mission characteristics based on the table below:

Row	Mission Components	Description
1	Products (goods and services)	What are the goods and services provided by the hotel?
2	Customers	Who are the hotel's customers?
3	Markets	Where does the hotel compete geographically?
4	Technology	Does the hotel use the most advanced technologies?
5	Philosophy	What are the main values, beliefs, aspirations and ethical priorities of the hotel?
6	Distinctive characteristic	Does the hotel have any competitive advantage or excellent merit?
7	Attention to employees	Are the employees considered a valuable asset to the hotel?
8	Attention to people's imagination	Is the hotel responsive to social and environmental issues?
9	Attention to survival, growth and profitability	Does the hotel have an obligation to grow and financial health?

1. Products (goods and services)

Providing a place to stay; providing food and beverage services for guests staying in the hotel; providing catering services at the halls and restaurants; providing a place for holding public and private meetings (conferences, seminars, conferences, specialized meetings, etc.); providing a place for holding events (celebrations, parties and banquets); providing sports services

2. Customers

A) Legal entities: local and foreign companies

Local companies that a part of their budget are from the government or are self-sufficient and have high revenues.

Foreign companies that are conducting a contracting project or direct and run a good business in Tehran (such as oil and multinational companies).

B. Natural persons: local and foreign guests

All local and foreign travelers who come to the hotel for a stay or use public facilities and catering.

3. Markets

Evin hotel is located in Tehran. This hotel operates as a subsidiary of Parsian Hotels, which includes 5 hotels. In addition to numerous hotels in Tehran, Evin Hotel is competing with other Parsian subsidiaries in a fully dynamic environment to earn competitive advantage.

Hotel markets (local and foreign):

Local and foreign tourists; staff of local and domestic companies; businessmen; researchers and professors in local and foreign

universities; passengers and crew of flights to Tehran; old and loyal customers; local customers of public and catering services; organizers of conferences and seminars and …

4. Technology

The use of newest technologies in the world to provide goods and services for customers and other activities inside the hotel has always been of particular interest. Improving the quality level and increasing the production and variety of products, improving reservation systems, reducing energy consumption, following global standards, protecting the environment, competitive pricing, cooperating with technology owners, conducting scientific researches in order to update activities involving technology, designing and using the required processes and systems, using inclusive information technology, organizing training courses for managers and staff, reinforcing technical personnel and supplying specialized forces are among the measures to enhance the ability to compete.

The new technologies used in this hotel include:

BMS system (building energy management); Protel hotel management system (integrated hotel and booking software); Matrix sales system (POS software – Point of Sales); LCD TVs with interface (Interactive TV)

5. Philosophy

The philosophy of the organization is respecting customers and satisfying their needs. Additionally, respecting the rights of all internal and external stakeholders has always been a matter of great concern. Here the stakeholders mean customers, employees, shareholders, suppliers, unions, creditors, competitors, local community, and government and so on.

Some examples of hotel values and preferences are as follows:

Customer-oriented; workgroup; recruiting experienced staff; recruiting young and educated people; improving sales levels and increasing profitability.

6. Distinctive characteristic

Hotel's credit and reputation; accessibility and location of the hotel; expert workforce; proper behavior of the hotel staff; modern equipment; homogeneity of the guests up to 65%; visual and cleanliness of the hotel.

7. Attention to employees

Human resources as a stakeholder are always considered as the most important and valuable source of the organization. The required processes and systems are designed and implemented as much as possible in order to learn, grow and satisfy these resources.

8. Attention to people's imagination

Society has always been considered as one of the stakeholders in the organization. Observing the values and beliefs of the community members, complying with the laws, regulations and standards, providing diverse and high-quality products as soon as possible and at reasonable prices, environmental protection, employment and social responsibilities, such as special facilities for the disabled and the elderly are among the things that have always been in the center of attention. For example, extensive efforts have been made in the area of environmental protection to the extent that the hotel has tried to earn ISO 14000. The hotel also strived to use clean energy, degradable materials and create green spaces to keep the environment clean.

