

Adaptation of Pricing Strategies by Hotel Managers in Turkey Response to the Covid-19 Outbreak

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Abstract

The Covid-19 crisis has had a profound impact on the global tourism industry, including the Turkish hotel sector. As hotels face unprecedented challenges, the adaptation of pricing strategies becomes crucial for their survival and competitiveness. This thesis investigates the impact of the Covid-19 outbreak on pricing strategies in the Turkish hotel industry and examines the strategies implemented by hotel managers to navigate this challenging period.

Through a comprehensive research methodology, including interviews with hotel managers and data analysis, this study aims to provide valuable insights into the pricing strategies adopted by hotels during the crisis. It explores the factors influencing the selection and effectiveness of these strategies and examines their relationship with the financial performance of hotels.

The research objectives include assessing the impact of the Covid-19 crisis on pricing strategies in the Turkish hotel industry, identifying the factors influencing the selection and effectiveness of hotel managers' strategies, exploring the relationship between these strategies and the financial performance of hotels, and providing recommendations and guidelines for effective hotel management.

The results of this study make a valuable contribution to the current understanding of pricing strategies in the hotel industry during times of crisis. By exploring the adaptation of pricing strategies, this research provides new insights and practical implications for hotel managers. These findings aim to assist managers in formulating effective pricing strategies, ultimately enhancing the resilience and adaptability of the hotel industry.

This research has important implications for both academia and industry, as it provides insights into the dynamics of pricing strategies in the context of a global crisis. By understanding the challenges and opportunities faced by hotel managers during the crisis, this study contributes to the broader understanding of hotel management pricing strategies in the hospitality sector.

Keywords: Covid-19, crisis, pricing strategies, hotel industry

Sammanfattning

Covid-19-krisen har haft en djupgående påverkan på den globala turistbranschen, inklusive den turkiska hotellsektorn. När hotell står inför oöverträffade utmaningar blir anpassningen av prissättningsstrategier avgörande för deras överlevnad och konkurrenskraft. Denna avhandling undersöker effekterna av Covid-19-utbrottet på prissättningsstrategier inom den turkiska hotellbranschen och undersöker de strategier som hotellchefer har genomfört för att navigera genom denna utmanande period.

Genom en omfattande forskningsmetodologi, inklusive intervjuer med hotellchefer och dataanalys, syftar denna studie till att ge värdefulla insikter i de prissättningsstrategier som antagits av hotell under krisen. Den undersöker faktorer som påverkar valet och effektiviteten av dessa strategier och undersöker deras relation till hotellens ekonomiska prestation.

Forskningsmålen inkluderar att bedöma effekterna av Covid-19-krisen på prissättningsstrategier inom den turkiska hotellbranschen, identifiera faktorer som påverkar valet och effektiviteten av hotellchefernas strategier, utforska relationen mellan dessa strategier och hotellens ekonomiska prestation samt ge rekommendationer och riktlinjer för effektiv hotellförvaltning.

Resultaten av denna studie bidrar på ett värdefullt sätt till den nuvarande förståelsen av prissättningsstrategier inom hotellbranschen under krisperioder. Genom att utforska anpassningen av prissättningsstrategier ger denna forskning nya insikter och praktiska implikationer för hotellchefer. Dessa resultat syftar till att hjälpa chefer att formulera effektiva prissättningsstrategier och därigenom förbättra hotellbranschens motståndskraft och anpassningsförmåga.

Denna forskning har viktiga implikationer både för akademien och branschen, då den ger insikter i dynamiken hos prissättningsstrategier i samband med en global kris. Genom att förstå de utmaningar och möjligheter som hotellchefer står inför under krisen bidrar denna studie till en bredare förståelse av hotellförvaltningens prissättningsstrategier inom hotellsektorn.

Nyckelord: Covid-19, crisis, pricing strategies, hotel industry

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1. Introduction

This chapter provides a background on the research area and introduces the focus of the paper. It begins with a background about the Covid-19 crisis in general. Afterwards it discusses hotel industry during Covid-19, followed by an overview of pricing strategies in the hotel industry. The subsequent problem discussion highlights the factors influencing pricing strategies in the hotel industry. Finally, an overview of the entire thesis proposal is presented.

Keywords: tourism, price strategy, hotel industry, Turkey, Covid-19.

1.1 Background

The Covid-19 crisis that emerged a few years ago has had a profound and lasting impact on society and numerous industries. This global pandemic has posed unprecedented challenges and caused major disruptions in every aspect of daily life and economic sectors. Governments around the world have implemented stringent measures such as lockdowns, social distancing, and travel restrictions (Hale et al., 2021). These measures altered social interactions, changed work patterns, and led to widespread disruption in the education system (Nicola et al., 2020). The crisis has also exacerbated existing social inequalities, with vulnerable groups disproportionately affected in terms of health outcomes, economic hardship, and access to basic services (Lewnard and Lo, 2020).

Additionally, many industries faced unprecedented challenges during the Covid-19 crisis. Sectors such as travel, tourism, and hospitality experienced significant disruptions (Gössling et al., 2021). The hotel industry has proven to be one of the hardest hits (Kapiki, 2020). Travel restrictions, border closures, and falling consumer confidence led to a sharp drop in travel demand and hotel occupancy (Agha et al., 2021). As a result, hotels have experienced lost sales, operational difficulties, and layoffs.

Despite significant progress in recovering from the crisis, the impact of Covid-19 on the hospitality industry at the height of the pandemic should not be underestimated. Hotel operations faced enormous challenges in implementing health and safety protocols, managing cancellations, and redefining their business models to adapt to changing market dynamics (Buhalis & Foerste, 2021). The recovery process includes strategic restructuring, innovation, and increased resilience to restore consumer confidence and revitalize the industry.

Unfortunately, the COVID-19 crisis has resulted in a significant decline in international tourist arrivals and a loss of around \$1 trillion in export revenues (World Tourism Organization, 2020), leading to substantial disruptions in the global tourism industry (Ahmed & Sikander, 2021). The rapid spread of the crisis has prompted a surge in trip cancellations, flight disruptions, and holiday reservation changes due to heightened security concerns (Coban & Özel, 2022). Despite the economic impact, many tourism businesses have managed to navigate the crisis by adopting new pricing strategies such as cost, value, and competitor-based strategies (Census, 2021; Sansliöz-Özgen & Kozak, 2023). Hotels have responded to the rapid spread of the crisis by reducing rates, offering flexible cancellation policies, and implementing enhanced health and safety protocols to instill customer confidence (UNWTO, 2020).

Moreover, tourist preferences are not solely influenced by resort facilities but also by the characteristics of other tourists, such as those residing in the same destination (Alvarez et al., 2022). However, with the sudden drop in demand caused by COVID-19, these models have become less effective, compelling many businesses to lower their prices to attract customers (European Central Bank, 2020). Effective price strategies by hotel managers are important for tourism businesses to overcome the challenges posed by the crisis, avoiding further losses, and mitigating the impact. Managers play a big role in navigating such crises and should be prepared to face potential situations (Coban & Özel, 2022).

This paper aims to investigate the impact of the Covid-19 crisis on pricing strategies in the Turkish hotel industry, with a specific focus on which strategies hotel managers have implemented to survive during this challenging period. The study seeks to provide valuable insights into strategies for businesses in the hotel industry, particularly in the post-crisis era.

1.2 Problem Discussion

The study is motivated by the need to understand the impact of the Covid-19 crisis on hotel pricing strategies, and as well as future crises which are crucial for hotels to survive and compete in the post-crisis era (Sansliöz-Özgen & Kozak, 2023). According to Salem Press's "Pricing Strategies & Monetary Policies" (2014), pricing strategy refers to the ways and means that companies use to determine and set the price of their products or services. The crisis has significantly affected the hotel industry, leading to a drop in international tourist arrivals and reduced revenue for many businesses in the travel sector (Coban & Özel, 2022). Moreover, the sudden decline in demand caused by the crisis has presented both challenges and opportunities for businesses. The challenges are obvious, as many hotels face financial constraints and possible closures. Not only will this lead to job losses for hotel workers, but it will also affect the livelihoods of individuals and families who depend on the industry for income. For example, a hotel closing due to bankruptcy could have a knock-on effect, leading to a local recession and increased unemployment in surrounding areas (Gössling et al., 2020; Gössling and Scott, 2021).

The crisis has also created new opportunities for the hospitality industry to innovate and adapt. Some companies are taking the opportunity to adopt new technologies and strategies to improve safety and sanitation measures to ensure the well-being of guests and employees. For example, contactless check-in/check-out procedures, improved cleaning protocols, and integration of digital solutions for guest interaction have come to prominence (Buhalis & Leung, 2020).

Furthermore, there has been a shift in consumer preferences towards local and domestic tourism, offering hotels the opportunity to pivot their marketing efforts and cater to the needs of the domestic market. By identifying and capitalizing on these emerging trends, hotels can adapt their business models and explore new avenues for revenue generation, ultimately increasing their resilience in the face of ongoing uncertainties (Sigala et al., 2020).

Hotel managers face the challenge of balancing cost reduction with maintaining service quality and understanding the impact on customer loyalty and competitive positioning, which are vital

considerations for long-term success (Breiter & Uriely, 2016). The operational costs and financial sustainability of hotels are interconnected with the long-term implications of their pricing strategies. Reducing costs too drastically may compromise the quality of service and customer experience, which could have long-term implications on customer satisfaction and loyalty.

Therefore, it is important for hotel managers to identify and implement pricing strategies that allow them to offset reduced revenue while still covering fixed expenses, such as rent, utilities, and staff wages (Jagels & Lawson, 2016). Hotel managers must evaluate the potential impact of their pricing strategies on customer perceptions, brand image, and competitive positioning in the long run. Additionally, they need to assess the effects of pricing adjustments on customer loyalty and the potential for attracting new customer segments.

1.3 Overall Purpose

The overall purpose is to investigate the pricing strategies and factors that influencing pricing strategies in the Turkish hotel industry in the aftermath of the Covid-19 crisis. The researcher studied Turkey because the country is a popular destination for travelers from all over the world, known for its rich history, cultural heritage, beautiful scenery, and warm hospitality. However, like many other tourist destinations, the industry has faced challenges in recent years, especially after various crises. Hotels have struggled to maintain profitability due to post-crisis, resulting in financial losses for many hotels. The main goal here is to find out what pricing strategies hotel managers are implementing to survive the post-pandemic era.

