

Adjustment of Marketing Strategies for Traditional Hotels in the Context of the Sharing Economy

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Abstract

This study examines the adjustment of marketing strategies for traditional hotels in the context of the sharing economy. With the rise of shared accommodation platforms like Airbnb, traditional hotels face significant challenges. Through analyzing the impact of the sharing economy on the hotel industry, the research finds that traditional hotels need to make strategic adjustments in multiple aspects. Digital transformation has become key, with hotels needing to utilize big data analytics and artificial intelligence technologies to provide personalized services. Market share redistribution has prompted hotels to reposition themselves and adopt dynamic pricing strategies. In terms of service model innovation, hotels are moving towards the concept of a “home away from home”, integrating local culture, and providing unique experiences. The incorporation of sustainability concepts, including green hotel practices and community engagement, has become an important means of differentiation. The study also emphasizes the importance of employee welfare and development. This research provides theoretical basis and practical guidance for the hotel industry’s transformation in the sharing economy era, pointing out that only through continuous innovation and adaptation to market changes can traditional hotels maintain competitiveness and achieve sustainable development in the sharing economy environment.

Keywords

Sharing Economy, Traditional Hotels, Pricing Strategies, Differentiation

1. Introduction

The sharing economy, as a new economic model emerging at the beginning of the 21st century, is reshaping various industries globally at an unprecedented speed and scale. In the accommodation industry, this transformation is particularly

significant. With the rise of shared accommodation platforms such as Airbnb and HomeAway, the traditional hotel industry faces severe challenges and pressure to transform (Baruch et al., 2021). According to research, since 2014, in cities with high Airbnb penetration, the growth rates of occupancy and average daily rates for traditional hotels have been significantly lower than the national average, particularly during peak tourism seasons and major events when shared accommodation platforms can quickly increase supply to meet sudden high demand (Dogru et al., 2020). Moreover, the global shared accommodation market size grew from about \$15 billion in 2014 to an expected \$200 billion in 2023, with a compound annual growth rate exceeding 30% (Guttentag, 2019). This rapid growth has directly impacted the market share and profitability of the traditional hotel industry.

Faced with the impact of the sharing economy, the traditional hotel industry's response has been mixed. Some large hotel chains, such as Marriott International and Hyatt Hotels, have attempted to gain a foothold by acquiring or investing in shared accommodation platforms. However, for most small and medium-sized hotels, directly entering the shared accommodation market is not a feasible strategy. They need to re-examine their own advantages and adjust their marketing strategies to survive and develop in the new competitive environment. Early academic research mainly focused on assessing the impact of the sharing economy on the hotel industry. For example, Blal et al. (2018) pointed out that high-end hotels are less affected by the sharing economy and suggested that hotels should strengthen their advantages in service quality and professionalism.

Based on this, the present study will explore the following aspects: a comprehensive analysis of the impact of the sharing economy on different types and market positions of hotels; discussion of hotel marketing strategies under new trends such as digital transformation, personalized service, experience economy, and sustainable development; and summarizing successful hotel experiences through case analysis to provide actionable suggestions for the entire industry. The theoretical contribution of this study lies in expanding the relevant theories of traditional industry transformation in the context of the sharing economy, especially providing new perspectives on the adjustment of marketing strategies in the hotel industry. At the practical level, the results of this study can provide decision-making references for hotel managers, helping them formulate more effective marketing strategies to maintain competitiveness in the era of the sharing economy.

The remaining structure of this study is as follows: Chapter 2 analyzes the impact of the sharing economy on traditional hotels, Chapter 3 discusses adjustments in hotel marketing strategies, Chapter 4 examines sustainable development and social responsibility, and finally, Chapter 5 presents the conclusions.

2. Analysis of the Impact of the Sharing Economy on Traditional Hotels

2.1. Redistribution of Market Share

The rise of the sharing economy has had a profound impact on the market share

of traditional hotels. With the rapid development of shared accommodation platforms such as Airbnb, the traditional hotel industry faces unprecedented competitive pressure (Baruch et al., 2021). According to the latest 2023 data from Smith Travel Research, in cities with high Airbnb penetration, the growth rates of occupancy and average daily rates for traditional hotels have been significantly lower than the national average. This impact is particularly significant during peak tourism seasons and major events, as shared accommodation platforms can quickly increase supply to meet sudden high demand (Dogru et al., 2020). However, this impact is not evenly distributed. Research indicates that mid-to-low-end hotels are most severely affected, while high-end hotels and business hotels are relatively less impacted (Abrate & Viglia, 2019). High-end hotel customers place more emphasis on professional services and facilities, while business travelers rely more on the business facilities and services provided by hotels. Moreover, shared accommodation platforms have also expanded the overall size of the accommodation market to some extent, attracting travelers who might not have originally chosen hotels. Overall, the sharing economy has led to a redistribution of market share in the accommodation industry, requiring the traditional hotel industry to reposition itself in the market to adapt to this new competitive landscape.