9. Attention to survival, growth and profitability

The survival of the organization depends on its ability to compete with other rivals in Tehran. Planning, monitoring and continuous control of activities, receiving feedback and correcting mistakes, satisfying the stakeholders of the organization, improving the quality and quantity of products, observing global standards, reducing costs, competitive pricing, reducing product prices, offering new products, using newest technology in the world, being present in global markets, innovation, creating a learning culture, training of managers and staff, encouraging new ideas and ... are among the measures that will lead to the survival, growth and profitability of the hotel.

- Main mission statement:

According to the above, the main mission of the hotel is providing the products (goods and services) with high quality and affordable prices with the utmost accuracy and speed for domestic and foreign customers.

- Vision:

Becoming the best hotel among four star hotels in Tehran

Becoming the first customer choice in terms of using hotel services and facilities

Trying to use clean energy in order to protect the environment

B) Input step
External Factor Evaluation Matrix (EFE)

Row	External factors	Coefficient	Rank	Points
1	Opportunities (O): O1: Customer Satisfaction	0.2	4	0.8
2	O2: Limited similar goods and services on the market	0.10	4	0.4
3	O3: Increased budget for research and development	0.07	3	0.21
4	O4: Advancement in hospitality and catering technologies	0.09	4	0.36
5	O5: Existence of organizations and trade unions related to hospitality management	0.08	3	0.24
6	Threats (T): T1: Eliminating government subsidies	0.15	1	0.15
7	T2: High price fluctuations (impossibility to predict market demand)	0.09	1	0.09
8	T3: Restrictive tax laws	0.07	2	0.14
9	T4: High fixed costs	0.08	1	0.08
10	T5: High exchange rate fluctuations	0.07	2	0.14
Total		1		2.61

Internal Factor Evaluation Matrix (IFE)

Row	Internal factors	Coefficient	Rank	Points
1	Strengths (S): S1: Improving the quality of current products	0.2	4	0.8
2	S2: Royalties, trademarks and other legal protections	0.15	4	0.6
3	S3: Focusing on multiple products or customers	0.1	3	0.3
4	S4: Group work and inter-organizational synergy	0.1	3	0.3
5	S5: Focusing on research and development / technology	0.09	3	0.27
6	Weaknesses (W): W1: Lack of a systematic strategic planning system	0.09	1	0.09
7	W2: Lack of long-term capitalization: debt to equity ratio	0.07	2	0.14
8	W3: Lack of working capital / lack of flexibility in capital structure	0.06	2	0.12
9	W4: The impossibility of producing and supplying new products	0.06	2	0.12
10	W5: Lack of integrated information systems with cost reduction approach	0.08	2	0.16
Total		1		2.9

C) Comparison step
Strategies that are based on strengths and opportunities (SO)

S1O1: Receiving customer feedback and comments to continually improve quality

S1O2: Improving quality by differentiating goods and services and creating competitive advantage in the market

S1O3: Increased in-service training to improve the quality of hotel services

S1O4: Improved quality through using new and advanced technologies

S2O1: Using Customer Relationship Management (CRM) to gain competitive advantage and brand survival

S2O5: Proper engagement with unions to maintain patent and brand

S3O1: Receiving customer feedback and comments for more market penetration or multiplying the products

S3O2: Effective advertising and marketing to take advantage of the opportunity of limited similar products for further market penetration

S3O4: Using modern technologies for more market penetration or multiplying the product

S4O1: Receiving customer feedback and comments to motivate employees and improve synergy

S4O3: Improvement of synergy through budget allocation for scientific and research projects

S5O1: Receiving customer feedback and comments to improve research and development and used technologies

S5O3: Appropriate budget allocation to improve research and development and used technologies

Strategies that are based on weaknesses and opportunities (WO)

W1O3: Developing a system for planning and implementing the strategy through adequate budget allocation

W2O1: Keeping customers loyal to plan for longer term investments

W2O2: Product differentiation and sustainable competitive advantage for long-term capital increase and debt repayment

W2O4: Reducing costs through using modern technologies in order to increase long-term capital

W3O4: Reducing the need for working capital through modification of the processes

W4O2: Increasing the competitive advantage of existing products that competitors are facing in their production and supply

W4O3: Removing the barriers to product development through research and development

W4O4: Using modern technologies to model the best practices for reforming product structures

W4O5: Using strategic alliances through the Union to transfer knowledge and expand the supply with reduced cost

W5O3: Designing and implementing a comprehensive customized hotel management system for future use through research and development funding.

