FACTORS AFFECTING HOTEL OCCUPANCY RATE: THE CONTEXT OF SERVICE QUALITY MANAGEMENT IN HOTEL INDUSTRY

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Abstract

The purpose of the present article is to identify factors affecting hotel operations and important aspects of increasing occupancy using a case study of operating hotels in Georgia. The method of key components was used to identify the factors affecting the operation of hotels in the country, where tourism is a priority, and the number of accommodation facilities increases as the number of visitors increases.

In Georgia, and not only, increasing the occupancy rate of hotels is an important problem against the background of all the challenges caused by global trends, on the one hand, and national characteristics of the hotel industry, on the other. As a result of the study, the characteristics of international and national hotels, the establishment and operation of new accommodation facilities in the Georgian market, and ways to improve their activities have been identified. The obtained results may be useful for the development of hotel strategies to ensure their efficiency and competitiveness, as well as for familiarizing the stakeholders with the characteristics of the hotel industry in Georgia.

Key Words: Hotels, Occupancy rate, Management, Service, Georgia.

Introduction. Accommodation facilities (hotels) are an important element of business ventures. Their activities are related to the field of services. Service is defined as a service product produced for the purpose of obtaining economic benefit (Dolikashvili, 2021). According to the definition of the World Tourism Organization, an accommodation is "any facility that regularly, or occasionally, provides overnight accommodation for tourists" (source).

The hotel business is influenced by many factors, including general external factors affecting the hotel industry: economic, political, social, technological, and international, as well as immediate direct factors: competitors and customers.

There are two important issues at the heart of a hotel's development strategy: first, the hotel must meet the criteria of the market in which it operates, and second, the hotel must meet the needs of the customers of that market.

The success of hotels depends on the quality of customers and degree of their satisfaction. Hotels are constantly looking at ways to increase the number of their customers (Chokheli, Importance of service strategies and level of their use: challenges in the management of family hotels in Georgia., 2019).

The number of customers as a source of increasing occupancy is the main concern of the hotel industry. Therefore, the efficiency and competitiveness of hotels depend primarily on increasing occupancy.

The following factors determine the attractiveness of hotels for customers: location, range and price offered, mode of operation, types of services offered: entertainment activities, types of catering, types of transportation services, business amenities, room amenities and entertainment/family services (HORECA - Hotel Star Georgia).

Today's accommodation facilities differ from each other in various ways. As the observations suggest, the majority of clients, in choosing accommodation facilities, prefer Bed and Breakfast (B&B) hotels and guesthouses. A Bed and Breakfast (B&B) accommodation is a kind of hybrid between a luxury hotel and a private home that is becoming increasingly popular.

In the hotel industry, the customer-oriented approach is seen as one of the most important factors of the competitiveness management system (Abuladze, 2015).

Personalization of the services offered to guests is the most important challenge of 2022 for hotels operating in the Georgian and international markets. Today, more than ever, consumers have more to choose from. They pay attention to even the smallest details when choosing a hotel. Therefore, hotels, which ignore the latest trends of the year in terms of service personalization, are at great risk of losing the loyalty of their customers and failing to attract potential customers.

Hotels are the main structural unit of accommodation facilities in Georgia, i.e. they are any facility offering temporary accommodation services. According to the National Statistics Office of Georgia, as of 2022, there were 2,238 registered hotels in Georgia what is almost twice as more as in 2020. Meanwhile, the share of added value created in the field of accommodation and food supply in gross domestic product (GDP) is 3% (National statistics office of Georgia). It should be noted that the hotel industry today is seen as the most important factor contributing to the economic growth of Georgia.

In 2018, the Georgian Hotel, Restaurant and Cafe Federation HOREKA was founded in Georgia, which in the same year received the observer status of HOTREC EU and Hotel Stars Union, and in 2021 received associate membership, entitling the Federation to introduce the European Classification in Georgia and use star rating of the accommodations under the system effective in Europe. By 2022, 48 hotels had already joined the Federation (HORECA - Hotel Star Georgia).

The analysis of the accommodation facilities in the Georgian market shows that they are either international, national or joint ventures. According to the type of management, hotels basically operate with contract management, management based on franchise agreement, management based on lease agreement, or independent management.

