

# Measures to Improve the Competitiveness of Star Hotels in Jilin

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**Keywords:** Tourism; Star hotels; Competitiveness; Improvement

**Abstract.** This paper will construct a competitiveness evaluation system for star hotels so as to analyze their competitiveness situation. Based on this, it suggests to adjust industrial structure from the perspective of industrial scale, profitability and reception capacity to expand the industry business; promote the group progress; strengthen hotel marketing, improve industrial efficiency as well as human resource management to provide suggestions to strengthen industrial reception capacity. Therefore, this paper is trying to improve the policy making and enhance competitiveness of the hotel industry.

## Introduction

Hotel industry as one of the pillar tourism industries (hotels, travel, transportation and tourism spots), plays a pivotal role and covers four elements: catering, accommodation, purchasing and entertainment. In international tourism, the income of accommodation and catering occupies 25% of total income. In recent years, even though the hotels in Jilin has developed a lot, there is still a large gap comparing to other cities and it is not that competitive. Therefore, in order to develop tourism, we have to pay attention to the development and expansion of hotels as well as its improvement. This paper refers to the data of Yearbook of China Tourism Statistics published in 2014 to construct a competitiveness evaluation system for star hotels. In addition, by referring to the industrial scale, profitability and reception capacity this paper will come up with relative countermeasures based on the real development condition of star hotels in Jilin.

## Competitiveness Indicator System Construction for Star Hotels

The comparative evaluation of star hotel competitiveness is a complicated system project, which is affected by various factors and any single evaluation indicator is not able to accurately assess the competitiveness of star hotels. This paper selects the following indicators based on the connotation of competitiveness and indicator construction principle along with Yearbook of China tourism statistics: X1 hotel number, X2 number of rooms, X3 number of beds, X4 employees, X5 original value of fixed assets (ten thousand RMB), X6 operating income (ten thousand RMB), X7 sales tax (ten thousand RMB), X8 profit per capita (ten thousand RMB/person), X9 per-capita productivity (ten thousand RMB/person), X10 room occupancy rate (%) so as to evaluate the hotel competitiveness [1]. Refer to Fig. 1 to see details:

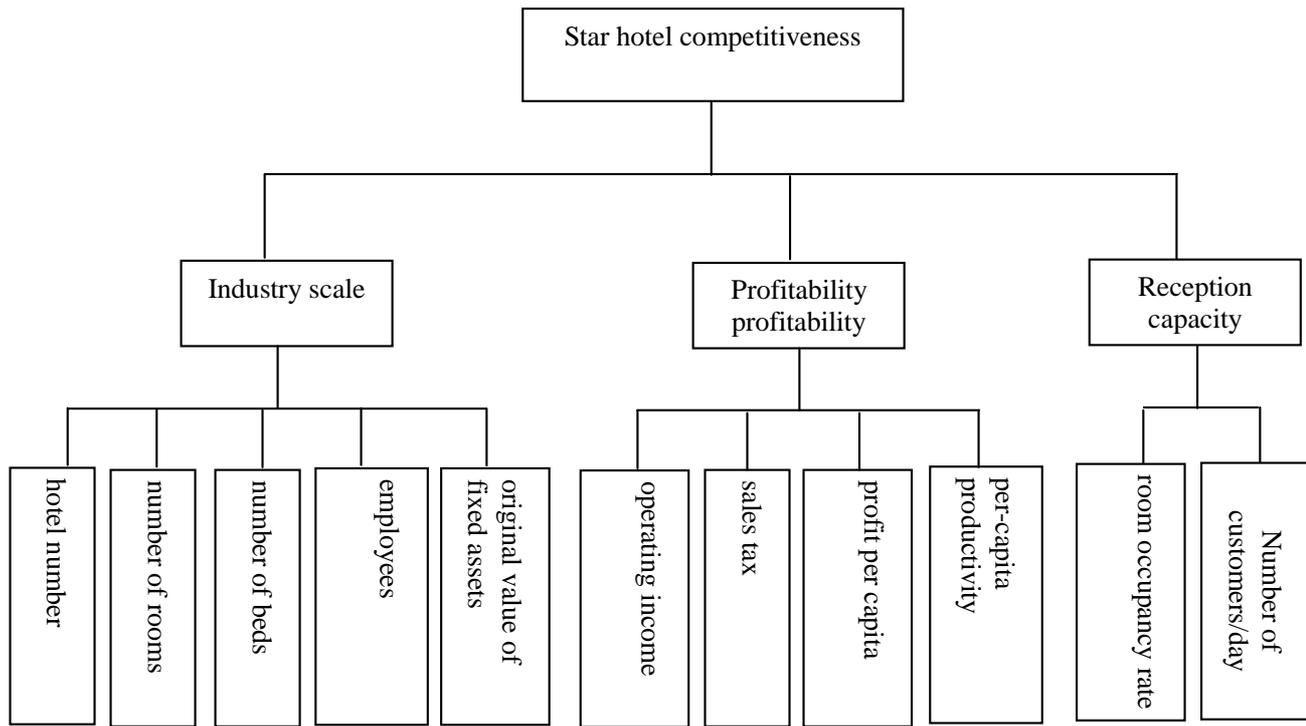


Figure 1. Star hotel competitiveness evaluation indicator system

### Jilin Star Hotels Competitiveness Evaluation

According to Yearbook of China Tourism Statistics published in 2014, we can conclude the concrete data of the above 10 indicators of 31 provinces and cities, see table 1:

Table 1 Competitiveness indicators statistics of star hotels in 31 provinces and cities

Regions	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	X <sub>4</sub>	X <sub>5</sub>	X <sub>6</sub>	X <sub>7</sub>	X <sub>8</sub>	X <sub>9</sub>	X <sub>10</sub>
Beijing	577	116456	203566	114572	6803194.10	2765775.15	151405.20	1.07	24.14	58.19
Tianjin	93	17078	27812	16995	381682.71	265733.90	15139.80	-1.97	15.64	49.79
Hebei	409	52499	98694	56617	1761495.87	675445.62	36619.14	-1.57	11.93	48.31
Shanxi	272	32650	58783	41724	969361.91	445453.29	25653.85	-1.23	10.68	56.98
Nei Monggol	268	27768	50649	25670	930083.16	295506.57	15500.46	-0.72	11.51	46.74
Liaoning	421	54748	94421	52566	1978029.64	764602.92	39610.49	-1.03	14.55	54.11
Jilin	189	19237	34895	18962	745448.82	246558.80	14245.25	-1.30	13.00	45.64
Heilongjiang	223	22643	42314	18669	601730.74	219411.53	12433.52	0.14	11.75	47.37
Shanghai	256	61571	95834	58384	3227759.71	1669140.80	90031.84	2.37	28.59	59.25
Jiangsu	735	93820	157653	100615	3054528.71	1752883.13	94139.85	-0.71	17.42	57.89
Zhejiang	828	113787	193136	118870	4073860.51	2076327.17	117699.51	-0.58	17.47	54.38
Anhui	377	45279	81380	40616	1115609.65	535743.73	28381.50	-0.41	13.19	52.42
Fujian	401	59031	97674	69078	1434775.24	972857.70	58023.47	0.22	14.08	57.79
Jiangxi	341	42629	79316	30147	792406.21	342807.27	17396.34	-0.18	11.37	54.21
Shandong	792	95127	168939	100601	3166188.40	1358913.71	74045.84	-0.71	13.51	55.73
Henan	362	44528	81936	40287	998060.90	434400.73	24567.32	-0.75	10.78	55.70

