

Strategic Management in Hospitality: A Systematic Review of Theoretical Foundations, Strategic Practices, and Competitive Implications

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ABSTRACT

Purpose: The hospitality industry operates in an increasingly dynamic and competitive global environment characterised by rapid technological advancement, globalisation, changing consumer behaviour, and evolving market structures. Within such an environment, hospitality organisations must develop effective strategies that enable them to achieve sustainable competitive advantage and long-term organisational performance. Strategic management therefore plays a critical role in guiding hospitality organisations in analysing their operating environments, allocating resources effectively, and implementing strategies that enhance competitiveness. The purpose of this paper is to review existing literature on strategic management within the hospitality industry, with particular emphasis on strategic frameworks, competitive strategies, organisational capabilities, and emerging strategic trends affecting hospitality organisations.

Design/methodology/approach: This study adopts a systematic literature review approach to analyse scholarly publications related to strategic management in hospitality and tourism. Relevant literature was identified from academic databases including Scopus, Web of Science, Emerald Insight, Google Scholar, and ScienceDirect. The selected studies were analysed using thematic synthesis to identify key strategic management concepts, theoretical frameworks, and research trends within the hospitality sector.

Findings: The review reveals that strategic management significantly influences organisational competitiveness and long-term performance in hospitality organisations. Strategic frameworks such as Porter's competitive strategy model, the Resource-Based View (RBV), and dynamic capabilities theory are widely applied in hospitality research to explain competitive advantage and organisational performance. The findings also indicate that modern hospitality strategies increasingly emphasise innovation, digital transformation, sustainability, and customer-centric service differentiation.

Research limitations/implications: The review primarily focuses on strategic management within hospitality accommodation establishments such as hotels and resorts. Further research is required to examine strategic management practices within other segments of the hospitality industry including restaurants, cruise operations, and event management.

Practical implications: Hospitality managers should adopt systematic strategic management processes that integrate environmental analysis, strategic planning, innovation, and organisational learning. Strategic leadership and effective strategy implementation are critical for achieving organisational competitiveness and sustainability.

Originality/value: This paper contributes to the hospitality management literature by synthesising existing research on strategic management and identifying emerging strategic trends relevant to hospitality organisations.

Keywords: Strategic management, Hospitality strategy, Competitive advantage, Strategic planning, Hospitality competitiveness, Resource-based view, Tourism strategy, Strategic leadership

INTRODUCTION

The hospitality industry represents one of the most dynamic and competitive sectors within the global service economy. Hospitality organisations such as hotels, resorts, restaurants, and tourism facilities operate within highly complex and rapidly changing environments characterised by technological advancements, global competition, evolving consumer expectations, and economic uncertainty. Within this context, strategic management has emerged as a critical managerial function that enables hospitality organisations to achieve sustainable competitive advantage and long-term organisational success.

Strategic management refers to the systematic process through which organisations analyse their operating environments, formulate strategic objectives, implement strategic initiatives, and evaluate organisational performance. In the hospitality industry, strategic management involves aligning organisational resources, capabilities, and competencies with external market opportunities and environmental conditions.

Historically, hospitality organisations focused primarily on operational efficiency and service delivery. Management attention was directed towards day-to-day operational activities such as service quality, cost control, and customer satisfaction. While these operational factors remain important, increasing competition and globalisation have forced hospitality organisations to adopt more sophisticated strategic management practices.

The growth of international tourism, the expansion of global hospitality brands, and the emergence of digital technologies have transformed the competitive landscape of the hospitality industry. Hospitality organisations must now compete not only on price and service quality but also on innovation, brand reputation, technological capability, and sustainability performance.

Strategic management therefore provides a framework that enables hospitality managers to analyse market trends, evaluate competitive conditions, identify strategic opportunities, and develop long-term organisational strategies. Effective strategic management enables hospitality organisations to respond to environmental uncertainty while maintaining organisational resilience and adaptability.

Academic research on strategic management in hospitality has expanded significantly over the past three decades. Scholars have examined various aspects of hospitality strategy including competitive positioning, strategic planning processes, organisational capabilities, internationalisation strategies, and innovation management.

Despite the growing body of research, strategic management in hospitality remains a complex and evolving field. Hospitality organisations operate within diverse market environments and organisational structures, which makes the application of strategic management principles both challenging and context-dependent.

This review paper therefore aims to synthesise existing literature on strategic management in hospitality and to provide a comprehensive analysis of its theoretical foundations, strategic frameworks, and managerial implications.

Aim of the Study

The aim of this study is to review and synthesise existing literature on strategic management in the hospitality industry in order to evaluate its role in achieving competitive advantage and organisational performance.

Objectives of the Study

The objectives of this review paper are to:

1. Examine the concept and evolution of strategic management in hospitality.
2. Identify major strategic management frameworks applied in hospitality research.
3. Analyse the strategic planning processes adopted by hospitality organisations.

4. Evaluate the role of organisational resources and capabilities in achieving competitive advantage.
5. Identify emerging strategic trends influencing hospitality management.

METHODOLOGY

This study adopts a systematic literature review methodology to synthesise existing academic research on strategic management in hospitality. Systematic literature reviews are widely used in academic research to evaluate existing knowledge and identify emerging research trends within a specific field.