Based on the trends related to the development of accommodation facilities, there are many challenges in the Georgian market associated with enhancing their competitiveness and establishing them in the market. Increasing and maintaining the occupancy at its maximum requires the development of a sound and well-assessed strategy by considering a number of factors by the accommodation facilities. The goal of the study is to assess the major factors affecting the hotel business and development prospects in the country with only 2-3 decades'

experience. The study was conducted at the end of 2022 and the analysis was based on the data obtained during this period.

Literary review. There are a number of works by many scientists and researchers dedicated to the subject of increasing hotel occupancy, and improving competitiveness and service management in the hotel industry (Brymer R. , 2010) (Butherford Denneg G. , 2005).

Most researchers use the terms "hotels" and "accommodations" as synonyms. According to Mackenzie, a hotel is defined as an establishment organized by the owner that offers sleeping accommodations to anyone willing and able to pay a certain amount of money for the services provided (Mackenzie, & Chan, 2009). According to Abuladze, a hotel is an accommodation facility offered to people, which is a set of services, with accommodation and food as basic services (Abuladze, 2015). According to the standards of foreign international organizations HOTREC and Hotel Stars Union, to be considered a hotel, the accomodation facility must have a set minimum number of rooms. On the example of European countries, this minimum is: France: 5 rooms and more; Italy: 7 rooms and more; Germany: 10 rooms and more; as for Georgia, there is no such standard set (HORECA - Hotel Star Georgia).

The success of a hotel, like of any other business company, depends, among other things, on the formation of a management system, in which special attention is paid to how properly the distribution of organizational resources and the organized implementation of activities are carried out. The management system is embodied in an organizational structure that ensures the interconnection and mutual subordination of managerial units and positions of an organization to achieve a common goal (Chokheli, ROLE OF ORGANIZATION DESIGH IN THE COMPANy"s SUCCESS, 2016).

Starting a hospitality business is relatively easy, but it requires a well-defined strategy along with management skills in planning, organizing, interacting with employees, innovating, etc. (Landman) (Chokheli, Symple Model of Startup Management:Challenges and Kay Factors of Success, 2023).

Achieving a high level of hotel occupancy throughout the year is the top priority in hotel management. Efficient hotel management ensures not only that hotels become established in the marketplace, but also that they become profitable and grow (Chokheli, Importance of service strategies and level of their use: challenges in the management of family hotels in Georgia., 2019).

The goal of hotel management is to receive continuous flows of travelers and guests throughout the year, offer a variety of services and products, use marketing and innovative business strategies, make decisions tailored to customer needs and win their loyalty (Abuladze, 2015) (Perezhogina O.N., Pavlova A.V., Khajrullina A.D, 2019).

Efficient hotel management and the perception of a hotel as an ecosystem that is constantly improving is an important factor in competitiveness in the hospitality industry.

As your hotel improves, you can make updates and charge higher rates, pay staff higher wages, and create an atmosphere that makes customers want to come back to the hotel again (Chokheli, Importance of service strategies and level of their use: challenges in the management of family hotels in Georgia., 2019).

A number of studies of hotel efficiency and the factors that lead to improvements in hotel performance have been conducted by researchers around the world with different

approaches. Hotel efficiency depends on the size of the hotel and the quality of service. Studies in this area have shown a significant relationship between hotel size and efficiency, especially in countries focused mainly on seasonal beach tourism. Medium-sized hotels have the highest efficiency, but not the maximum. The potential efficiency measurement framework developed by the study contributes to better knowledge about hotel efficiency and provides hotel managers with useful information to improve hotel performance (Poldrugovac , Tekavcic , & Jankovic, 2016).

An interesting point of view is that researchers consider internal and external factors, customers, and geographic location as factors increasing business productivity, which are measured by turnover per employee, and validate them using an econometric model based on microbusiness data. According to the results, the high efficiency of hotels, along with profitability, level of investment and concentration, depends on two additional factors, namely staff qualification and geographic location. According to the study, the productivity of the employees with higher education, including the activity of students specializing in hospitality, as well as the location (when hotels located in the city center perform better than elsewhere), affect the efficiency of the hotels. The mentioned relationship between business performance and factors affecting it is important in terms of improving hotel management (Zhang, Jie Enemark, Astrid Estrup, 2016).

A certain group of researchers considers the extent to which a hotel can meet and satisfy customer expectations as a source of hotel success. Analyzing the results obtained from studies conducted in this regard, as hotels exceed expectations, this leads to customer satisfaction (Abdullah & Hamdan , 2012).