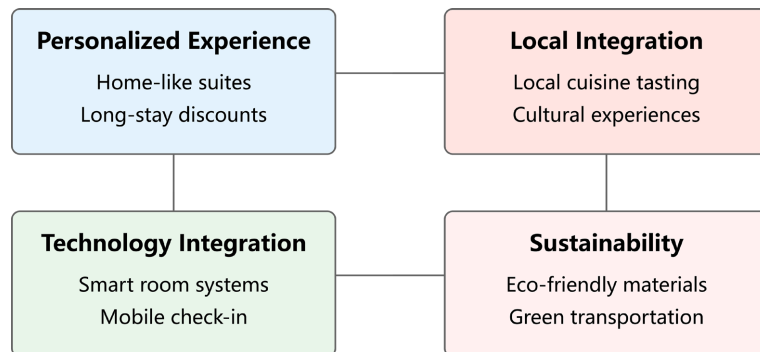
2.2. Adjustment of Pricing Strategies

The rise of the sharing economy has forced the traditional hotel industry to re-examine its pricing strategies. On shared accommodation platforms, the prices of listings are often more flexible and diverse, challenging the fixed pricing model of traditional hotels. To respond to this change, many hotels have begun to adopt dynamic pricing strategies, adjusting room rates in real-time based on demand, competitor prices, and other market factors, optimizing revenue and improving competitiveness among price-sensitive consumers. At the same time, hotels are also beginning to focus more on value-based pricing, setting prices based on the value of the services and experiences provided, rather than solely on costs (Abrate & Viglia, 2019). This approach requires hotels to better understand customer needs and emphasize their unique advantages. Another noteworthy trend is the increase in bundled pricing, where hotels package accommodation with other services (such as dining, spa, activities, etc.) to provide more attractive value propositions. Some hotels have also started to experiment with membership pricing, offering more competitive rates to regular customers through loyalty programs to maintain their customer base. However, these pricing strategy adjustments also bring new challenges, such as how to maintain price competitiveness while maintaining profits, and how to balance pricing strategies among different target customer groups. Overall, the impact of the sharing economy has made hotel pricing more complex and dynamic, requiring hotel managers to have stronger market insight and data analysis capabilities.

2.3. Innovation in Service Models

Facing the challenges of the sharing economy, the traditional hotel industry is

actively innovating its service models to enhance competitiveness. As shown in **Figure 1**, these innovations mainly focus on four key areas: personalized experiences, localized services, technology integration, and sustainable development. A significant trend is moving towards the concept of a “home away from home,” striving to create a more warm and personalized accommodation experience. In terms of personalized experiences, many hotels have begun to offer suites with kitchens and long-stay discounts to attract travelers seeking a “live like a local” experience. At the same time, hotels are also strengthening their connections with local communities, providing more localized experiences and activities (Kandampully et al., 2018). Another important direction for innovation is the deep integration of technology. As shown in the technology integration section of **Figure 1**, many hotels are adopting smart room systems and mobile self-check-in technologies to improve service efficiency and personalization. Some hotels are even experimenting with robot waiters and AI customer service to create unique customer experiences. Sustainable development has also become an important direction for service innovation. More and more hotels are adopting environmentally friendly materials, energy-saving technologies, and providing green transportation options to attract environmentally conscious consumers. While innovating service models, hotels are also striving to maintain and strengthen their core advantages, such as professional service standards, security assurance, and convenient locations. This combination of innovation and tradition allows hotels to maintain their characteristics while meeting the diverse needs of new-era consumers.



Source: Adapted from data by Abrate and Viglia.

Figure 1. Hotel service model innovation.