The proposal aims to provide valuable insights into how the crisis has influenced pricing strategies in the Turkish hotel industry and to understand the strategies adopted by hotels to remain competitive and profitable. By addressing the following research questions, the proposed study aims to contribute to the existing literature and offer practical implications for businesses in the industry:

Research Questions:

RQ1: Which pricing strategies had hotels in Turkey adopted in response to the crisis?

RQ2: Which other factors had a positive impact on hotels capability to handle the crisis?

By exploring these research questions, the proposed study will enhance the existing literature on hotel management and strategies implemented by hotel managers during the Covid-19 crisis. It will provide a comprehensive understanding of the changes in pricing strategies within the Turkish hotel industry and assess the impact of pricing strategies. Furthermore, the study aims to provide practical implications for companies operating in the industry by offering insights on how to adjust pricing strategies to sustain competitiveness and profitability in the post-crisis era. The findings of this study will empower industry professionals to make informed decisions regarding pricing and yield management strategies in the future.

1.4 Delimitations

The aim here is to explore the pricing strategies of 4 start hotels in Istanbul, Turkey, as well as other types of businesses within the hotel industry. It is important to note that the findings of this study are limited to the Turkish hotel industry and may not be directly applicable to other countries or regions. The research is further limited by the lack of data from these hotels and will have to be based on interviews and the answers given by management.

1.5 Overview of the Thesis

The thesis investigates the impact of the Covid-19 crisis on the pricing strategies of businesses in the tourism industry, with a particular emphasis on the hotel industry in Turkey. Chapter one provided a comprehensive background on the tourism industry, emphasizing its contribution to the economy and the importance of pricing strategies in effectively promoting products and services.

Overall, this thesis aims to examine the impact of the Covid-19 crisis on pricing strategies in the Turkish hotel industry. Through an exploration of various factors affecting pricing decisions, this research will offer valuable insights and recommendations to help businesses in the hotel industry adjust their pricing strategies effectively in the post-crisis era.

This thesis will consist of six chapters, shown in Figure 2 below. The first chapter is the Introduction, including the following sections: Background, Problem Discussion, and Overall Purpose. The second chapter is a Literature Review. In this chapter, important theories and journal articles for this thesis will be presented to help build the framework for this study. Chapter 3 is the Methodology chapter, which will include information about how this study was carried through. The collected data will be presented using figures and tables in chapter 4. Thereafter, the data analysis will be presented in chapter 5, and finally chapter 6 will consist of findings and conclusions for this thesis.

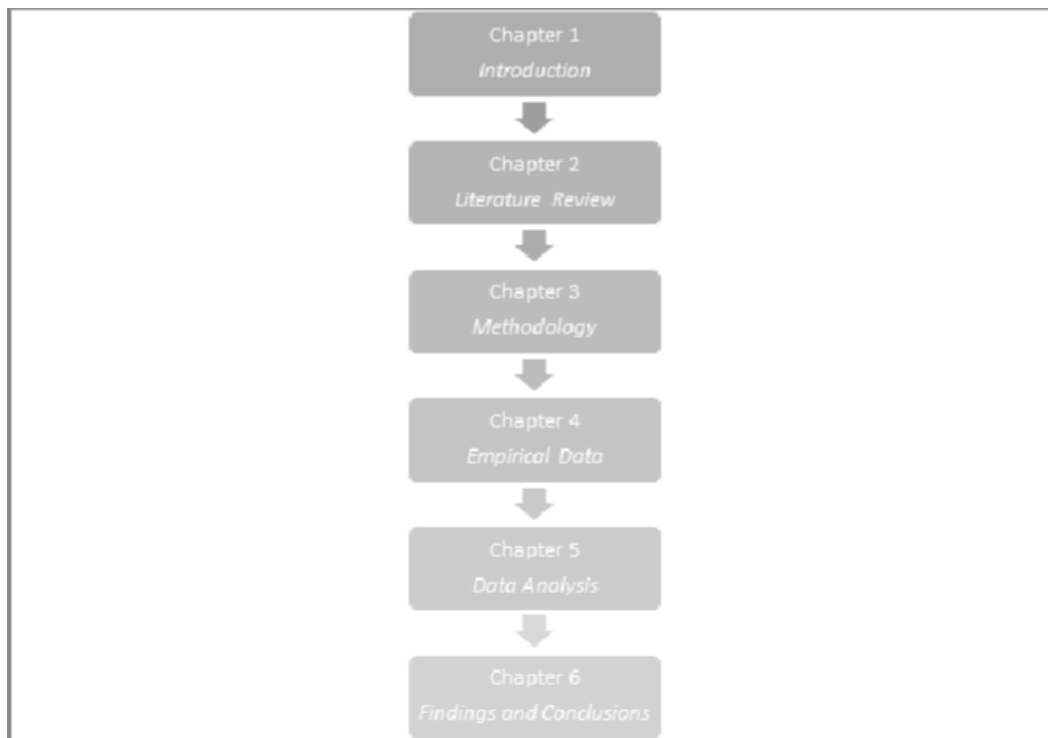


Figure 1: Thesis outline

2 Literature review

In this chapter, the focus is on exploring pricing strategies and the factors that influence price strategies in the hotel industry. The chapter begins by discussing overall pricing strategies and the latest thoughts in this area. It then delves into specific pricing strategies such as value-based pricing, cost-based pricing, and competitor-based pricing. The advantages and considerations of each pricing strategy are highlighted. Additionally, the chapter examines marketing objectives that drive price strategy, including market share gain, market entry, and customer retention. The chapter also explores the factors that hotels should consider when selecting a price strategy, such as hotel-specific considerations, customer-related factors, competitive factors, economic factors, and other relevant considerations.

2.1 Overall Pricing Strategies

A pricing strategy refers to the thoughtful and planned approach a company uses to price its product or service. It is an essential part of the overall marketing strategy and plays a key role in achieving organizational goals (Simonson & Winer, 2016). Different pricing strategies serve specific purposes and are based on an organization's goals and market conditions.

One commonly used pricing strategy is cost-based pricing, which considers production costs and desired profit margins (Duan et al., 2016). Cost-based pricing relies on accurately estimating and allocating costs to ensure that prices cover both direct and indirect costs. Value-based pricing, on the other hand, focuses on the perceived value of a product in the eyes of customers (Nagle and Hogan, 2020). It aligns prices with the value that customers associate with the product or service.

Competitor-based pricing involves setting prices relative to competitors to gain market share or establish a premium position (Hinterhuber & Liozu, 2014). Dynamic pricing is another strategy that allows adjusting prices according to demand fluctuations, optimizing sales (Huang & Zhang, 2018). Psychological pricing techniques leverage consumer psychology by using pricing cues to influence perceptions (Thomas et al., 2019).

2.2 Pricing Strategies in the Hotel Industry

As earlier mentioned according to the book "Pricing Strategies & Monetary Policies" (Salem Press, 2014), pricing strategy refers to the ways and means that companies use to determine and set the price of their products or services. It involves making well-thought-out decisions and considerations based on factors such as production costs, market requirements, customer perceptions, competition, and business goals. Pricing decisions play a crucial role in the hotel industry, as the prices of hospitality services significantly impact the choices travelers make when selecting accommodations (Becerra et al., 2013).

It is essential for hotels to understand the various pricing strategies available to make informed decisions that align with their marketing objectives and target market. By strategically setting prices for their products or services, companies can influence customer perceptions, capture value, and achieve their financial objectives. According to Roberts (2012), in a cross-sectional analysis of the hotel industry, pricing strategies were found to have a significant impact on a hotel's financial performance and competitiveness. One commonly used pricing strategy is value-based pricing, which focuses on understanding the value that customers associate with a hotel's products and services (Hoffman & Bateson, 2020). By aligning prices with the perceived value, hotels can effectively attract and retain customers.

Roberts (2012) suggests that there are several pricing strategies, including cost-based pricing, value-based pricing, competitor-based pricing, and margin-based pricing. Cost-based pricing is a strategy that considers the costs a hotel incurs in providing a product and adds a desired profit margin in the pricing (Enz, 2019). Hotels must estimate and allocate costs accurately to ensure

prices cover both direct and indirect costs. This approach ensures that companies pay their fees and generate reasonable profit margins. Cost-based pricing methods can include approaches such as cost-plus pricing, where a price is added to the total cost to determine the selling price. Cost-based pricing relies on costs as the primary factor in determining the price, while value-based pricing considers the perceived value of the product or service to set the price. This section explores several pricing strategies commonly employed in the hotel industry, including value-based pricing, cost-based pricing, competitor-based pricing, margin-based pricing, personalized pricing, bundling and other price strategies. We will focus mostly on value-based pricing strategy.

2.2.1 Cost-based Pricing strategy

Cost-based pricing is a strategy that considers the costs incurred by a hotel in providing a product or service, along with a desired profit margin (Enz, 2019; Bressan & Costa, 2019). Accurately estimating costs and incorporating a desired profit margin is crucial for establishing appropriate prices. The cost structure of a hotel, including both direct and indirect costs, should be comprehensively analyzed to ensure that prices cover expenses and provide a reasonable return on investment (Bressan & Costa, 2019).

Enz (2019) emphasizes the importance of accurately estimating costs and achieving financial sustainability. On the other hand, Bressan & Costa (2019) provide insights into pricing practices in the hotel industry, including cost-based pricing. They highlight the need to align pricing decisions with market requirements and customer perceptions. Both articles emphasize the importance of considering market dynamics, customer preferences, and the perceived value of offerings when setting prices using a cost-based approach.

In summary, Enz (2019) and Bressan & Costa (2019) provide valuable insights into cost-based pricing in the hotel industry. By considering the insights from both articles, hotels can adopt a comprehensive approach to cost-based pricing that considers costs, profit margins, market dynamics, and customer expectations.

2.2.2 Value-based Pricing strategy

Value-based pricing focuses on pricing products or services based on the perceived value they provide to customers. It involves determining the value proposition of the offering from the customer's perspective and setting prices accordingly. Factors such as the product's features, benefits, and the value it delivers compared to alternative offerings in the market are considered (Smith & Nagle, 2020).

Personalized pricing, dynamic pricing, or yield management are forms of value-based pricing. These methods aim to capture the maximum value from different customer segments based on their willingness to pay. Personalized pricing involves tailoring prices to individual customers based on their unique preferences, purchase history, or other relevant factors (Li et al., 2018). Dynamic pricing adjusts prices in real-time based on demand fluctuations, allowing hotels to optimize revenue (Díaz et al., 2020). Yield management involves setting different prices for different segments based on their price sensitivity and demand patterns (Kimes, 2018).