Table1.cont

Hubei	378	42491	73239	35010	1190004.74	485416.18	27373.63	-0.66	13.87	55.29
Hunan	414	47504	88365	49246	1206200.09	693239.30	31878.54	0.92	14.08	72.98
Guangdong	917	146820	243791	151190	4715515.80	2441180.85	151594.97	0.17	16.15	56.71
Guangxi	381	50729	91906	37038	895037.10	420821.63	22502.17	-0.37	11.36	55.56
Hainan	150	27581	48905	23359	1079404.81	461392.41	25375.95	2.85	19.75	56.13
Chongqing	234	30115	50998	31006	911587.71	421047.65	23012.00	-0.46	13.58	56.89
Sichuan	461	60426	103038	60180	2093256.49	844850.37	46500.20	0.26	14.04	57.52
Guizhou	305	26760	46816	22602	474695.89	247010.92	14280.16	0.07	10.93	58.59
Yunnan	563	58220	109151	71719	2102548.72	652485.83	45673.93	0.10	9.10	63.33
Xizang	109	9265	17848	3594	229657.78	60621.09	8858.71	1.69	16.87	57.11
Shaanxi	333	44370	83359	40717	1087408.57	488273.99	25608.26	-0.58	11.99	54.39
Gansu	304	31908	59849	26274	643522.21	249432.94	13889.13	0.11	9.49	51.42
Qinghai	125	10643	20252	7076	165262.01	85403.55	3812.86	0.21	12.07	45.34
Ningxia	84	9623	16816	8888	321712.43	106306.45	4430.78	-1.71	11.96	43.04
Xinjiang	385	44475	83676	30197	1027161.59	450138.52	46070.18	-1.00	14.91	52.07

According to table 1, we can see that the indicators of hotel number, number of rooms, number of beds, employees, original value of fixed assets (ten thousand RMB), operating income(ten thousand RMB), sales tax (ten thousand RMB), profit per capita (ten thousand RMB/person), per-capita productivity(ten thousand RMB/person), and room occupancy rate (%) are all lower comparing to other hotels. Based on this, we can conclude that star hotels in Jilin have serious problems in terms of industrial scale, profitability and reception ability. Therefore, in order to improve the competitiveness of hotels, we have to increase the number of rooms, beds and increase the number of employees; constantly expand marketing resources and performance; improve the quality of employees and their ability to gain profits; and increase investment as well as productivity as well as service efficiency[2].

## Measures to Improve the Star Hotels Competitiveness in Jilin

### Adjust Industrial Structure, Expand Industrial Scale

Adjust star hotel levels and structure

We should properly increase the number of high-level hotels to meet the demand of high-end customers. However, this requires a large amount of capital and we should attract foreign investment based on the current economic situation. In addition, the government should introduce preferential policies to actively establish Sino foreign joint venture hotels and hotels totally funded by foreign capitals. What's more, we should also properly decrease the percentage of low-end hotels while vigorously develop economic hotels to adapt to the need of mass marketing, which are able to attract the attention of local enterprise with support and financial benefits. Furthermore, according to the type and characteristics of tourism industry of our province, we should build business hotels, resort hotels, conference hotels and motels so as to meet the requirement of different consumption groups.

Adjust the regional structure of star hotels

Hotels, as one of three pillar industries of tourism, plays a very important role. In order to better support the development of hotels, we have to coordinate hotels with tourism. So, we have to integrate the regional structure of hotels in our province to plan and design it's development.

Concerning five big regions of city culture; Changbaishan tourism spot; forest ecological tourism spot; folk culture of Yanbian and western grassland and wetland tourism, we should build different star hotels in Changchun, Jilin; Songjiang River, Changbai Town; Tonghua and Baishan; Yanji and Hunchun; Baicheng and Songyuan. In addition, we should focus popular tourism spots, Shangbaishan and provincial cities and design high-end hotels. Based on this, we can create two important regions and develop a radiation site.