W5O4: Using modern technologies to reduce the huge costs of existing information systems for the profitability of the information system

W5O5: Collaborating with other rivals for integrated global network booking systems

Strategies that are based on strengths and threats (ST)

S1T1: Revising the concept of qualitative improvement, taking into account the new expenses to avoid nexus marketing

S1T4: Using comprehensive quality management techniques to reduce production errors for the optimal use of fixed costs

S2T1: Selling and credit granting as a new financial source for compensation for damages caused by eliminating the subsidies

S3T2: Sales in different markets to improve the total demand curve fluctuations

S3T4: Variety of products to cope with high fixed costs

S3T5: Variety of internal customers to control currency problems

S4T1: Pushing intra-organizational synergy towards reducing production costs

S5T1: Developing new products at a low cost

S5T2: Finding new markets with more stable demand curves

S5T4: Applying new technologies to reduce the constant cost of production

Strategies that are based on weaknesses and threats (WT)

W1T1: Strategic planning with a new outlook for consumer markets under the influence of eliminating subsidies

W1T2: Planning for turbulent economic environments with demand control lines (avoiding entry into unknown markets)

W1T3: Considering tax constraints in strategic planning to avoid possible failures

W1T5: Considering long-term currency fluctuations in financial calculations and target markets (both consumption and supply) in the supply chain of the product

W2T3: Using equity bonds to control the effect of taxes on sales

W2T5: Using foreign participation in compensation for working capital, which is, in many cases, profitable for both sides, considering the low value of Iranian Rials (long-term foreign debt refusal)

W3T4: Focusing on fixed costs to avoid dependency on high working capital

W4T1: Avoiding the production of new untested products in the market

W4T4: Specializing in the production of current products and process modifications to reduce fixed costs

W5T5: Avoiding obscure market environments and taking intuitive decisions when choosing a foreign market

Among the strategies mentioned above, 5 important strategies were selected from each group and entered into the SWOT matrix.

SWOT matrix

	Strengths (S)	Weaknesses (W)
Internal factors **External factors**	S1: Improving the quality of current products S2: Royalties, trademarks and other legal protections S3: Focusing on multiple products or customers S4: Group work and inter-organizational synergy S5: Focusing on research and development / technology	W1: Lack of a systematic strategic planning system W2: Lack of long-term capitalization: debt to equity ratio W3: Lack of working capital / flexibility in capital structure W4: Impossibility of producing and supplying new products W5: Lack of integrated information systems with cost reduction approach
Opportunities (O)	**Strategies based on strengths and opportunities (SO)**	**Strategies based on weaknesses and opportunities (WO)**
O1: Customer Satisfaction O2: Limited similar goods and services in the market O3: Increased budget for research and development O4: Advancement in hospitality and catering technologies O5: Existence of organizations and trade unions related to hospitality management	1. Receiving customer feedback and comments for continuous quality improvement 2. Improving quality by differentiating goods and services and creating competitive advantage in the market 3. Increasing in-service training to improve the quality of hotel services 4. Using Customer Relationship Management (CRM) to gain competitive advantage and brand survival 5. Effective advertising and marketing to take advantage of the opportunity of limited similar products for further market penetration	1. Keeping customers to plan for long-term capital increase 2. Reduce costs through the use of modern technologies to increase long-term capital 3. Reducing the need for working capital through reforming processes 4. Using modern technologies to model the best practices for reform product structures 5. Using modern technologies to reduce the huge costs of existing information systems for the profitability of the information system.
Threats (T)	**Strategies based on strengths and threats (ST)**	**Strategies based on weaknesses and threats (ST)**