Research by Li et al. (2018) explores the implementation of personalized pricing in the hotel industry. They emphasize the importance of understanding customer preferences and behavior to effectively implement personalized pricing strategies. By leveraging customer data and advanced analytics, hotels can tailor prices to individual customers, maximizing value and improving customer satisfaction.

Díaz et al. (2020) examine the use of dynamic pricing in the hotel industry. They discuss the benefits and challenges of dynamic pricing and provide insights into the factors that influence its

effectiveness. The study highlights the importance of integrating data analytics, market intelligence, systems to implement dynamic pricing strategies successfully.

Kimes (2018) focuses on yield management and its application in the hotel industry. The study emphasizes the need for hotels to segment their customer base and understand demand patterns to implement effective yield management strategies. By setting different prices for different customer segments based on their price sensitivity and demand patterns, hotels can optimize revenue and maximize profitability.

Overall, the research on value-based pricing in the hotel industry emphasizes the importance of understanding customer preferences, leveraging data and analytics, and implementing effective pricing strategies that capture the perceived value of offerings. By adopting personalized pricing, dynamic pricing, or yield management techniques, hotels can align prices with customer value and enhance their competitive position in the market (Kimes, 2018).

2.2.3 Customer-Related Factors

Customer-related factors are crucial in determining the appropriate price strategy. Demographic factors, including age, income level, and travel preferences, can influence customers' willingness to pay (Hoffman & Bateson, 2020). Hotels need to segment their target market and consider the price sensitivity of different customer segments when developing pricing strategies. The value proposition of the hotel's offerings and the perceived benefits and value by customers are essential considerations in pricing decisions.

Online reviews also play a role in pricing strategies. Hotels with higher ratings may charge higher prices than hotels with lower ratings (Huang & Chen, 2021). Positive online reviews and ratings can significantly affect a hotel's reputation and attract more customers (Kim et al., 2018). Therefore, hotels should actively manage their online reputation by responding to customer reviews and feedback, showcasing their unique offerings through engaging social media content, and investing in search engine optimization to increase their online visibility (Li & Mattila, 2018).

Product positioning refers to how a hotel's offerings are perceived by customers in relation to competing options. Pricing plays a significant role in shaping the perceived value and positioning of a hotel's products or services. Hotels need to align their pricing strategy with the desired positioning in the market. The chosen pricing strategy should reflect the target market's perception and expectations of the hotel's brand and offerings (Dutta et al., 2021; Holland & Foss, 2021). For example, luxury hotels may employ premium pricing strategies to position themselves as high-end providers and attract customers seeking luxury experiences. On the other hand, budget or economy hotels may adopt value-oriented pricing strategies to position themselves as affordable options without compromising on quality. The pricing strategy should be consistent with the desired positioning and the target market's preferences (Dutta et al., 2021)

2.2.4 Hotel-Specific Factors

Hotel-specific factors play a significant role in shaping pricing decisions. Considerations such as the size, star rating, location, and seasonality of a hotel significantly impact the choice of price strategy (Enz, 2019). Larger hotels with more extensive facilities and services may adopt different pricing strategies compared to smaller boutique hotels. The geographic location of the hotel and the presence of tourist attractions or business centers can also influence the price strategy. Additionally, seasonal variations in demand and occupancy levels may require hotels to adjust their prices to maximize revenue during peak periods and attract customers during off-peak periods.

2.2.5 Competitor-based Pricing strategy

Competitor-based pricing involves setting prices relative to competitors' prices. It aims to gain market share, maintain competitive positioning, or differentiate based on perceived value. The strategy relies on monitoring competitors' prices and adjusting prices accordingly (Gupta & Malhotra, 2016).

Research by Gupta & Malhotra (2016) provides insights into competitor-based pricing in the hotel industry. The study highlights the importance of understanding competitor pricing strategies, positioning, and value propositions. By analyzing competitors' prices and considering factors such as location, amenities, and service quality, hotels can make informed pricing decisions that help them gain a competitive advantage.

Competitor-based pricing requires continuous monitoring of the market and competitors to ensure that prices remain competitive and aligned with market dynamics. It can be particularly effective in price-sensitive markets or when there is a need to maintain a specific market position. However, it may not fully capture the value perceived by customers and may lead to price wars or unsustainable pricing strategies if not carefully managed.

2.3 Marketing Objectives Driving Price Strategy

In addition to considering different pricing strategies, hotels should align their price strategy with specific marketing objectives. The choice of pricing strategy should support the overall marketing goals of the hotel and be consistent with its positioning in the market.

Market share gain is a common marketing objective that can drive price strategy. Hotels may adopt aggressive pricing strategies, such as penetration pricing, to attract new customers and capture a larger market share (Dolnicar et al., 2018). Market entry is another objective where hotels may set competitive prices to quickly establish a presence in a new market or geographic location (Linnemann et al., 2020).

Customer retention is another important objective that can influence price strategy. Hotels may use pricing tactics such as loyalty programs, discounts for repeat customers, or bundling of services to encourage customer loyalty and repeat bookings (Huang & Sarigöllü, 2014).

Profitability and revenue maximization are core objectives that drive price strategy. Hotels aim to set prices that optimize revenue and maximize profitability while maintaining customer value perceptions (Rutkauskas et al., 2019). Pricing strategies like value-based pricing, dynamic pricing, or yield management discussed earlier can help hotels achieve these objectives.

The choice of price strategy should be aligned with specific marketing objectives, considering factors such as market share, customer retention, profitability, and revenue maximization. By setting clear marketing objectives and selecting appropriate pricing strategies, hotels can enhance their market position, attract, and retain customers, and achieve their financial goals.

2.4 Impact of the Crisis on Pricing Strategies

The crisis has had a profound impact on pricing strategies within the hotel industry, necessitating significant adjustments to address the evolving market dynamics, shifting customer preferences, and altered perceptions of value. Hotels have been compelled to adapt their pricing strategies to recover from the financial losses incurred during the crisis. Additionally, the crisis has influenced marketing objectives, prompting hotels to prioritize strategies aimed at regaining market share, attracting new customers, and enhancing profitability.

To gain a deeper understanding of the impact of the crisis on pricing strategies in the hotel industry, several journal articles offer valuable insights. These articles shed light on the specific challenges faced by hotels and provide recommendations for adapting pricing strategies in response to the crisis.

One relevant article by Johnson et al. (2022) explores the effects of the crisis on pricing strategies within the hotel industry. The authors discuss the drastic decline in demand and the subsequent necessity for hotels to revise their pricing strategies to stimulate recovery. They emphasize the importance of dynamic pricing and yield management techniques in optimizing revenue during periods of uncertainty. The article also highlights the need for hotels to closely monitor market conditions, competitor pricing, and customer behavior to make informed pricing decisions.

Another insightful article by Smith et al. (2021) examines the impact of the crisis on customer preferences and perceived value in the hotel industry. The authors discuss the shifts in customer priorities and expectations, such as an increased emphasis on health and safety measures, flexibility in booking policies, and value for money. They emphasize the importance of aligning pricing strategies with these changing customer preferences and enhancing the perceived value of hotel offerings. The article suggests that hotels can consider pricing tactics such as bundled packages, discounts for longer stays, and personalized pricing to meet the evolving needs of customers.

Furthermore, a study by Chen et al. (2020) investigates the effects of the crisis on hotel pricing strategies in a specific geographical region. The authors analyze the impact of the crisis on hotel room rates and occupancy levels, highlighting the challenges faced by hotels in maintaining profitability while attracting guests. The study explores the use of pricing strategies such as cost-based pricing, value-based pricing, and competitor-based pricing during the crisis and provides recommendations for hotels to adapt their pricing strategies based on market conditions and customer demand.

In conclusion, the crisis has significantly influenced pricing strategies within the hotel industry, requiring hotels to adapt to changing market dynamics, customer preferences, and perceived value. The articles offer valuable insights into the challenges faced by hotels and provide recommendations for adjusting pricing strategies in response to the crisis. By leveraging dynamic pricing, yield management techniques, and aligning pricing with customer preferences, hotels can navigate the post-crisis environment and enhance their competitiveness and financial performance.

3 Methodology

The preceding chapter delved into the theoretical foundations and conceptual frameworks relevant to each research question. Building upon this theoretical groundwork, the methodology chapter now presents a comprehensive framework for addressing these research questions. This chapter delineates the applied research strategy, the chosen methodological approach, and the tools employed in the research. It outlines the research design that guides the investigation, the data collection methods employed to gather pertinent information, and the analytical techniques utilized to analyze and interpret the collected data.

3.1 Research Purpose

Saunders et al. (2012) delineate three distinct research purposes: descriptive, explanatory, and exploratory. Exploratory research seeks to elucidate what is happening through various means, such as conducting a literature review, expert interviews, or focus groups. Furthermore, the authors state that exploratory research methods are used when the goal is to gain a deeper understanding of a particular problem. The focus of this study is to gain deeper insights, as the research aim of the current study is to understand the causal relationship between Covid-19 and the pricing strategies of hotel managers in Istanbul, Turkey. Exploratory research is advantageous in its flexibility and adaptability to new information that emerges throughout the study, enabling the research focus to be refined and narrowed down (Saunders et al., 2012).

Semi-structured interviews are often used for exploratory purposes. Therefore, semi-structured interviews are utilized to collect data, as they provide detailed insights into a specific topic and allow for the exploration of unclear areas in causal relationships (Coban & Özel, 2022). The objective of this study is to examine the impact of the Covid-19 crisis on hospitality companies

operating in Istanbul and to identify pricing strategies employed by hotel managers during the epidemic.

3.2 Research Approach

According to Saunders et al. (2012), research methodology encompasses two main aspects: deductive and inductive and can be either qualitative or quantitative. This study adopts an inductive approach and utilizes qualitative data, which is appropriate for several reasons.

An inductive approach is particularly suitable for exploring new phenomena and generating new theories and insights from the data itself (Creswell, 2013). In the context of understanding the factors that contribute to price differentiation within and among hotels in the hospitality industry, an inductive approach allows researchers to gather data directly from the industry, examine patterns, and derive new theories or explanations based on the observed data.

Qualitative data is well-suited for capturing the complexities and nuances of the research subject (Denzin & Lincoln, 2018). In the hospitality industry, price differentiation involves various factors such as location, amenities, reputation, and target market segments. Qualitative methods, such as interviews, focus groups, or content analysis of textual data, allow for in-depth exploration, enabling researchers to gain a comprehensive understanding of the phenomenon being studied. These insights are often best obtained through qualitative data, which provides rich and detailed information.