Adjust the ownership structure of hotels

Based on ownership structure, we can divide hotels into public ownership and non-public ownership. According to Yearbook of China Tourism Statistics published in 2014, there are 189 star hotels in our province recorded in 2013. Among which, there are 84 collective hotels, 71 private-funded hotels, Private Limited Liability hotels and Private Share-holding hotels, and only 1 foreign capital funded hotels. Therefore, we can conclude that state-owned hotels and collective hotels occupy a large percentage, which have complicated relation system, ambiguous responsibility and will severely affect the rapid development of hotels. In Yearbook of China Tourism Statistics, we can see that the economic indicators of state-owned hotels and collective hotels are far away from shareholding or joint ventures, hotels in Hong Kong Macao and Taiwan and foreign investment hotels. So, our province should positively establish and develop shareholding as well as foreign investment hotels and constantly increase their scale. At the same time, we should separate state-owned hotels and collective hotels, establish modern enterprise systems and develop based on the value rules as well as competition system.

**Promote the Group Progress of Hotels.** At present, foreign hotels with branches in our province include Accor, Kempinski, BestWestern, Starwood and Langham; domestic group hotels include Shangri-la, Jin Jiang, Hainan Haihang, Hunan Huatian, Henan Kaiyuan etc. The opening of these hotels has brought new management ways and management philosophy, which greatly strengthened the competitiveness of hotel industry in our province. In addition, main forms of group progress include direct investment, mergers, purchases; leasing, hotel management contracts, franchise and cooperation. Concerning the economic development condition, the government should attract foreign capitals to develop hotel industry in our province by referring to the experience of Changchun Shangri-La and Sheraton Changchun Jingyuetan Hotel. Besides attracting direct foreign investment, we can also adopt merger, purchasing and management contract etc[3]. For example, Haihang Group wholly purchased Changchun Mingmen Hotel. JiLin Tourism Group is entrusted to manage Huangjiahuayuan Haihang hotel. Meanwhile, our province should also focus on the local hotel construction, including Forest Industry Group Changbaishan Company Limited, Changchun Qianyuan Hotels.

**Strengthen Hotel Marketing and Improve Hotel Profitability.** The hotel industry benefits are mainly around economic, social and ecological benefits. In order to improve the efficiency of the above, we should carry out theme marketing, brand marketing, culture marketing, network marketing, relationship marketing. Specific contents are shown as follows:

Carry out market segment and implement theme marketing

According to the characteristics of the tourism market in our province, we can divide the tourism industry of our market tourism market, tourism market, leisure market, industrial tourism market, rural tourism market, tourism festival exhibition market, cultural and creative tourism market and self-driving tourism market, according to the different market segments, we can create a group to snow as the theme in the leisure and movie themed resort hotels, but also the development of a number of meetings to provide exhibition service hotel and car themed Motel [4].

Build a famous brand and positively carry out brand marketing

Hotel brand marketing is to keep the hotel as a reliable sign in customers' mind. Successful hotel brands have all gone through a process of recognition, purchasing and becoming loyal. Once the loyalty has been created, the brand will be deeply engraved in customers' heart and they will become loyal ones. Therefore, we have to build a famous brands and focus on Changji culture, and relate it to movies, cars and festivals to create a special brand system. In recent years, lots of hotels in our province have tried tireless efforts and achieved great success[5]. For example, Zhaorong

Hotel in Changchun has created a movie hotel, which is the first movie culture hotel in China[6]; Changbaishan Mall of Jilin Forest Hotel is built based on Changji culture and the wild green food as well as regional food have deeply impressed customers at home and abroad[7]. In addition, Changchun Qianyuan hotel group Co.,Ltd is a brand hotel for conference and resort[8].

Establish excellent hotel culture, carry out culture marketing

Hotel industry in our province has to establish excellent hotel culture and focuses on cultural industries along with hotel products as well as services so as to realize the highest level of hotel marketing. By referring to various tourism culture products, hotel industry should take movie culture, car culture, ice & snow culture, sculpture culture, art culture as the main lines to develop and design various hotel products and service to realize economic profits and social profits ignited by culture and further enhance the core competitiveness of hotels.