T1: Eliminating government subsidies T2: High price fluctuations (impossibility to predict market demand) T3: Restrictive tax laws T4: High fixed costs T5: High exchange rate fluctuations	1. Using comprehensive quality management techniques to reduce production errors for the optimal use of fixed costs 2. Selling and credit granting as a new financial source for compensation for damages caused by the elimination of subsidies 3. Variety of products to cope with high fixed costs 4. Enhancing inter-organizational synergy to reduce production costs 5. Developing new products at a low cost	1. Strategic planning with a new outlook for consumer markets under the influence of eliminating subsidies 2. Programming for turbulent economic environments with demand control lines (avoiding entry into unknown markets) 3. Considering tax constraints in strategic planning to prevent possible failures 4. Avoiding the production of new untested products in the market 5. Avoiding obscure market environments and taking intuitive decisions when choosing a foreign market
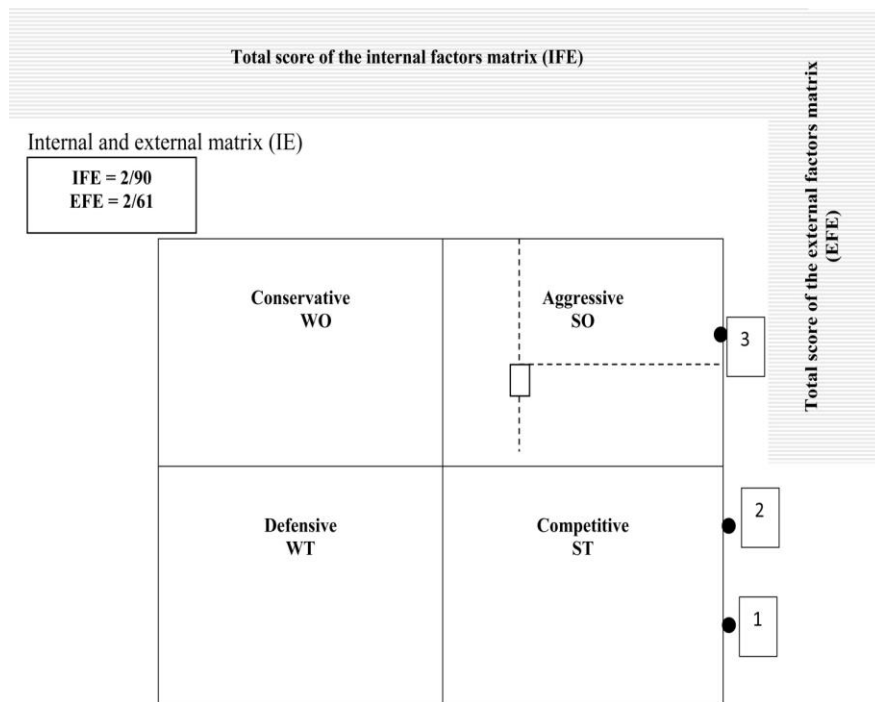
Since we are in an aggressive position (SO), the strategies used are as follows:

1. Receiving customer feedback and comments for continuous quality improvement

2. Improving quality by differentiating goods and services and creating competitive advantage in the market

3. Increasing in-service training to improve the quality of hotel services

4. Using Customer Relationship Management (CRM) to gain competitive advantage and brand survival

5. Effective advertising and marketing to take advantage of the opportunity of limited similar products for further market penetration

D) Decision-making stage

Quantitative Strategy Planning Matrix (QSPM)