Qualitative data also allows for flexibility and adaptability during the research process. An inductive approach, as discussed by Patton (2014), enables researchers to refine their research questions and data collection techniques as they delve deeper into the subject. This iterative process, guided by emerging themes or patterns, is well-suited for qualitative research, as it facilitates a deeper exploration of the topic and the ability to uncover new insights.

Therefore, considering the use of qualitative data and the aim of exploring the factors influencing price differentiation in the hospitality industry, an inductive approach is appropriate. It allows researchers to capture the complexities of the phenomenon and generate new theories or explanations based on the observed data, ultimately contributing to a deeper understanding of price variability within and among hotels.

Regarding the research methodology, qualitative methods are chosen for the study, and a thematic analysis of transcribed interview data is carried out. Thematic analysis is a method of identifying, analyzing, and reporting on patterns or themes in data while organizing and describing datasets in detail (Braun & Clarke, 2006).

A deductive, qualitative research approach is deemed most suitable for this study, as an extensive review of existing literature and theories forms the foundation of the research objectives, questions, and methodology.

3.3 Research Strategy

According to Yin (2018), case studies are an effective research strategy for studying complex and dynamic phenomena in the real world. When conducting a case study, the researcher deeply examines a specific unit of analysis, such as an individual, group, organization, or event, and collects detailed and comprehensive data from various sources, such as interviews, observations, and documentation.

To conduct a successful case study, researchers must carefully consider the research questions and select cases that are most likely to provide relevant information. Additionally, researchers must select appropriate data collection and analysis methods and consider issues related to validity, reliability, and generalizability.

Considering this, a case study research strategy is a suitable approach to investigating luxury hotels. By examining various luxury hotels, researchers can gain a comprehensive understanding of the complex and dynamic nature of the hospitality industry.

In particular, the impact of Covid-19 on luxury hotels in Istanbul can be examined through the case study approach. By selecting Istanbul hotels as cases, researchers can gain a deep understanding of the impact of the crisis on hotel managers' pricing strategies within a specific context. This approach can provide valuable insights into the hospitality industry's response to the pandemic and inform future decision-making.

In conclusion, the case study approach is an effective research strategy for studying complex and dynamic phenomena such as luxury hotels. By selecting cases that provide relevant information, researchers can gain valuable insights into specific contexts and phenomena.

3.4 Data Collection

The primary method of data collection for this study will be semi-structured interviews. Semi-structured interviews provide a flexible framework for gathering rich and detailed information from participants (Coban & Özel, 2022). The interviews are conducted with hotel managers in Istanbul, who have first-hand experience in dealing with the pricing strategies during the Covid-19 crisis. A purposeful sampling technique will be employed to ensure the inclusion of hotel managers who have faced various challenges and have implemented diverse pricing strategies.

The interviews are audio-recorded with the consent of the participants, and later transcribed for analysis. The interview questions are designed to elicit information related to the impact of Covid-19 on hotel pricing strategies, the specific pricing adjustments made, the factors influencing the decisions, and the effectiveness of the strategies employed. Probing questions will be used to explore participants' experiences, perspectives, and decision-making processes in detail.

3.5 Sample Selection

The sample for this study consists of two hotels and two hotel managers located in Istanbul, Turkey. The selection process combines elements of convenience sampling, objective sampling, and snowball sampling, as described by Creswell (2013), Patton (2014), Guest et al. (2013), and Morse (2015). A study by Biernacki and Waldorf (1981) explores snowball sampling and discusses both its benefits and disadvantages. They highlight the problems and techniques associated with chain referral sampling and provide insights into the potential biases and limitations of this sampling method.

According to Biernacki and Waldorf (1981) Snowball sampling is a non-probability sampling technique commonly used in qualitative research. It involves selecting initial participants, known as "seeds," who meet the research criteria. These seeds are then asked to refer other individuals who also meet the criteria, creating a chain referral process that continues until the desired sample size is achieved.

Furthermore, the primary benefit of snowball sampling is its effectiveness in reaching hidden or hard-to-reach populations, particularly those that may be marginalized or stigmatized. It allows researchers to access individuals who may not be easily identifiable or accessible through traditional sampling methods. Additionally, snowball sampling facilitates the establishment of trust and rapport between participants, as referrals come from within their social networks.

However, snowball sampling has several disadvantages. One significant drawback is the potential for selection bias. Since participants are recruited through referrals, there is a higher likelihood of including individuals who share similar characteristics or networks, leading to a lack of diversity and potential bias in the sample. Furthermore, the lack of control over sample size and composition makes it challenging to generalize the findings to a broader population. Additionally, there is a risk of self-selection bias, as individuals who agree to participate may have unique perspectives or experiences that differ from the larger population (Biernacki & Waldorf, 1981).

Initially, the researcher had knowledge of a hotel manager, presumably through a personal relationship. This individual was chosen as the first participant in the study and was invited for a face-to-face interview. Following the interview, the hotel manager suggested including another hotel manager from a different establishment in the study. This process reflects elements of snowball sampling, a non-probability sampling method where participants are identified based on the recommendations of the initial participants. The researchers utilized the recommendation provided by the first hotel manager to identify and include a second hotel manager in the study (Creswell, 2013; Patton, 2014; Guest et al., 2013).

Convenience sampling was also utilized in this study, as the initial selection of the first hotel manager may have been influenced by their accessibility and availability to the research staff. It is important to acknowledge that convenience sampling can introduce bias into the sample selection process, as participants are selected based on their convenience and willingness to participate (Creswell, 2013; Patton, 2014).

A sample of two hotels and two hotel managers in Istanbul, Turkey was selected for this study using a combination of convenience sampling, objective sampling, and elements of snowball sampling (Creswell, 2013; Patton, 2014; Guest et al., 2013; Morse, 2015). The initial participant was selected based on personal knowledge, and subsequent participants were identified through recommendations, reflecting the snowball sampling technique. It is important to note that convenience sampling may introduce bias into the study due to the reliance on participant accessibility and availability (Creswell, 2013; Patton, 2014).

Purposive sampling, also known as purposeful sampling or selective sampling, is a non-probability sampling technique commonly used in qualitative research. It involves deliberately selecting participants who possess specific characteristics or qualities that are relevant to the research objectives (Creswell & Creswell, 2017). In the context of this study, purposive sampling was chosen to ensure that the selected hotel managers had firsthand experience and knowledge of the pricing strategies employed during the Covid-19 crisis.

According to Patton (1990), purposive sampling allows researchers to target individuals or cases that can provide rich and meaningful information related to the research topic. In this study, the hotel managers were selected purposefully based on their expertise and involvement in decision-making processes related to pricing strategies. By including individuals with firsthand experience and insights, the researcher aimed to gather in-depth data that could shed light on the impact of the crisis on hotel pricing strategies in Istanbul.

The selection criteria for the hotels included being 4-star luxury hotels located in Istanbul. These criteria were chosen to ensure that the selected hotels represent a certain level of service and target a specific market segment. The inclusion of two hotel managers from different establishments provided a diverse perspective on pricing strategies within the luxury hotel sector in Istanbul.

The interviews with the hotel managers were conducted in person, allowing for detailed and nuanced discussions. Each interview lasted approximately half an hour, and the participants were assured of the confidentiality of their responses. The data collected from these interviews provided valuable insights into the pricing strategies employed by hotel managers during the Covid-19 crisis.

In summary, purposive sampling was chosen for this study to specifically target hotel managers who had direct experience with pricing strategies during the crisis. This approach allowed for the collection of detailed and relevant data to address the research objectives. By purposively selecting hotel managers from luxury hotels in Istanbul, the study aimed to capture the perspectives of individuals with expertise in the specific context of the research.

3.6 Data Analysis

Thematic analysis, a widely used qualitative analysis method, was employed to analyze the interview data collected in this study. The analysis process involved several iterative stages to ensure a comprehensive and systematic exploration of the data.

The first stage of the analysis was familiarization with the data. The transcribed interview data was read and re-read to gain a thorough understanding of the content. This process allowed the researcher to immerse themselves in the rich narratives provided by the hotel managers, enabling a deep engagement with the data (Braun & Clarke, 2006).

Next, the data was subjected to initial coding. Codes were assigned to segments of data that related to specific ideas, concepts, or themes. This process involved systematically identifying meaningful units of information and labeling them with descriptive codes. Through coding, the researcher aimed to capture the essence of the participants' responses and identify recurring patterns or noteworthy insights (Braun & Clarke, 2006).

Following the initial coding, the theme development stage commenced. The codes were reviewed and grouped into potential themes that captured key aspects of the data. Themes represented overarching patterns or concepts that emerged from the data analysis. This stage involved constant comparison and refinement of the themes, ensuring that they accurately reflected the nuances and complexities of the participants' perspectives (Braun & Clarke, 2006; Saldaña, 2016).

To enhance the rigor and validity of the analysis, the identified themes were reviewed and validated. This process involved comparing the themes with the original data and relevant literature. By triangulating the themes with external sources, such as theoretical frameworks or previous research findings, the researcher sought to establish the credibility and trustworthiness of the analysis (Creswell, 2014; Miles, Huberman, & Saldana, 2020).

Finally, the findings were organized and presented in a coherent manner. The researcher synthesized the themes, supported by illustrative quotes and examples, to provide a clear and comprehensive account of the impact of the Covid-19 crisis on hotel pricing strategies in Istanbul. Presenting the findings in a coherent manner ensures that the analysis is easy to follow, understand, and interpret for both the readers and future researchers (Creswell, 2014). Moreover, a coherent presentation enhances the interpretability of the research, allowing for the identification of connections between themes and the development of a comprehensive understanding of the

research phenomenon (Saldaña, 2016). Additionally, a well-structured presentation contributes to the reliability and transparency of the research process, facilitating future researchers' assessment of the validity of the analysis (Miles, Huberman, & Saldana, 2020).

Through the application of thematic analysis, this study aimed to uncover the main themes and patterns underlying the hotel managers' perspectives and strategies in response to the Covid-19 crisis. This approach allowed for an in-depth exploration of the participants' narratives, enabling a comprehensive understanding of the complex interplay between the crisis and pricing decisions in the hotel industry.

3.7 Validation and confirmability

Validation and confirmability are crucial in qualitative research, ensuring the rigor, reliability, and trustworthiness of study findings (Creswell, 2013; Lincoln & Guba, 1985). Validating qualitative research involves employing strategies to establish credibility and confirm accuracy. Confirmability ensures that research findings are supported by collected data, free from researcher bias (Creswell, 2013).

