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Pricing policy in Hotels

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Abstract

One of the main problems in pricing products is the pricing policy for large hotels. This leads to a monopolization of prices. Despite the low quality of services in these hotels, the prices are very high. Groups are forced to go to larger public hotels because fewer private large hotels cannot accommodate a large influx of tourists. The hotel decides what services to provide, at what facility and at what price to sell them. In the context of market relations, pricing mechanisms are implemented through price and its dynamics. Price dynamics are formed under the influence of two important factors, strategic and tactical.

Keywords: Hotel, services, extra and main services, pricing, hotel facilities, seasonable prices

Introduction

An important condition for the viability of enterprises is the high level of quality of hotel products and high management skills. Many hotels are now in crisis, unable to compete. These hotels will be transferred to other hands, technically improved, renovated, and will enter the production process on a new efficient basis.

The current pricing system for housing and communal services has many uncertainties and unresolved issues. In part, the definition of such concepts, in one sense, cost, price, definitions of housing and communal services, and other concepts, does not allow the development of a single approach to the formation of economic indicators. Existing cost approaches to price formation do not increase costs, but rather artificially increase them in a number of cases.

Pricing is a high level of payment for a service. There are two pricing systems:

- A central system that produces prices accepted by the state, taking into account the possibilities of production with hospitality services.
- Apply for hotel services and enter the market on demand; The first system is in public hotels.
- The first system is unique to the hotel. It is based on the important principles of pricing hotel services.
- Pre-pricing.
- On the target price.
- Continuity of the pricing process.
- Check the pricing process and their consideration.

Materials and methods

The strategic factor is expressed in the fact that prices are set on the basis of the cost of hotel services. This process is complex and difficult to predict.

The tactical factor is the price for specific services, which is formed under the influence of market conditions for these services.

The calculation of hotel prices often involves the development of cost estimates for the services provided. This includes material costs, labor costs, social security contributions, depreciation of fixed assets, capital repairs and other costs.

Obviously, the pricing and tariff policy of hotels depends on the activities of the relevant pricing and management bodies.

Results and discussion

The business of a hotel is that the production process in a hotel takes the form of a specific hotel service. The hotel business has both fixed and current assets to provide comprehensive services. Production and implementation do not depend on time - always be ready to provide services. Due to the uneven demand, the hotel needs to have a stock of fixed, working and other assets. In addition, the help of intermediaries or sales system specialists is not required in the creation and implementation of hotel services. The most important thing in providing these services is the absence of work in progress.

These key features of the development and distribution of hotel services influence the formation of prices:

- Cost of services;
- Price level in competitors;
- Balance of supply and demand;
- The level of wages of employees, etc.

The provision of hotel services is formalized by a contract, receipt or other document, which must specify all types of

hotel services. The price of a hotel room depends on the hotel category, room category, quality of service, discounts or surcharges for certain services.

Factors such as the elasticity of demand and its relevance to prices should be taken into account in pricing. Numerous examples from foreign and Russian hotel business practices confirm the need to balance prices with specific demand levels. If the demand is minimal, the hotel needs to find a way to reduce the price to increase it, and if the demand exceeds the supply, then there is reason to raise the price to the maximum. We face such situations at important events: the Olympic Games, football championships, international exhibitions, film festivals. Pricing is also influenced by season, off-season and off-season.

Fluctuations in hotel prices according to the season and season. It is a well-known fact that there is a seasonal problem in tourism. Operating in our city hotels are also forced to change prices depending on the season and the off-season. Below you can see the price fluctuations of the Bukhara Malika Hotel.

Table 1: Standard prices for hotel businesses * (On the example of the Malika Bukhara Hotel)

| Type of room | Season (20/03-31/05, 15/08-31/10) | Middle season (01/06-15/08) | Noseason (01/11-20/03) | Reception Desk |
|--------------|-----------------------------------|-----------------------------|------------------------|----------------|
| Single | 50 \$ | 40 \$ | 28 \$ | 80 \$ |
| Double/ twin | 75 \$ | 55 \$ | 35 \$ | 110 \$ |
| Deluxe room | 90 \$ | 70 \$ | 55 \$ | 135 \$ |

Table 2: Standard prices for self-visiting guests

| Type of room | Season (20/03-31/05, 15/08-31/10) | Middle season (01/06-15/08) | Noseason (01/11-20/03) | Reception Desk |
|--------------|-----------------------------------|-----------------------------|------------------------|----------------|
| Single | 65-80 \$ | 45-80 \$ | 35-80 \$ | 80 \$ |
| Double/ twin | 80-110 \$ | 60-110 \$ | 40-110 \$ | 110 \$ |
| Deluxe room | 110-135 \$ | 85-135 \$ | 65-135 \$ | 135 \$ |

The tables show that seasonal and non-seasonal prices vary widely. In addition, the cost of hotel services is set separately for regular and non-regular customers, partner tourism companies and others.

So, here are some general approaches to pricing hotel services:

- Cost pricing, which takes into account all the costs of production;
- Pricing, taking into account the level of reception of hotel staff by consumers;
- Competitive pricing, which takes into account the prices offered by other hotels.
- The relationship between supply and demand is the basis of pricing policy. The main goal of this policy is to manage hotel revenue. Price differentiation takes into account various factors, including:
 - Type, number, location of rooms;
 - Seasonal changes in demand;
 - Life expectancy of the client;
 - Term of initial payments;
 - Purchase of a package of services;
 - Terms of sale.

The organization of high-quality hotel services by private tourism organizations is now a market demand. Since 1997, Uzbekistan has opened opportunities for small, medium and family hotels. Such hotels are characterized by medium rooms (10-80 rooms), decorated in the national spirit, high level of service. Examples of such hotels are "Malika Bukhara", "Asia Bukhara", "Sasha & Son", "Modarixon".

The Princess Hotel is similar to small hotels in European cities in its interior and exterior. Standard rooms cost \$ 65 a day, suites cost \$ 110, including breakfast.

Conclusion

The hotel sets a starting price, which is then changed based on various environmental factors. The hotel's strategic approach to pricing will depend in part on the stages of the service life cycle. There are a lot of demands, especially at the market stage. Entering the market with its new, unparalleled additional services and conveniences, the new hotel can choose the "Get the Market Cream" strategy or the "Strong Market Settlement" strategy when pricing it.

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