The literature search was conducted using major academic databases including:

- Scopus
- Web of Science
- Emerald Insight
- ScienceDirect
- Google Scholar

Search keywords used in the literature search included:

- Strategic management in hospitality
- Hospitality competitive strategy
- Strategic planning in hotels
- Hospitality industry competitiveness
- Tourism strategic management

The selection criteria for literature inclusion were based on:

- Relevance to strategic management in hospitality
- Publication in peer-reviewed journals
- Contribution to theoretical or empirical understanding of hospitality strategy

Selected studies were analysed using thematic analysis to identify major theoretical frameworks, strategic management practices, and research trends.

LITERATURE REVIEW

Concept of Strategic Management in Hospitality

Strategic management is commonly defined as the process through which organisations formulate, implement, and evaluate strategies that enable them to achieve organisational objectives and competitive advantage. Within the hospitality industry, strategic management involves analysing external environmental factors and internal organisational capabilities to develop effective strategic responses.

Hospitality organisations operate within highly competitive markets where service differentiation, customer experience, and brand reputation play critical roles in determining organisational success. Strategic management enables hospitality organisations to identify market opportunities and develop strategies that enhance competitiveness and organisational sustainability.

Strategic Planning in Hospitality Organisations

Strategic planning represents a fundamental component of strategic management in hospitality organisations. Strategic planning involves defining organisational mission and vision, analysing internal and external environments, identifying strategic options, and selecting strategies that support long-term organisational objectives.

The strategic planning process generally involves several key stages:

1. Mission and vision development
2. Environmental analysis
3. Strategy formulation
4. Strategy implementation
5. Performance evaluation

Environmental analysis is a critical component of strategic planning. Hospitality organisations commonly use analytical tools such as SWOT analysis, PEST analysis, and competitive analysis to evaluate strategic environments.

Strategic planning helps hospitality organisations anticipate market changes and develop strategies that improve competitiveness and operational performance.

Competitive Strategy in the Hospitality Industry

The hospitality industry is characterised by intense competition due to the presence of numerous service providers offering similar services. Hospitality organisations must therefore develop competitive strategies that enable them to differentiate their services and attract customers.

One of the most widely used theoretical frameworks for analysing competitive strategy is Porter's Five Forces model, which examines competitive pressures within an industry.

The five forces include:

- Rivalry among existing competitors
- Threat of new entrants
- Bargaining power of suppliers
- Bargaining power of customers
- Threat of substitute products or services

Porter's framework enables hospitality managers to analyse industry competitiveness and develop strategies that improve market positioning.

Resource-Based View and Strategic Capabilities

The Resource-Based View (RBV) is another important theoretical framework used in strategic management research. According to RBV theory, organisations achieve competitive advantage by developing valuable, rare, inimitable, and non-substitutable resources.

In the hospitality industry, such resources may include:

- Brand reputation
- Service quality capabilities
- Skilled employees
- Technological systems
- Organisational culture

Hospitality organisations that successfully develop these capabilities are more likely to achieve sustainable competitive advantage.

Strategy Implementation in Hospitality Organisations

Strategy implementation refers to the process through which strategic plans are translated into operational actions. Effective strategy implementation requires organisational coordination, leadership commitment, resource allocation, and performance monitoring.

Research indicates that many organisations fail to achieve expected strategic outcomes due to weaknesses in strategy implementation rather than strategy formulation.

Effective strategy implementation requires:

- Strong leadership
- Organisational alignment
- Effective communication
- Performance monitoring systems

FINDINGS AND DISCUSSION

The literature review highlights several key findings regarding strategic management in hospitality.

First, strategic management is essential for improving organisational competitiveness within the hospitality industry. Hospitality organisations that adopt systematic strategic planning processes are better positioned to respond to environmental changes.

Second, strategic frameworks such as Porter's Five Forces and the Resource-Based View provide valuable analytical tools for evaluating competitive environments and organisational capabilities.

Third, innovation and technological transformation have become critical strategic priorities within the hospitality industry. Digital technologies such as online booking platforms, mobile applications, and data analytics are transforming hospitality markets.

Fourth, sustainability has emerged as an important strategic consideration. Many hospitality organisations are incorporating environmental sustainability into their strategic planning processes in order to enhance organisational reputation and competitiveness.

CONCLUSION

Strategic management plays a critical role in enabling hospitality organisations to achieve long-term organisational success and competitive advantage. Hospitality organisations operate in complex and dynamic environments that require strategic planning, innovation, and organisational adaptability.

This review paper demonstrates that strategic management frameworks such as competitive strategy analysis, resource-based capabilities, and strategic planning processes significantly influence hospitality organisational performance.

Future research should examine the relationship between strategic management practices and performance outcomes in different hospitality contexts.

RECOMMENDATIONS

Based on the findings of this review, the following recommendations are proposed:

1. Hospitality organisations should adopt systematic strategic management processes.
2. Strategic planning should incorporate environmental scanning and competitive analysis.
3. Hospitality organisations should invest in innovation and digital transformation strategies.
4. Sustainability initiatives should be integrated into hospitality strategic planning.
5. Further research should examine emerging strategic management practices in hospitality organisations.

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