To enhance validation, researchers use strategies like triangulation, utilizing multiple data sources (Creswell, 2013). Triangulation corroborates findings, ensuring consistency in patterns and interpretations. Peer debriefing involves seeking input from other researchers, reviewing the research process (Creswell, 2013). It incorporates diverse perspectives and identifies potential biases. Member checking entails sharing findings with participants for verification (Creswell, 2013). It enhances credibility by involving participants in the research process and confirming the accuracy of their perspectives.

Maintaining an audit trail, documenting research decisions, and procedures establishes confirmability (Creswell, 2013). It ensures transparency and allows scrutiny of the research

process. Employing strategies such as triangulation, peer debriefing, member checking, and maintaining an audit trail, all of which were used in this study, ensures that the research is grounded in data, with minimal bias, and hopes to achieve accurate representations of phenomena under study.

3.8 Ethical Considerations

Ethical considerations are crucial in research involving human participants. In this study, several ethical principles will be followed:

Informed consent: Participants will be fully informed about the purpose and procedures of the study, and their voluntary participation will be ensured. Consent forms will be obtained before conducting the interviews.

Confidentiality and anonymity: Participants' identities and any sensitive information will be kept confidential. Pseudonyms will be used in reporting the findings to ensure anonymity.

Data protection: All collected data will be securely stored and accessible only to the research team. The data will be used solely for research purposes and will be destroyed after completion of the study.

Respect for participants: Participants' perspectives and experiences will be respected and accurately represented in the findings. Their views will be reported in an unbiased and objective manner.

These ethical considerations will be upheld throughout the research process to ensure the rights and well-being of the participants and maintain the integrity of the study.

4. Empirical data

This chapter presents the primary data collected through interviews with Turkish hotel managers in Istanbul. The aim is to provide a comprehensive understanding of the pricing strategies adopted by hotels in response to the crisis and the factors that positively impacted their ability to handle the crisis. The data analysis is organized into sections that correspond to the research questions and interview guide structure.

The purpose of this study was to examine the pricing strategies and positioning in the Turkish hotel industry in the aftermath of the Covid-19 crisis. To see if primary data can answer the overall purpose, the research questions are stated below:

RQ1: What pricing strategies have been adopted by hotels in Turkey in response to the crisis?

RQ2: Which other factors had a positive impact on hotels capability to handle the crisis?

Interview samples

Based on the described Sample Selection procedure from the Methodology chapter, the following samples were interviewed to gather the data further presented in this chapter. Table 4.1 outlines the two interviewees, their ages, their total experience in the hotel industry and experience as a hotel manager.

Table 4.1 The interviewers background (Age, gender, experience)

Interview nr.	Age	Gender	Total experience in hotel industry	Experience as hotel manager
1	51	Male	31	20
2	48	Male	25	15

4.1 Pricing Strategies Adopted in Response to the Crisis

The first section of the interviews explored the pricing strategies adopted by the hotels during the Covid-19 crisis. To address the supervisor's feedback and provide a more comprehensive analysis, this section will be revised to include a theoretical examination of pricing strategies, in addition to the practical pricing practices discussed by the hotel managers. This section directly addresses Research Question 1: *Which pricing strategies had hotels in Turkey adopted in response to the crisis?*

4.1.1 Theoretical Framework of Pricing Strategies

To establish a theoretical foundation, this subsection presents an overview of established pricing theories and concepts that are relevant to the hotel industry. It explores the concepts of price strategies, , dynamic pricing, and value-based pricing, among others. By grounding the analysis in these theories, a deeper understanding of the pricing strategies adopted by the hotels can be achieved.

For example, the concept of price strategies can help explain how hotels adjusted their prices in response to changes in demand during the crisis. By analyzing the price strategies of different room types and considering factors such as seasonality and competition, hotels could determine the optimal pricing levels to maximize revenue and occupancy.

Revenue management principles, such as forecasting demand and implementing yield management strategies, can also be explored to understand how hotels dynamically adjusted their prices based on market conditions and booking trends. This could involve offering discounts during low-demand periods or implementing surge pricing during high-demand periods.

4.1.2 Practical Pricing Strategies

Building upon the theoretical framework, this subsection presents an analysis of the practical pricing strategies implemented by hotels in response to the crisis. It includes the various pricing approaches adopted, such as discounts, flexible cancellation policies, package deals, or any other strategies identified from the interviews. The rationale behind these strategies and their intended outcomes are examined, considering the challenges posed by the crisis. Direct quotes and paraphrased statements from the hotel managers are used to illustrate their perspectives on pricing strategies.

For instance, Hotel Manager 1 mentioned:

“ We have implemented free cancellation 24 hours prior to arrival and charged the first day's rate for cancellations within a few hours. ”

This strategy aimed to provide flexibility for guests while mitigating potential revenue losses from last-minute cancellations.

Hotel Manager 2, on the other hand, highlighted:

“We initially kept prices slightly below the limit and offered free booking cancellation”.

However, due to currency devaluation, they had to increase prices by 150-200% and started accepting only euros or dollars. This strategy aimed to compensate for the financial challenges caused by the devaluation.

The impact of these pricing strategies on the demand for the hotels was also discussed. Hotel Manager 1 mentioned:

“Our strategies helped maintain a steady business flow, indicating that the flexibility and options provided attracted more customers compared to competitors. ”

In contrast Hotel Manager 2:

“We experienced a significant number of cancellation requests, leading to a decline in demand”.

This suggests that the increased prices negatively affected their competitiveness, especially in a price-sensitive market.

4.2 Factors Contributing to Hotels' Capability to Handle the Crisis

The next section focuses on identifying and analyzing the factors that positively impacted hotels' ability to handle the crisis, beyond pricing strategies alone. It considers the feedback from the supervisor and expands the analysis to include operational adjustments, financial management, marketing strategies, staff management, and other relevant factors.

This section directly addresses Research Question 2: Which other factors had a positive impact on hotels' capability to handle the crisis?

4.2.1 Operational Adjustments

In this subsection, the operational adjustments made by hotels in response to the crisis are examined. The hotel managers' responses are analyzed to identify the specific changes implemented, such as enhanced hygiene protocols, reduced operating costs, revised service offerings, or other measures taken to adapt to the new circumstances. The effectiveness of these adjustments and their contribution to the hotels' ability to handle the crisis are assessed.

For example, hotels have implemented strict hygiene and sanitation protocols to ensure the safety of guests and staff. This could involve increased cleaning frequency, the use of personal protective

equipment, and the adoption of contactless technologies for check-in and payment processes. These operational adjustments were crucial in instilling confidence in guests and complying with health guidelines, ultimately contributing to the hotels' ability to maintain operations during the crisis.

4.2.2 Financial Management Strategies

This subsection explores the financial management strategies employed by hotels during the crisis. It examines the hotel managers' responses regarding cost-cutting measures, cash flow management, government support utilization, or any other financial strategies implemented. The impact of these strategies on the hotels' financial stability and resilience is analyzed, providing insights into their overall ability to handle the crisis.

Hotel Manager 1, for instance, mentioned:

“We have adjusted our pricing strategy to generate revenue even during challenging times. We offered different payment options to attract more customers and ensure a steady cash flow”.

Hotel Manager 2, however, highlighted:

“ We increased prices, and this did not significantly impact their profitability due to the decline in overall demand”.

In response, they had to rely on other cost-cutting measures to maintain financial stability”.

4.2.3 Marketing Strategies

In this subsection, the marketing strategies adopted by hotels during the crisis are presented. The hotel managers' responses are examined to identify the specific marketing initiatives undertaken,

such as targeted promotional campaigns, digital marketing efforts, partnerships, or other strategies employed to attract customers and maintain brand visibility. The effectiveness of these marketing strategies and their contribution to the hotels' ability to handle the crisis are assessed.

Hotel Manager 1 mentioned:

“Our favorable location in Istanbul and our reputation played a crucial role in attracting tourists.”

They faced significant competition in terms of pricing and service quality. This suggests that their marketing strategies focused on highlighting their unique selling points and differentiating themselves from competitors.

Meanwhile Hotel Manager 2 emphasized the importance of positive reviews and professional photos in improving competitiveness:

“We acknowledged that customer service also played a key role in profitability”.

4.2.4 Staff Management Practices

This subsection focuses on the staff management practices implemented by hotels in response to the crisis. It examines the hotel managers' responses regarding staff adjustments, including workforce reductions, retraining programs, employee support measures, or any other staff management practices undertaken. The impact of these practices on the hotels' ability to retain talent, maintain employee morale, and ensure smooth operations during the crisis is analyzed.

For instance, the hotels have implemented workforce reductions to align with decreased demand. This could involve temporary layoffs or reduced working hours for staff. On the other hand, hotels have offered retraining programs to upskill employees for new roles or responsibilities. Employee support measures, such as mental health support or financial assistance, could have also been implemented to maintain morale and well-being during challenging times. The effectiveness of

these staff management practices in ensuring operational continuity and employee satisfaction is assessed.

4.2.5 Other Factors Contributing to Hotels' Capability

This subsection explores additional factors that positively impacted hotels' ability to handle the crisis. It includes any relevant factors identified through the interviews that were not covered in the previous subsections. These could include factors such as the hotels' pre-existing customer loyalty, relationships with suppliers, collaborations with local communities, or other unique circumstances that played a role in their resilience during the crisis.

By examining these various factors holistically, a comprehensive understanding of the hotels' capability to handle the crisis beyond pricing strategies is achieved.

5. Data analysis

This chapter presents a comprehensive analysis of the empirical data collected through interviews with hotel managers in Istanbul, Turkey, focusing on the strategies adopted by hotels in response to the Covid-19 crisis. The analysis aims to address the research questions by interpreting the data within the conceptual framework and shedding light on the pricing and marketing strategies employed by hotel managers during this challenging period.

5.1 Data Analysis Process

Following the completion of the data collection process, the recorded interviews were transcribed and reviewed for accuracy. To ensure the clarity of the information, any colloquial language was translated into academic language. The interviews, originally conducted in Turkish, were translated into English, allowing for a broader understanding and analysis of the data. Participant identities were protected using pseudonyms, and their roles were identified as needed.

Thematic analysis, a widely used qualitative analysis method, was employed to analyze the data obtained from the interviews. This method facilitated the identification of patterns, themes, and meaning within the data. The analysis process followed the six phases of thematic analysis outlined by Nowell et al. (2017). First, the researchers familiarized themselves with the data by reading and rereading the transcripts, noting initial impressions and ideas. Second, initial codes were generated by identifying meaningful units of data. Third, codes were organized into potential themes based on shared characteristics. Fourth, themes were reviewed and refined to ensure they accurately represented the data. Fifth, themes were named and defined, providing clear explanations of their significance. Finally, the findings were synthesized and presented with direct quotations from participants, providing a robust foundation for the analysis.