The main determinants of success	Coefficient	Strategy 1		Strategy 2		Strategy 3		Strategy 4		Strategy 5	
		Attraction score (1-4)	Total attraction score	Attraction score (1-4)	Total attraction score	Attraction score (1-4)	Total attraction score	Attraction score (1-4)	Total attraction score	Attraction score (1-4)	Total attraction score
Opportunities (O) O1: Customer Satisfaction	0.2	4	0.8	3	0.6	2	0.4	4	0.8	3	0.6
O2: Limited similar goods and services in the market	0.10	2	0.8	4	0.4	1	0.1	2	0.2	4	0.4
O3: Increased budget for research and development	0.07	2	0.14	2	0.14	4	0.28	2	0.14	2	0.14
O4: Advancement in hospitality and catering technologies	0.09	3	0.27	3	0.27	3	0.27	2	0.18	3	0.27
O5: Existence of organizations and trade unions related to hospitality management	0.08	2	0.16	1	0.08	3	0.24	2	0.16	2	0.16
Threats (T) T1: Eliminating government subsidies	0.15	3	0.45	3	0.45	3	0.45	2	0.3	3	0.45
T2: High price fluctuations (impossibility to predict market demand)	0.09	1	0.09	1	0.09	1	0.09	2	0.18	2	0.18

T3: Restrictive tax laws	0.07	1	0.07	1	0.07	1	0.07	1	0.07	1	0.07
T4: High fixed costs	0.08	2	0.16	1	0.08	2	0.16	1	0.08	2	0.16
T5: High exchange rate fluctuations Total	0.07 1	1	0.07	1	0.07	1	0.07	1	0.07	1	0.07
Strengths (S) S1: Improving the quality of current products	0.2	4	0.8	4	0.8	4	0.8	3	0.6	3	0.6
S2: Royalties, trademarks and other legal protections	0.15	3	0.45	2	0.3	2	0.3	4	0.6	3	0.45
S3: Focusing on multiple products or customers	0.1	2	0.2	1	0.1	2	0.2	3	0.3	4	0.4
S4: Group work and inter-organizational synergy	0.1	3	0.3	3	0.3	3	0.2	2	0.2	3	0.3
S5: Focusing on research and development / technology	0.09	3	0.27	3	0.27	4	0.36	2	0.18	3	0.27
Weaknesses (W) W1: Lack of a systematic strategic planning system	0.09	4	0.36	4	0.36	3	0.27	3	0.27	3	0.27
W2: Lack of long-term capitalization: debt to equity ratio	0.07	3	0.21	3	0.21	2	0.14	2	0.14	3	0.21
W3: Lack of working capital / flexibility in capital structure	0.06	3	0.18	3	0.18	3	0.18	2	0.12	3	0.18
W4: Impossibility of producing and supplying new products	0.06	2	0.12	4	0.24	1	0.06	2	0.12	3	0.18

W5: Lack of integrated information systems with cost reduction approach Total	0.08 ———— 1	2	0.16	1	0.08	1	0.0 8	1	0.08	2	0.16
total sum scores of attraction			5.46		5.09		4.8 2		4.79		5.52

Prioritizing strategies

Priority	Strategy
1	Effective advertising and marketing to take advantage of opportunity of the limited similar products for further market penetration
2	Receiving customer feedback and comments for continuous quality improvement
3	Improving quality by differentiating goods and services and creating competitive advantage in the market
4	Increasing in-service training to improve the quality of hotel services
5	Using Customer Relationship Management (CRM) to gain competitive advantage and brand survival

Research results

As evidenced in the IE matrix, the current position of the Evin Parsian Hotel is aggressive which the most important SO strategies were prioritized and suggested based on it. In fact, in order to survive and grow in the hotel industry, Evin Hotel should use the opportunity of limited similar products for the effective marketing of its products. Additionally, it is suggested that this hotel uses its customers' views to improve the quality and, on the other hand, create a competitive advantage by distinguishing its products in the current market. Also, providing in-service training courses for employees is necessary to improve the quality of service provision. Finally, using a customer relationship management system can help increase customer loyalty and survival of the hotel brand.

Discussion and conclusion

As mentioned earlier, strategic planning and selecting the most appropriate strategic options for gaining competitive advantage in the market is very important. In this regard, hotels can use the method proposed in this study to develop appropriate strategies according to hotel's grade, resources, facilities and capabilities. Though it should be noted that strategic planning is one of the components of the strategic management process and in order to complete this process, effective implementation of the strategic plan and full monitoring is necessary. Finally, it is worth mentioning that the acceleration of the

strategic management process to the duty level and all the staff can be very effective in achieving the mission and goals.

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