Achieving competitiveness is characteristic of all businesses, and the hotel industry is not an exception. Depending on the country, state policy, factorial conditions, associated and supporting industries, as well as collaboration and innovation are important to improve the competitiveness of the local tourism and hospitality industry (Nunes, S., Estevão, C. and Nicolau Filipe, M., 2018).

Hotels must properly assess their external environment to respond to changing customer needs and adapt to market conditions. Adapting to the external environment and realizing long-term performance in the hotel industry requires managers and other stakeholders to develop certain approaches, financial and non-financial aspects, opportunities and threats to the hotel industry using different strategic models (vyPanda, 2022). The hospitality industry is complex, rapidly changing, competitive, and is characterized by uncertainty. The impact of technological innovation, emerging markets, globalization, and the elimination of borders have greatly prioritized information on changing customer expectations, making companies more productive. The high pace of dissemination of information about the innovations brought to life by the civilization forces the companies to adapt to these changes (Yadegaridehkordi, E. et al., 2020).

In a global, changing world, hotels' focus on competitive strategies is based on constant monitoring of external environmental factors. Achieving competitiveness and maintaining long-term success is possible only with sound strategies based on factor analysis (Abuladze, 2015).

Hospitality industry is an industry that requires solid ideas and strategies based on competitive advantage. It is a unique combination of leading products, services, and the world's best news. The most important factors that determine the success of hotels, Radisson Hotel in this case, are customer satisfaction with the hotel atmosphere, brand and service quality (Dhingra , 2016).

The study of valid customer satisfaction indicators is always necessary, and today many works devoted to it contain practical advice and reasoned recommendations. Most scholars explicitly note that service quality is directly related to the level of customer satisfaction (Rita, P., Oliveira, T. & Farisa, A., 2019) (Lashqarashvili, 2022). However, the determinants of service quality vary across hotel types (Priyo, J., Mohamad, B. & Adetunji, R., 2019). Bhuian, studying customer satisfaction, focuses on seventeen factors that, according to his research, have the greatest influence on customers. The most important of them are: communication channels, staff readiness to help guests, condition of hotel facilities and individual guest needs; he also points to a five-dimensional aspect of service quality: reliability, empathy, tangibility, responsibility and confidence (BHUIAN, 2020) (Maric, D., Marinkovic, V., Maric, R., & Dimitrovsk, 2016).

In achieving customer satisfaction, unlike other factors, hotel staff is considered a special factor. Quality service depends on their direct actions with customers. Smooth, adequate, comfortable steps adapted to the customer's needs are related to staff competencies, the main source of which is higher education as well as practical skills (Chokheli, Mikiashvili , Nizharadze , & Tikishvili, 2023).

Customer satisfaction definitely depends on the proper management of marketing, pricing, and revenues. The pricing strategy developed by the management of any hotel should be one that attracts potential customers willing to pay (Rutherford D. G., Fallon M. J., Wiley J. & Sons, , 2007).

The emphasis on personalized customer service is also an integral part of the modern hotel industry and is the key to the success of many competitive hotels.

Methodology. The survey method was used as the main method of the study. The study was performed on the example of accommodation facilities operating in Georgia. A total of 307 accommodation facilities were selected for the study. As of 2022, there were 2,238 registered accommodation facilities in Georgia. The study was conducted from July to December 2022 on a voluntary and anonymous basis. In order to achieve representativeness of the study results, the minimum number of study objects was specified. According to the formula (1) (Taherdoost, 2017) the minimum number had to be at least 269 facilities at the standard error of 5%.

$$Smin = \frac{D\,(p)^2 \times v \times - (1\text{-}v)}{\varepsilon^2} \quad (1)$$

where S_{min} is the minimum requirements to the sufficiency of the sample companies; D is the standardized deviation at a confidence level ±95%; v is the sample variation; ε is the acceptable error rate.