3. Digital Transformation and Personalized Services

3.1. Application of Big Data Analytics in Hotel Marketing

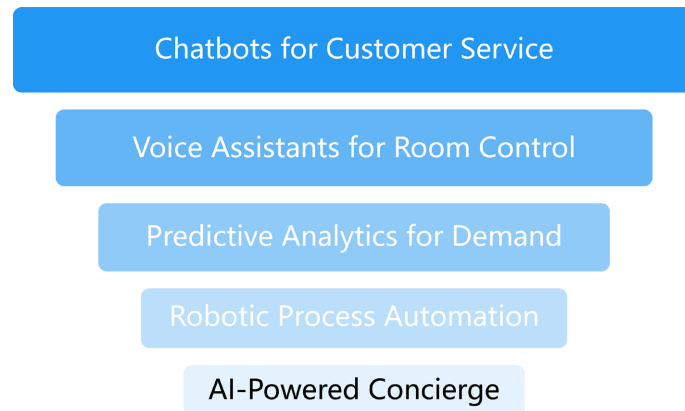
In the era of the sharing economy, big data analytics has become a key tool for traditional hotels to conduct precise marketing and enhance customer experience. By collecting and analyzing multi-dimensional data such as customers’ booking history, preferences, and social media activities, hotels can build comprehensive customer profiles to provide more personalized services. For example, by analyzing customers’ past accommodation records, hotels can predict the room types

and additional services that customers may need, and even anticipate potential problems, thereby preparing in advance. Big data analytics can also help hotels optimize pricing strategies. Through real-time analysis of market demand, competitor prices, weather conditions, and other factors, hotels can dynamically adjust room rates to maximize revenue. Furthermore, big data analytics plays an important role in customer relationship management. Hotels can promptly identify and solve service issues by analyzing customer feedback and reviews, thereby improving customer satisfaction. In terms of designing and executing marketing campaigns, big data analytics can help hotels identify the most effective marketing channels and content, improving marketing efficiency. For example, by analyzing the behavioral characteristics of different customer groups, hotels can design targeted promotional activities and deliver them to target customers through the most suitable channels. However, the application of big data analytics also faces some challenges, such as data privacy protection and data quality control. Hotels need to ensure compliance with relevant laws and regulations and protect customer privacy while fully utilizing data.

3.2. Artificial Intelligence and Smart Services

The application of Artificial Intelligence (AI) technology in the hotel industry is rapidly changing traditional service models, providing customers with more intelligent and personalized experiences. The application of AI is extensive, playing important roles from customer service to operational management. In terms of front desk services, AI-driven chatbots are becoming an important supplement to 24/7 customer service, able to quickly answer customer inquiries and handle simple booking and service requests, thereby improving response speed and customer satisfaction. Some hotels have even begun to use robots for room service, such as food delivery and cleaning, which not only improves efficiency but also brings novel experiences to customers. In guest rooms, smart voice assistants are becoming a new standard configuration, allowing guests to control room equipment, query hotel information, and book services through voice commands. AI also plays an important role in personalized recommendations, recommending the most suitable room types, dining options, and activities by analyzing customers' preferences and behaviors. In terms of back-office operations, AI technology is helping hotels optimize resource allocation, predict demand, and manage inventory, thereby improving operational efficiency and reducing costs. For example, by analyzing historical data and external factors (such as weather and holidays), AI systems can accurately predict future occupancy rates, helping hotels prepare for staffing and material needs. However, the application of AI technology also faces some challenges, such as how to maintain a balance with human-oriented services, and how to ensure the reliability and security of the technology. AI technology is becoming a key tool for traditional hotels to maintain competitiveness in the era of the sharing economy, helping hotels provide smarter and more personalized service experiences. As shown in **Figure 2**, the application of AI in hotel

services covers the entire customer journey from booking to check-out, with corresponding AI solutions at each stage.



Source: Adapted from Li et al. study.

Figure 2. Application of AI in hotel services.

