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Evaluation of External Factor in Hospitality Market and Necessity of Implementing Blue Ocean Strategy through Creating Value Innovation

A Case Study of 5-Star Hotels in Mashhad

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Abstract

Around 60 percent of hotels in Iran are located in Mashhad, which indicates strong competition in Mashhad hospitality market. Over the past years, the change in Iranians life style, the emergence of new competitive markets in tourism, the shrinkage of market share and other environmental factors, especially for 5-star hotels have decreased the average of pilgrim`s accommodation to 1.5 or 2 nights. These threats toned to be the subject of study and strategic planning based on value innovation.

The present study seeks to shed some light on the necessity of creating blue ocean strategy through crating value innovation in the market of 5-star hotels in Mashhad. The statistical population consisted of managers, front offices agents and reservation agents of 5-star hotels in Mashhad. The results derived from external factors evaluation (EFE) questionnaire, and the analysis of library data together with the data collected from governmental reports and relevant organizations suggested that 5 stars hotel needed to change their planning program to access value innovation through blue ocean strategy.

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Keywords: Hospitality, External Factor Evaluation, Value Innovation, Blue Ocean Strategy