In the process of the study, by using statistical research methodology, we studied the main factors affecting the activities of the accommodation facilities operating in Georgia. Induction, deduction, qualitative and quantitative study methods were used. Qualitative

analysis allowed us to identify key trends in the sector. We formulated the hypotheses based on the research objectives and accurately described the quantitative elements of the study. The anonymous questionnaire had 22 questions. In order to fulfill the main purpose of the work, the factors affecting the hotels were explored. The data collected using the questionnaire was processed with SPSS Statistics software. Both general frequency and cross-tabulation analysis, as well as the reliability of the data and the level of relationships between the variables were determined based on the Chi-Square, Cronbach's Alpha, Pearson Correlation Tests and Linear Regression. The following hypotheses were formulated during the study:

H 1. Hotel occupancy is influenced by hotel type and number of beds;

H 2. Hotel occupancy is influenced by hotel star-rating and cooperation with the Hotel Federation;

H 3. Hotel occupancy is influenced by the factors enhancing competitiveness;

H 4. Hotel occupancy is influenced by the duration of hotel business;

H 5. Hotel occupancy in a regional view is influenced by hotel type, location, and star-rating.

Results. On the basis of the results of the questionnaire of the study, the factors affecting the activity of hotels (accommodation facilities) and their interdependence were established. General frequency analysis was used to identify the following:

Table 1 shows the frequency of respondents in the study by their business areas. 78,2% of the respondents noted that their accommodation facilities are local; 19,5% noted that their accommodation facilities are international, and 2,3% replied they are joint ventures.

Table 1. Classification of hotels/accommodation facilities by business areas

	Frequency	Percent	Valid Percent	Cumulative Percent
National (local)	240	78.2	78.2	78.2
International	60	19.5	19.5	97.7
Joint venture	7	2.3	2.3	100.0
Total	307	100.0	100.0	

Table 2 shows the frequency distribution of respondents who took part in the survey by regions. The highest frequency of respondents was registered in Ajara (30.3%), followed by Kakheti (15.3%), Samtskhe-Javakheti (13.7%), Tbilisi (13.4%), and Mtskheta-Mtianeti (7.2%). Kvemo Kartli has the lowest frequency of 1.3%.

Table 2. Distribution of accommodation facilities across the Regions

	Frequency	Percent	Valid Percent	Cumulative Percent
Tbilisi	41	13.4	13.4	13.4
Kakheti	47	15.3	15.3	28.7
Imereti	15	4.9	4.9	33.6
Mtskheta-Mtianeti	22	7.2	7.2	40.7

Ajara	93	30.3	30.3	71.0
Guria	13	4.2	4.2	75.2
Samegrelo and Zemo Svaneti	14	4.6	4.6	79.8
Racha-Lechkhumi and Kvemo Svaneti	11	3.6	3.6	83.4
Shida Kartli	5	1.6	1.6	85.0
Kvemo Kartli	4	1.3	1.3	86.3
Samtskhe-Javakheti	42	13.7	13.7	100.0
Total	307	100.0	100.0	

Table 3 shows the frequency distribution of occupancy rate of the accommodation facilities in 2022. The majority of the respondents (53,3%) reported occupancy rate from 61 to 100%; 28,4% reported occupancy rate from 41 to 60%; 14,4% reported occupancy rate from 21% to 40%; and only 3,9% reported occupancy rate under 20%.

Table 3. Occupancy rates of the accommodation facilities in 2022

		Frequency	Percent	Valid Percent	Cumulative Percent
Categories	<=20%	12	3.9	3.9	3.9
	21%-40%	44	14.3	14.4	18.3
	41%- 60%	87	28.3	28.4	46.7
	61%-80 %	89	29.0	29.1	75.8
	81%-100%	74	24.1	24.2	100.0
	Total	306	99.7	100.0	
No response		1	.3		
Total Sum		307	100.0		

Table 4 shows in which month the accommodation facility operates with maximum (80%-100%) occupancy. The results of the multiple response show that the accommodation facilities are busiest in summer months, especially in August (29.4%), followed by July (24.8%) and June (17.5%), and in September (12.2%) during the fall.

Table 4. Table of distribution of frequencies of occupancy of accommodation facilities

		Count	Percent	Valid percent
Month with maximum hotel occupancy (80%-100%)	January	24	7.8%	2.7%
	October	43	14.0%	4.8%
	November	5	1.6%	0.6%
	December	11	3.6%	1.2%
	February	18	5.9%	2.0%

March	6	2.0%	0.7%
April	7	2.3%	0.8%
May	30	9.8%	3.4%
June	**157**	**51.1%**	**17.5%**
July	**222**	**72.3%**	**24.8%**
August	**263**	**85.7%**	**29.4%**
September	**109**	**35.5%**	**12.2%**
Total	307	100.0%	100.0%

We analyzed hotel occupancy by hotel type and number of beds using cross-tabulation analysis from the tables. Table 5 shows the distribution frequency of occupancy rates of the accommodation facilities by 2021 by hotel type (national, international, joint venture) and number of beds, while Table 6 shows the results of the Chi-Square Test results, which determines the relationship of the variable of a hotel occupancy rate with the facility type and the number of beds in 2021.