3.3. Mobile Technology and Omni-Channel Marketing

The popularization of mobile technology and the implementation of omni-channel marketing strategies are profoundly changing the way traditional hotels interact with customers. With the widespread use of smartphones, mobile applications have become an important channel for hotels to communicate with customers. Many hotels have developed feature-rich mobile apps through which customers can make bookings, view room information, perform online check-in and check-out, control room equipment, and even open doors. This not only improves the convenience of customer experience but also increases opportunities for hotels to interact with customers. For example, through the application, hotels can push personalized discount information and event notifications to customers, increasing customer engagement and loyalty. The omni-channel marketing strategy further integrates various online and offline touchpoints to provide customers with a seamless experience. This means that customers can freely switch between different channels (such as official websites, mobile applications, social media, physical lobbies, etc.) while receiving consistent information and services. For example, customers can see hotel promotions on social media, make reservations through mobile applications, and quickly check in through self-service terminals upon arrival at the hotel, experiencing a smooth and consistent process throughout. Implementing an omni-channel marketing strategy requires hotels to invest in technological infrastructure, data integration, and employee training. In particular, the integration and sharing of data are crucial, ensuring that customer interaction information across different channels can be uniformly collected and analyzed, thereby providing a foundation for personalized services. However, in implementing these strategies, hotels also face some challenges, such as how to protect customer privacy while providing convenience, and how to balance automated services with human-oriented services. Overall, mobile technology and omni-

channel marketing are helping traditional hotels establish closer customer relationships and provide more personalized and seamless service experiences, which is particularly important when facing competition from shared economy platforms.

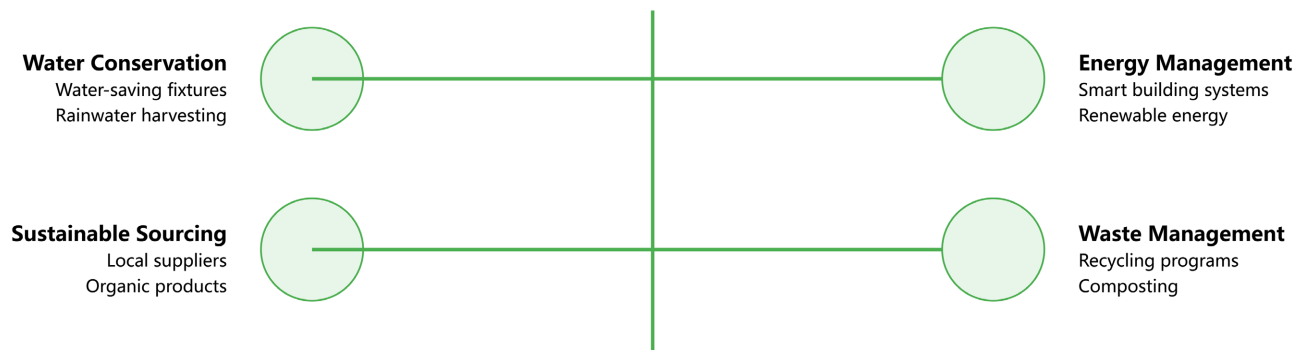
4. Sustainable Development and Social Responsibility

4.1. Green Hotel Practices

In the context of rising global environmental awareness, sustainable development has become an important issue that the hotel industry cannot ignore. More and more hotels are adopting “green hotel” practices, not only out of social responsibility considerations but also to meet the needs of increasingly environmentally conscious consumers. Green hotel practices cover multiple aspects, from energy conservation and emission reduction to waste management and sustainable procurement. In terms of energy management, many hotels are adopting smart building management systems to optimize energy use through automatic adjustment of lighting, air conditioning, and hot water systems. Some hotels have even started using renewable energy sources such as solar power. In terms of water resource management, the use of water-saving equipment, the establishment of rainwater collection systems, and water recycling measures are being widely implemented. Waste management is also a key focus area, including the implementation of strict recycling programs, reducing the use of disposable items, and exploring composting for food waste. In terms of room design, many hotels are starting to use environmentally friendly materials and furniture, while also striving to extend the lifespan of items and reduce replacement frequency. Sustainable procurement is also receiving increasing attention, such as choosing local suppliers to reduce carbon emissions from transportation, and prioritizing organic and fair trade products. Some leading hotels are actively seeking green building certifications, such as LEED (Leadership in Energy and Environmental Design) certification, to demonstrate their commitment to sustainable development. However, implementing green hotel practices also faces some challenges, such as high initial investment costs and the potential impact of certain environmental measures on customer experience. Therefore, hotels need to find a balance between environmental protection and customer satisfaction. Overall, green hotel practices not only help reduce environmental impact but also enhance brand image, attract environmentally conscious customers, and achieve cost savings in long-term operations (Jones et al., 2014). As shown in **Figure 3**, green hotel practices involve multiple aspects, forming a complete sustainable development system.

4.2. Community Engagement and Localization Strategies

Under the influence of the sharing economy, the traditional hotel industry is increasingly recognizing the importance of establishing close connections with local communities. This is not only a manifestation of fulfilling social responsibilities



Source: Adapted from Jones et al study.