Adopt information technology, implement network marketing

Along with the development of information technology, network marketing has become the most economic and efficient marketing means and world brand hotels all adopt strong and powerful network systems. However, the information technology in our province has serious problems and star hotels only mind their own business in terms of network technology while low-end hotels do not have it. Therefore, we have to change this situation and high-end hotels should take the initiative to cooperate with travel agent, tourism sports, transportation place, portal websites, government website etc while low-end hotels should increase the investment on information so as to make it popular[9]. In recent years, the tourism office has put forward the strategic development requirement of A Digital Jilin. In this situation, hotels in our province should facilitate the information construction and create a new development mode depending on information technology.

Strengthen enterprise corporation and implement relation marketing

The development of hotels cannot be divorced from cooperations with other enterprises and hotels should unite together to do the marketing. The hotels of our provinces should collaborate with hotels, tourism agents, vehicle enterprises and air companies both inside the province and outside the province and keep a good relation[10]. Based on this, hotels should also cooperate with exhibitions such as car exhibition, North-east Asia investment exhibition, agriculture exhibition and folk art exhibition etc and take the initiative to provide reception, accommodation, catering and conference service for them so as to expand their customer and improve the performance.

**Improve Human Resource Management Ability and Strengthen Industrial Reception Ability.** Positively attract labor source to guarantee human resource supply

Hotel industry is a labor-intensive industry and it's development should be guaranteed by ample human resources. However, we are lack of human resources, which restrained the development. Therefore, provincial government should introduce human resource introduction policies and attract talents with preferential conditions as well as handsome payment. For outstanding talents, we should take care of them as well as their families. For those hotels difficult to attract talents, the government should invest and solve the problems. After introducing the talents, the government should also publish a series policies which are conducive to their development along with perfect assessment system so as to regulate the talents marketing. What's more, hotels should positively cultivate managers as well as training personnel to lay a solid foundation to smooth development of hotels.

Cultivate trained personnel and make up for the shortage of current employees

Professional talents shortage is another big issue of human resource management of hotels. At present, we don't have enough high-end managers, qualified managers, human resource managers, marketing talents, highly skilled administrative chef, project managers and professional exhibition managers as well as managers good at several languages. In addition, we also don't have highly skilled talents such as nutritionist, tea specialist, bartenders, electrical, plumbing engineer etc. So, hotels in our provinces should cultivate these talents while the government should promote higher education and integrate current education resources; in addition, we should also adjust tourism talents cultivating structure; meanwhile, tourism invitations should constantly strengthen subjects construction and provide subjects to cultivate them to realize a mode of cultivating for developing.

### Strengthen employee training and improve productivity efficiency

High quality employees are important guarantees for the development. However, in our province, the average quality of hotel employees is poor and they create poor productivity efficiency and per capita benefits. So, we should improve training, which asks the government to increase the education investment and initiate tourism administrative departments, training center, tourism institution, tourism industry association to participate together to train employees and create a training system. Moreover, we should also positively carry out overseas talents training marketing and cooperate with overseas training centers and input talents. To be concrete, provincial tourism association, training center and hotel association should be responsible for talents training, and industrial qualification training; tourism institutions should be responsible for degree training and backup cultivating; tourism enterprises should be in charge of the employees training and prior training before work. Based on this, can we create a comprehensive training mode for tourism.

### Perfect salary management system and initiate employees' enthusiasm

It is known to all that the staff turnover is bad in hotel industries, which is directly related to the imperfect salary system. So, hotels in our provinces should establish a perfect payment and salary management system to continually regulate it. In addition, hotels should implement a diversified payment system to mainly focus on basic wage, incentive system as well as benefits system. Among which, the establishment of basic wage should be built based on post salary system, skill-based payment, performance-based payment; incentive system can be divided into long-term incentive system and short-term incentive system; benefits system should cover benefits projects like pension, medical, work-injury, unemployment and maternity insurance etc. Besides, hotels should also establish enterprise benefits projects, including protection plan, health -care plans and employee benefits plan. Based on the above comprehensive payment system, we can reduce the turnover and fully ignite their enthusiasm so as to encourage them better serve the hotel industry.

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