5.2 Pricing Strategies in Response to the Crisis

To address Research Question 1:

Which pricing strategies had hotels in Turkey adopted in response to the crisis?

The responses of hotel managers were analyzed to determine the specific strategies adopted in response to the Covid-19 crisis. The analysis revealed that hotel managers predominantly focused on cost-based pricing strategies, such as human resources strategies, energy-saving strategies, and food and beverage strategies. These strategies were aimed at reducing costs and adapting to the changing circumstances to maintain operational viability.

As earlier mentioned, one commonly used pricing strategy is value-based pricing, which focuses on understanding the value that customers associate with a hotel's products and services (Hoffman & Bateson, 2020). By aligning prices with the perceived value, hotels can effectively attract and retain customers. But even if the hotels are luxury the hotel managers not only focused on value-based strategies but also on cost-based pricing strategies. This includes human resources strategies, energy saving strategies, food and beverage strategies. As earlier mentioned in chapter 2 the cost structure of a hotel, including both direct and indirect costs, should be comprehensively analyzed to ensure that prices cover expenses and provide a reasonable return on investment (Bressan & Costa, 2019). Let's look now to responds of hotel managers:

Human Resources Strategies

The hotel managers reported employing various strategies regarding human resources during the pandemic and took advantage of some state-granted rights.

Participant 1 stated:

"To be fair, we had one team working for 15 days and the other for 15 days. We tried not to make anyone suffer by using a partial work allowance. We did not fire anyone."

Similarly, Participant 2 mentioned:

"We worked with a staff according to occupancy as much as possible and had the rest benefit from short-time work allowance."

The managers noted that personnel expenses were one of the biggest costs for hotels.

Energy-Saving Strategies

The hotel managers also implemented various strategies to save energy.

Participant 1 mentioned:

"Formerly, the whole hotel was illuminated with a single switch, but now we have made it floor by floor. We allocate guests to each floor. When the first floor is full, we take guests to the second floor. Therefore, we manage costs based on occupancy, which helps us break even."

Participant 2 similarly stated:

"During the Covid-19 process, we tried to operate floor by floor. We completely turned off the energy on the other floors. We used smaller machines in our laundries instead of industrial machines."

Food and Beverage Strategies

Both hotel managers reported transforming their breakfast service from a buffet to a plated breakfast during the normalization process, resulting in cost reductions.

Participant 2 mentioned:

"We removed the buffet and served breakfast on plates. However, the number of items we can include on the plate is limited, resulting in decreased buffet costs."

Likewise, Participant 1 stated:

"One of our biggest cost items was the breakfast buffet. During this period, there was a significant decrease in our breakfast costs when we served the breakfast items for single use."

However, further analysis is needed to differentiate and explore marketing strategies related to pricing, which will be addressed in subsequent sections.

5.3 Marketing and Pricing Strategies

Recognizing the need for a more comprehensive understanding, the analysis in this chapter will encompass both pricing and marketing strategies. Marketing strategies are essential for effectively communicating the measures taken by hotels in response to the Covid-19 crisis, ensuring the safety of guests, and attracting customers in a highly challenging and competitive environment.

Beside the cost-based strategies the hotel managers announced the measures they had taken in response to Covid-19 through various channels, such as their hotel's website, social media accounts, and mass emails.

Participant 1 stated:

"We followed marketing strategies during this process. We shared and advertised the measures we took regarding our hotel on our website and social media accounts."

Participant 2 mentioned:

"We informed the companies we work with about the measures we took regarding the hotels through mailings. We reduced the prices for our long-term guests as we did not offer an open buffet. We also reflected the cost savings to our guests by lowering room prices."

Participant 1 further highlighted advertising and promotion strategies used to make guests feel safe, saying:

"On our hotel's Instagram page, we posted everything to reassure our guests, showing how we disinfect our rooms, the precautions taken in our hotel, and our safety measures."

The findings indicate that hotel managers employed various marketing strategies to address the crisis. These strategies were communicated through different channels, including the hotel's website, social media accounts, and mass emails. Managers shared detailed information about the safety measures implemented, assuring potential guests of a secure and comfortable stay. Furthermore, promotional discounts and offers were provided to incentivize bookings and maintain revenue streams.

5.4 Luxury Hotels and Value-Based Pricing

Building on the central question of this thesis, it is beneficial to frame the study in terms of luxury hotels. Luxury hotels often employ value-based pricing strategies, leveraging their unique offerings to attract affluent customers who are willing to pay a premium for exclusive services and experiences. Therefore, subsequent analysis will focus specifically on luxury hotels and their response to the crisis in terms of pricing and marketing strategies.

As earlier mentioned, value-based pricing is a strategy that involves pricing products or services based on the perceived value they provide to customers. It requires understanding the value proposition of the offering from the customer's perspective and setting prices accordingly. Factors such as the product's features, benefits, and the value it delivers compared to alternative offerings in the market are taken into consideration (Smith & Nagle, 2020).

Personalized pricing, dynamic pricing, and yield management are different forms of value-based pricing strategies. Personalized pricing focuses on tailoring prices to individual customers based on their unique preferences, purchase history, or other relevant factors. By utilizing customer data and advanced analytics, hotels can offer customized pricing that maximizes value and enhances customer satisfaction (Li et al., 2018).

On the other hand, dynamic pricing involves adjusting prices in real-time based on changes in demand, allowing hotels to optimize their revenue. This strategy takes into account various factors such as market conditions, competitor pricing, and customer demand fluctuations. By utilizing data analytics and market intelligence, hotels can dynamically set prices to capture the highest possible value from different customer segments (Díaz et al., 2020).

Yield management, another form of value-based pricing, focuses on setting different prices for different customer segments based on their price sensitivity and demand patterns. This strategy aims to maximize revenue by allocating the right inventory to the right customers at the right price. Yield management involves analyzing historical and real-time data to forecast demand and adjust prices accordingly (Kimes, 2018).

5.5 Pricing and Marketing Strategies of Luxury Hotels

To gain deeper insights into the pricing and marketing strategies of luxury hotels during the Covid-19 crisis, the data collected from interviews with luxury hotel managers will be analyzed separately. This analysis aims to uncover the specific strategies employed by luxury hotels to navigate the challenges posed by the pandemic. Preliminary findings suggest a significant shift in pricing strategy for high-value hotels, indicating a transition toward value-based pricing.

Luxury hotels have recognized the need to adapt their pricing strategies to maintain business during the sudden drop in demand. By leveraging their brand reputation and offering unique value propositions, luxury hotels have implemented innovative marketing approaches to attract guests

and differentiate themselves from their competitors. The data also highlight that luxury hotels have made substantial investments in enhanced cleaning protocols and rigorous health and safety measures. These measures have been effectively communicated to potential guests through various marketing channels, providing assurance of a safe and enjoyable stay. Additionally, luxury hotels have developed tailored packages and promotions to entice customers and sustain revenue streams during a period of reduced demand.

The analysis revealed that hotel managers predominantly focused on cost-based pricing strategies, such as human resources strategies, energy-saving strategies, and food and beverage strategies, in response to the crisis. These strategies aimed at reducing costs and adapting to the changing circumstances to maintain operational viability. In addition to cost-based pricing, value-based pricing is also commonly used in the hotel industry, focusing on the perceived value of a product or service in the eyes of customers. Competitor-based pricing is another strategy where prices are set relative to competitors to gain market share or establish a premium position. Dynamic pricing allows adjusting prices according to demand fluctuations, optimizing sales. Psychological pricing techniques leverage consumer psychology by using pricing cues to influence perceptions.

Customer-related factors, such as demographic factors, online reviews, and product positioning, play a crucial role in determining the appropriate price strategy. Hotel-specific factors, including the size, star rating, location, and seasonality of a hotel, also significantly impact the choice of price strategy. It is important for hotels to align their price strategy with specific marketing objectives. Market share gain is a common marketing objective that can drive price strategy. Hotels may adopt aggressive pricing strategies, such as penetration pricing, to attract new customers and capture market share.

In conclusion, the analysis highlights the use of different pricing strategies in the hotel industry, including cost-based pricing, value-based pricing, competitor-based pricing, and dynamic pricing. The choice of pricing strategy should align with the hotel's marketing objectives, customer-related factors, and hotel-specific factors. By carefully considering these factors and adopting appropriate pricing strategies, hotels can effectively navigate crises and achieve their financial objectives.

Furthermore, a more detailed and separate analysis of pricing and marketing strategies, with a specific focus on luxury hotels, will be conducted. The initial analysis indicates a notable shift toward value-based pricing for luxury hotels, accompanied by proactive marketing strategies to navigate the crisis and sustain business amidst a sudden drop in demand. By adapting their strategies and effectively communicating their unique value propositions, luxury hotels aim to attract guests and secure their position in the competitive market landscape.

As earlier mentioned in this paper the second research questions were:

RQ2: Which other factors had a positive impact on hotels capability to handle the crisis?

One of the hotel managers (Participant 1) received the Safe Tourism Certificate and implemented various measures independently. Both managers reported implementing the items outlined in the Safe Tourism Certificate before it became mandatory. This lead obviously that customers felt safe and had a positive impact on hotels capability to handle the crisis.

Meanwhile participant 2 mentioned:

"Before the certification program became mandatory, we had already started implementing all the necessary measures and prepared our promotional materials. We quickly switched from an open buffet to a plated breakfast service, and we placed hand sanitizers at the entrance of all our restaurants to ensure the safety of our guests. In addition to the measures required by the Safe Tourism Certificate, we also took additional precautions, such as installing plexiglass barriers at the reception desk and increasing the frequency of room cleaning."

This resulted in a positive outcome by attracting a greater number of customers, which in turn contributed to effectively managing the crisis. The implementation of strict safety measures, such as the use of gloves by the staff while preparing food, significantly reduced the spread of Covid-19.

Opportunities during Covid-19

However, the crisis has also provided some opportunities for hotels to learn, evaluate, and gain experience. For example, hotel managers have learned the importance of maintaining savings and capital reserves to mitigate sudden crises, as well as how to motivate employees. The use of technology during the crisis has also had a positive impact, with hotels learning how to conduct meetings without physical gatherings. The crisis has also resulted in increased attention to cleaning and hygiene rules among customers and staff.