Figure 3. Green hotel practices overview.

but also an effective way to enhance brand image and enrich customer experiences (Font et al., 2012). Community engagement and localization strategies are mainly reflected in the following aspects: Many hotels are actively participating in local charity activities and community development projects. For example, organizing employees to participate in community volunteer services, sponsoring local cultural and sports activities, and providing internship opportunities for local schools. These initiatives not only help improve community relations but also enhance employees' sense of belonging and job satisfaction. Hotels are strengthening cooperation with local suppliers, sourcing local ingredients and products. This not only reduces carbon emissions from transportation but also supports local economic development while providing customers with unique local experiences. In terms of design and decoration, more and more hotels are incorporating local cultural elements, such as using works by local artists and adopting traditional architectural styles, to create a unique cultural atmosphere. Some hotels are also actively developing experience activities themed around local culture, such as cooking classes, handicraft workshops, cultural tours, etc., allowing customers to gain a deeper understanding of local culture. In terms of human resources, prioritizing the employment of local staff has also become an important strategy for many hotels, which not only creates job opportunities for the local community but also provides customers with more authentic service experiences. However, implementing localization strategies also faces some challenges, such as how to maintain brand consistency while reflecting local characteristics, and how to balance international standards with local cultural needs.

4.3. Employee Welfare and Development

Under the impact of the sharing economy, the traditional hotel industry is increasingly recognizing the importance of human resource management. Excellent employees are not only key to providing high-quality services but also an important advantage for hotels in competing with shared accommodation platforms. Therefore, many hotels are increasing their investment in employee welfare and development. In terms of employee benefits, in addition to basic salary and insurance,

some innovative measures have begun to appear. For example, flexible working hours, paid leave, health care plans, etc. (Baum, 2019). Some hotels even provide employee dormitories or housing subsidies to solve employees' accommodation problems. In terms of work environment, many hotels are striving to create a more comfortable and friendly atmosphere, such as setting up employee rest areas and providing fitness facilities. These measures not only improve employee satisfaction but also help attract and retain talent. In terms of employee development, training and career development programs have become a focus. Many hotels have established comprehensive training systems covering various aspects from basic service skills to management capabilities. Some large hotel groups have even established their own training academies. In addition, cross-departmental rotation and overseas exchange opportunities are also used to broaden employees' horizons and skills. The clarification of career development paths is also given attention, allowing employees to clearly see their growth paths. Some hotels have also implemented mentorship programs to help new employees adapt to the work environment more quickly. In terms of incentive mechanisms, in addition to traditional performance bonuses, some innovative incentive methods are also being tried, such as employee stock ownership plans and innovation rewards. However, in implementing these measures, hotels also face some challenges, such as how to balance human resource costs and service quality, and how to maintain a stable talent pool in an industry with significant seasonal fluctuations.

5. Conclusion

The rise of the sharing economy has brought unprecedented challenges to the traditional hotel industry, but it has also provided opportunities for industry innovation and transformation. Through this study, we can see that the traditional hotel industry is actively making adjustments and innovations in multiple aspects to respond to market changes and maintain competitiveness. Digital transformation and personalized services have become the main development directions of the industry, with the application of big data analysis and artificial intelligence technologies reshaping the hotel's operational model and customer experience. At the same time, the concept of the experience economy is driving hotels to transform from mere accommodation providers to comprehensive experience creators. In terms of brand building, the importance of social media marketing and reputation management is increasingly prominent, while innovative loyalty programs help increase customer stickiness. Sustainable development and social responsibility have become issues that the hotel industry cannot ignore, with green hotel practices, community engagement, and employee welfare initiatives not only demonstrating corporate responsibility but also becoming important means of differentiated competition. However, the implementation of these strategic adjustments also faces many challenges, such as how to balance innovation and tradition, how to achieve localization while maintaining brand consistency, and how to improve service quality while controlling costs. In the future, the traditional

hotel industry needs to continue to maintain a flexible and innovative attitude, closely monitor market changes and consumer demands, and continuously adjust and optimize its marketing strategies. At the same time, it is also necessary to pay attention to possible cooperation with sharing economy platforms and explore win-win business models. Overall, although facing challenges, through active strategic adjustments and innovation, the traditional hotel industry still has the potential to maintain its unique value and competitive advantage in the era of the sharing economy.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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