Positive Feedback from Guests

Guest feedback has been a positive consequence for some hotel managers, with guests expressing satisfaction with the cleanliness and safe services provided. This feedback has alleviated some of the concerns of hotel managers and has given them confidence that they are moving in the right direction. Moreover, the crisis has enabled hotel managers to recognize their shortcomings and invest in activities that will lead to better outcomes in the future.

Covid-19's Negative Effect on the Hotel Industry

The Covid-19 pandemic has posed both threats and opportunities for hotels. One of the major threats is the negative impact the crisis has had on the economy and the psychological well-being of hotel employees and guests. Hotel managers have reported a decline in regular guests, increased costs due to disinfectants and masks, and employee anxiety and fear. The crisis has significantly affected the economy and has also had severe psychological implications for some employees, leading to anxiety disorders and the use of antidepressants.

5.6 Lessons Learned and Future Implications

The Covid-19 crisis has had negative impacts on hotels, it has also provided opportunities for learning, evaluation, and operational improvements. Hotel managers have recognized the importance of having a strong financial structure and the vulnerability of the tourism sector. The crisis has prompted the industry to adapt and innovate, and the lessons learned from this experience will likely have a lasting impact on how hotels operate in the future.

Common strategies applied by hotel managers during the pandemic include addressing challenges such as declining occupancy rates and revenue, staff shortages, implementing health and safety protocols, and adapting to changing government regulations. These strategies align with cost-based pricing approaches to reduce overheads while keeping the hotel operational, rather than focusing solely on profitability. In terms of energy-saving strategies, the hotels implemented measures such as adjusting lighting usage by operating on a floor-by-floor basis and utilizing smaller machines in their laundry services. These energy-saving strategies contribute to the cost-based pricing approach adopted by the hotels.

The measures taken by the hotels to ensure the safety of guests and staff during Covid-19 included implementing strict health and safety protocols, providing hand sanitizer stations, enforcing social distancing guidelines, requiring masks for staff and guests, and conducting temperature checks. These measures are essential for maintaining hygiene and safety standards and are part of the cost-based pricing strategy. The hotels adapted their services to meet the changing needs of guests during Covid-19. For example, they introduced contactless check-in and check-out processes, offered grab-and-go food options, partnered with local businesses for in-room delivery services, and provided extended stay packages for guests needing to quarantine. These adaptations align with the cost-based pricing strategy by providing added convenience and value to guests while controlling costs.

The Covid-19 pandemic has taught hotel managers the importance of flexibility, adaptation, and investing in technology to provide contactless services and improve the guest experience. In the future, the hotels plan to continue implementing the health and safety protocols introduced during

the pandemic. They also aim to use the lessons learned to better prepare for future crises and to focus on marketing their unique offerings and partnering with local businesses to provide value-added services to guests. These future implications align with the cost-based pricing strategy and emphasize the significance of maintaining safety measures and enhancing guest satisfaction.

6. Findings and conclusion

This chapter provides a comprehensive conclusion to the study, addressing the research questions and summarizing the key findings. It explores the pricing strategies adopted by hotels in Turkey in response to the Covid-19 crisis and identifies other factors that positively influenced their ability to handle the crisis. The conclusion will provide practical implications for hotel managers, enabling them to make informed decisions regarding pricing strategy approaches. In the subsequent chapters of this thesis, the research methodology, data analysis, and findings will be presented in detail. The conclusion will summarize the main findings, discuss their implications, and provide recommendations for hotel managers and industry stakeholders.

6.1 Covid-19 impact on the hotel industry.

The Covid-19 crisis has undoubtedly had a profound impact on the hotel industry, leading to a significant decrease in demand, occupancy rates, and revenue. Hotels across the globe have faced immense challenges, with many having to shut down or reduce their operations, resulting in widespread job losses and financial distress. Traveler behavior has undergone a substantial transformation, characterized by increased caution and selectivity when it comes to travel decisions.

During the Covid-19 crisis, hotels encountered various challenges, including a sharp decline in demand, an influx of cancellations, and heightened health and safety concerns. In addition, they had to navigate through ever-changing regulations and policies, implement stringent cleaning and sanitation procedures, and manage their financial and operational costs effectively. Maintaining customer loyalty and trust emerged as critical factors for hotels to weather these difficult times successfully.

To adapt to the new normal imposed by the crisis, hotels have undergone significant changes in their operations. This includes the adoption of rigorous cleaning and sanitation protocols to ensure guest safety, the implementation of contactless check-in and check-out processes to minimize

physical contact, and investments in technology to facilitate virtual meetings and events. Moreover, hotels have introduced flexible booking policies to accommodate changing travel plans and offer reassurance to guests.

While the long-term impact of Covid-19 on the hospitality industry remains uncertain, certain changes initiated during the crisis are likely to persist. The heightened focus on hygiene, cleanliness, and technology adoption is expected to endure, prompting hotels to reevaluate their business models, revenue sources, and target markets to align with the evolving landscape.

To prepare for future crises, hotels can proactively develop comprehensive crisis management plans that address various scenarios. Investing in technology will continue to play a crucial role in providing contactless services and improving operational efficiency. Additionally, maintaining flexible business models that can quickly adapt to changing circumstances will be vital. Building and nurturing customer loyalty and trust, fostering collaborations with other industry players, and closely monitoring market conditions and customer needs will also be instrumental in navigating future challenges. By gaining a deeper understanding of the impact of the Covid-19 crisis on pricing strategies in the Turkish hotel industry, we can strive towards building a more resilient and adaptive sector in the face of future challenges. By providing an overview of the negative impact of Covid-19 on most businesses, such as hotel industry, the paper establishes a logical progression into the problem discussion, which addresses the specific research problem and research questions that the thesis seeks to address.

As mentioned in earlier chapters the Research Question 1:

Which pricing strategies had hotels in Turkey adopted in response to the crisis?

The findings of this study reveal that hotels in Turkey implemented several pricing strategies to navigate the challenges posed by the Covid-19 crisis. These strategies aimed to optimize revenue generation while accommodating changes in demand and customer behavior. The pricing strategies identified in the study include:

6.2 Value-based and cost-based strategies

Value-based pricing is a pricing strategy that focuses on setting prices based on the perceived value that a product or service offers to customers. It involves understanding the value proposition from the customer's perspective and aligning prices accordingly. Factors such as the product's features, benefits, and the relative value compared to alternative offerings in the market are taken into consideration during the pricing decision-making process (Grewal & Levy, 2019; Smith & Nagle, 2020).

6.2.1 Dynamic Pricing

Hotels adopted dynamic pricing by adjusting room rates in real-time based on demand fluctuations. This strategy allowed hotels to capitalize on periods of increased demand and adjust prices downwards during low-demand periods to stimulate bookings. As mentioned in the literature review dynamic pricing are form of value-based pricing. These methods aim to capture the maximum value from different customer segments based on their willingness to pay. Furthermore, dynamic pricing adjusts prices in real-time based on demand fluctuations, allowing hotels to optimize revenue (Díaz et al., 2020). This pricing strategy played an important role in responding to fluctuations in demand and market conditions, enabling hotels to maximize revenue potential.

6.2.2 Discounted Packages and Promotional Deals

Another type of value based is to offer promotional deals or discounted packages. As mentioned in chapter 2 (literature review) value-based pricing focuses on pricing products or services based on the perceived value they provide to customers. It involves determining the value proposition of the offering from the customer's perspective and setting prices accordingly. Factors such as the product's features, benefits, and the value it delivers compared to alternative offerings in the market are considered (Smith & Nagle, 2020).

Hotels offered discounted packages and promotional deals to attract customers and stimulate demand. These packages provided added value to guests, such as bundled services with discounted

room rates combined with complimentary meals or additional amenities. By offering these discounted packages, hotels aimed to incentivize customers to book and increase occupancy rates.

6.2.3 Flexible Pricing and Cancellation Policies

Recognizing the uncertainty and changing travel plans of customers during the crisis, hotels introduced more flexible pricing and cancellation policies. This involved waiving cancellation fees or offering flexible booking options to provide reassurance and encourage bookings. By implementing these flexible policies, hotels aimed to alleviate customer concerns and build trust, thereby increasing their likelihood of securing bookings.

6.2.4 Targeted Pricing for Specific Customer Segments

Another type of value-based pricing strategy is personalized pricing methods. Hotels implemented targeted pricing strategies tailored to specific customer segments. They offered special rates or discounts to key market segments, such as essential workers, healthcare professionals, or long-term stay guests. By catering to these specific segments, hotels aimed to secure bookings and build relationships, ensuring a steady stream of revenue during the crisis.

6.2.5 Revenue Management Optimization

Revenue management optimization was another critical aspect of pricing strategies during the crisis. Hotels focused on optimizing revenue management practices by leveraging data analytics and forecasting tools. This allowed them to identify pricing trends, monitor competitor pricing strategies, and adjust rates dynamically to maximize revenue potential.

6.3 Positioning and Competitive Analysis

Hotels strategically positioned themselves in the market and conducted competitive pricing analysis. They evaluated their offerings, services, and amenities in comparison to competitors to ensure they remained competitive. By understanding the market dynamics and pricing strategies of competitors, hotels were able to make informed pricing decisions that balanced long-term sustainability with short-term revenue generation.

As earlier mentioned, the Research Question 2: Which other factors had a positive impact on hotels' capability to handle the crisis?

Apart from pricing strategies, several other factors played a significant role in hotels' ability to handle the Covid-19 crisis effectively. These factors positively influenced their capability to navigate the challenging circumstances and ensure their long-term sustainability. The key factors identified in this study include:

6.3.1 Health and Safety Measures

Implementing robust health and safety measures played a crucial role in ensuring guest safety and building trust. By adopting stringent cleaning and sanitation procedures, enforcing social distancing measures, and implementing contactless services, hotels were able to provide a safe environment for guests and reassure them of their well-being.

6.3.2 Technology Adoption

Embracing technology was another factor that significantly impacted hotels' ability to handle the crisis effectively. Hotels that invested in technology were able to implement contactless check-in and check-out processes, leverage digital platforms for communication and guest services, and utilize virtual platforms for meetings and events. These technological advancements enhanced operational efficiency, reduced physical contact, and catered to the evolving needs of guests.

6.3.3 Effective Customer Communication

Clear and transparent communication with customers was essential during the crisis. Hotels that proactively communicated their health and safety protocols, updated booking policies, and addressed customer concerns built trust and maintained strong relationships with their guests. Effective customer communication helped manage expectations, mitigate uncertainties, and foster guest loyalty.

6.3.4 Financial Resilience

Hotels that demonstrated financial resilience and adapted their business models to the changing market conditions had a higher capability to handle the crisis. This involved evaluating cost structures, optimizing operational efficiencies, exploring alternative revenue streams, and accessing financial support programs or government incentives. Financial resilience enabled hotels to sustain their operations and weather the financial challenges posed by the crisis.

6.3.5 Collaboration and Industry Partnerships

Collaboration and industry partnerships were crucial in navigating the crisis. Hotels that collaborated with other industry stakeholders, such as tourism boards, local authorities, or neighboring hotels, were able to amplify their reach and support each other's recovery efforts. By working together, sharing resources, and implementing joint marketing initiatives, hotels could enhance their capability to handle the crisis.

6.4 Conclusion and Implications for Future Research

In conclusion, this study has shed light on the various pricing strategies implemented by hotels in Turkey during the Covid-19 crisis. These strategies aimed to optimize revenue generation, attract customers, and adapt to changing market conditions. The successful implementation of these pricing strategies was complemented by factors such as health and safety measures, technology adoption, customer communication, financial resilience, and collaboration. By considering these factors, hotel managers can make informed decisions and develop strategies to navigate crises effectively.

The findings of this study offer valuable insights for hotel managers in formulating pricing strategies and adapting to crises. The research questions regarding the pricing strategies adopted by hotels in Turkey and the other factors positively impacting their capability to handle the crisis have been addressed. This study provides a foundation for future research endeavors to explore pricing strategies in the hotel industry during times of crisis. By gaining a deeper understanding of pricing dynamics and the factors that influence pricing decisions, scholars and industry practitioners can contribute to the long-term resilience of the hotel industry. Additionally, the findings of this study highlight the importance of factors such as health and safety measures, technology adoption, customer communication, financial resilience, and collaboration in effectively handling crises.

In conclusion, the findings of this study offer valuable insights for hotel managers in formulating pricing strategies and adapting to crises. By considering the recommendations for future research, scholars and industry practitioners can continue to deepen their understanding of pricing strategies and contribute to the long-term sustainability and resilience of the hotel industry.

6.5 Limitation of the study

This study provides valuable insights into the impact of the Covid-19 crisis on pricing strategies in the hotel industry. However, it is important to acknowledge its limitations. Firstly, the study focuses on the hotel industry in Turkey, limiting the generalizability of the results to other countries or industries. Future research should expand the scope to encompass a broader range of countries and industry sectors. Secondly, the study relies on a combination of primary and secondary data sources, which may have inherent limitations. Supplementing the research with additional data collection methods could provide a more comprehensive understanding of pricing strategies during the crisis. Thirdly, the study specifically examines the impact of Covid-19 on pricing strategies and does not account for other external factors that may influence pricing decisions. Future studies should incorporate a broader range of variables to gain a more holistic view of pricing dynamics within the hotel industry.

Furthermore, the study assumes that the selected sample of hotels is representative of the broader hotel industry in Turkey, which may not be accurate. Future studies should consider the potential variations across different market segments and regions within the country. Additionally, the limited sample size employed in this study may impact the statistical power of the analysis, warranting caution when generalizing the findings. Lastly, the study assumes a certain level of homogeneity in pricing strategies among hotels, even within the same market segment. Future research should explore these variations and identify the factors that contribute to them.

6.6 Recommendations for Future Research

Recommendations Building upon the insights gained from this study, several recommendations can be proposed to guide future research endeavors. Firstly, future studies should include a wider range of countries and industries to enhance the generalizability of findings. Secondly, employing a combination of data collection methods can offer a more comprehensive understanding of pricing dynamics during times of crisis. Thirdly, incorporating a broader range of external factors beyond

the crisis will enable researchers to develop a more holistic framework for pricing strategy analysis. Moreover, future studies should strive for larger sample sizes and robust sampling methods to enhance the representativeness and statistical power of the analysis. Lastly, exploring the heterogeneity of pricing strategies within the same market segment would provide valuable insights into the complex nature of pricing decisions in the hotel industry.

In conclusion, this study sheds light on the challenges faced by the hotel industry during the Covid-19 crisis and the corresponding adaptations in pricing strategies. The findings highlight the need for hotels to proactively respond to crises, embrace technology, and prioritize customer loyalty to navigate uncertain times successfully. By considering the recommendations for future research, scholars and industry practitioners can continue to deepen their understanding of pricing strategies in the hotel industry and contribute to its long-term resilience.

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Appendix:

Questions asked during the interviews:

1) How old are you?

P1: 51

P2: 48

2) How many years' experiences do you have in hotel industry?

P1: 31

P2: 25

3) How many years experiences do you have as hotel manager?

P1: 20

P2: 15

4) Which pricing strategies have been adopted by the hotel in response to the Covid-19 crisis?

P1: We kept the prices similarly by season to season, but we also implemented free cancellation before 24hours, if people wanted to cancel before few hours, we charge the first day around 50-70euro, depending on which room type they booked. If you book by Booking or Hotels.com or by calling us, can you also pay when you reserve or when you check in. We do not charge 25% of the total amount anymore. We implemented that pricing strategy in 2020 right after the Covid-19 crisis arise. By this way people could easily book hotel rooms without any difficulty and worries.

P2: In the beginning We kept the prices slightly below the limit, to attract customers. To keep our customers happy, we have free booking cancelation and pay when you check in. But when our valuta fell, we had to adjust our prices and increase the prices by 150-200%.

5) How have these positioning affected the demand for the hotel?

P1: We have guests from everywhere around the world, primarily USA, Bulgaria, Germany etc.

The pricing strategies we have implemented was helpful and the Business was going on.

P2: The demand was down when Turkey had lockdowns for the citizens which affected the demand. We got many cancelations requests.

6) What strategies have been used for hotel services in Turkey before and after the crisis, and how does it vary across different regions and seasons?

P1: We were not directly ready for Covid-19, but we had a pre-prepared crisis scenario and an emergency action plan in the face of a possible crisis. We learned a lot from Euro-crisis, 2009 and this was helpful for Covid-19

P2: We did not have any crisis scenario or emergency action plan. Stating that they have an emergency action plan for a possible crisis in their hotel and that they are regularly updating these plans. “We have standard operating instructions issued by our hotels. For example, we have a written standard of for Covid-19. It's a plan there is writing what the staff need to do. Our emergency action plan is included in these standard operating instructions. And it is regularly being updated.

7) What role do factors such as location, brand, reputation, amenities, and competition play in determining the price strategies for hotel services in Turkey?

P1: All those are important factors. Here in Istanbul the location and reputation have a big role in hotel industry. Our location is great, it's near to everywhere and this is one of the reason the tourist chooses this hotel. Unfortunately, there is big competition in hotel industry, and you need to compete against pricing, and trying to be better in every sentence.

P2: Competition is important aspect. You need to be always first on the list, working on customer satisfaction all the time for nice reviews. Imagine you're booking a hotel room. The first hotel in the page has big opportunity to be booked, with professional photos and glad reviews is this possible.

8) How can businesses in the Turkey hotel industry adjust their pricing strategies to remain competitive and profitable in the post-crisis era?

P1: The covid-19 lead to big inflation, and everything get expensive. 1 dollar in beginning of 2020 (before Covid-19) was equal to 7 liras (TRY) and today 1 dollar is equal to 20 liras. This means the life get 3 times expensive, so we needed to adjust our prices by raising from 20euros to 60 euros per night.

P2: Everything from bread to hotel rooms get so much expensive. When Turkish lira fell down Istanbul and other cities such as Edirne was popular cities to visit and shopping. We had to raise our services from hotel rooms, room service, spa, gym and of course staff salary get 2 times higher.

9) How do customer preferences and behavior influence pricing for hotel services in Turkey, and how can businesses cater to these preferences to increase their profitability?

P1: Customers influence in first step by rating, in this business to have high rating at booking companies such as booking.com, hotels.com and of course good reputation. We highly work together to improve our hotel visits in the best way we can. In this way you can increase profitability. The key for profitability is good customer service.

P2: Customer service is very important. We always strive for customer comes happily stays happily and leaves happily.

10) What are the key challenges faced by businesses in the Turkish hotel industry in terms of pricing and demand management in the aftermath of the Covid-19 crisis, and how can they overcome these challenges?

P1: We met many challenges. We had to follow the regulation of the government and we had to lockdown the hotel for 3 months. Many workers had to quit their jobs and seek another job. All airline companies, especially Turkish Airlines, announced that they have terminated all international and domestic flights until further notice. Intercity travels were subject to the permission of the governorship, and a sparse seating arrangement was introduced in public transportation vehicles. Hundreds of settlements, villages and towns have been quarantined as part of COVID-19 measures.

P2: Due to Covid-19 as crisis manager I had to implement safety protocols, such as distance keeping, every staff and hotel guests had to wear a mask.

11) Which crisis management strategies you had to apply for the hotel? Do you think crisis management had a big role?

P1: Crisis management works are necessary in tourism businesses and that crisis management is possible with crisis management works. P1, who thinks that crisis management works are necessary for tourism enterprises and that crisis management works in hotels are hotel managers' duty, expresses his thoughts on this issue as follows: "A general director or manager in tourism businesses must know crisis management strategies. Thus, of course, it is possible to manage crises. "

P2: Hotel managers should always be prepared for the crisis, expresses his opinions as follows: "Managers must always have an opinion, an idea, and an action against the crisis. Businesses will have trouble if the managers only think about the moment and do not foresee what tomorrow will bring. We managers have the necessity of having an opinion against the crisis, It's necessary of making long-term plans, the need for written procedures and instructions, the importance of staff training, crisis management activities make personnel more self-confident, the need to have an emergency action plan and crisis scenario, constantly updated procedures, having a crisis management team, predefined job descriptions such as communication/spokesperson/secretariat, occupational health and safety training, all personnel must have crisis management awareness, staff assignments on crisis management

12) Which opportunities and threats you met during the covid-19? Better digital marketing?

P1: During Covid-19 we avoided face-to-face meetings, instead we had online meetings. We had to understand in which areas the business is successful, making long-term plans. But as we know all crises can also lead to opportunities. We had the opportunity to renovate the rooms and take better pictures for marketing purpose. Once again understanding that tourism is vulnerable to crises, we need to understand that having a strong financial structure in the face of possible crises in tourism.

P2: The biggest threat was the Covid-19 itself; it closed many doors for us but at the same time it opened new doors. One of the biggest challenges was to stay financially strong despite the Covid-19. People was worried, hundred thousand of people dead because Covid-19. We needed to stay healthy and make plans, both in short and long term. One big opportunity was to improve our staff and learn them for upcoming crises.