As Table 1 shows, by 2021, the highest occupancy rates of the national hotels were: 21-40% and 61-80% (reported by 35% and 22% of respondents, respectively) and the least, but not insignificant occupancy rate was 9%. As for the international hotels, the trend there was less than 20% occupancy, and the least popular trend (5%) was maximum 81-100%. As for the joint hotels, the trend in their occupancy rate was 41-60% (49%).

As for the number of beds, we can say that most hotels with up to 20 beds (35%-35%) operate with up to 20% and 21-40% occupancy rates, 15% operate with 61-80% occupancy rates, and only 8% of respondents report the operation with maximum occupancy rates. Most (34%) hotels with 21-50 beds operate under 20% occupancy, 33% operate at 21-40% occupancy, 18% operate at 61-80% occupancy rate, and only 3% operate with maximum 81-100% occupancy rate. The largest number of hotels with 51-100 beds (37%) operate at 21-40% occupancy, and only 6% operate at maximum occupancy (81-100%). The largest number of hotels with 101-150 beds (31%) operate with a high occupancy of 61-80%, and the smallest number (3%) operate with a occupancy of up to 20%. The largest number of 151-200 bed hotels (27-27%) operate at 20% and 21-40% occupancy rates, the smallest number of hotels (9%) operate at 41-60% occupancy rates, and 18% of hotels operate at the maximum 81-100% and 61-80% occupancy rates.

Table 5. Distribution of occupancy frequency of accommodation facilities/hotels by location and hotel type

			Average occupancy rate of accommodation facilities in 2021					
			<=20%	21%-40%	41%-60%	61%-80%	81%-100%	Total
Type of hotel accommodation:	National (local)	Row N %	18%	35%	16%	22%	9%	100%

	International	Row N %	48%	25%	13%	8%	5%	100%
	Joint	Row N %	0%	14%	43%	29%	14%	100%
Number of beds available at the accommodation facility	<=20	Row N %	35%	35%	8%	15%	8%	100%
	21-50	Row N %	34%	33%	11%	18%	3%	100%
	51-100	Row N %	11%	37%	26%	20%	6%	100%
	101-150	Row N %	3%	25%	22%	31%	19%	100%
	151-200	Row N %	27%	27%	9%	18%	18%	100%
	201-250	Row N %	0%	0%	0%	50%	50%	100%
	251-300	Row N %	0%	50%	25%	0%	25%	100%
	>300	Row N %	0%	20%	20%	0%	60%	100%

Table 6 shows Chi-Square Tests, which show that by 2021, the occupancy rate of the accommodation facility shows maximum statistical relationship with a hotel type and number of beds available at the accommodation facility (P >0.001). Besides, if taking the value of Chi-Square coefficient into account, we can say that by 2021, the occupancy rate of the accommodation facility was mostly affected by the number of beds available at an accommodation facility.

Table 6. Pearson Chi-Square Tests

		Occupancy rate of an accommodation facility by 2021
Type of hotel accommodation:	Chi-square	33.184
	df	8
	Sig.	.000
Number of beds available at the accommodation facility	Chi-square	72.997
	df	28
	Sig.	.000

We used Univariate Analysis of Variance to determine the impact of factors, such as hotel star-rating according to European standards and cooperation with the Federation of

Hotels, on hotel occupancy. Table 7, obtained by means of analysis of variance, shows the results of Levene's Test, where based on the obtained data there is a statistically significant relationship at the level of 0.05 (the level of statistical significance does not exceed 0.05, P=0.012).

As a result, we conclude that according to the data of 2022, both factors - the star-rating of the hotel according to European standards and cooperation with the Federation of Hotels - have a joint effect on the occupancy rate of an accommodation facility.

Table 7. Levene's Test of Equality of Error Variances
Dependent Variable: Occupancy rate of an accommodation facility

F	df1	df2	Sig.
2.260	11	294	.012

Two tables obtained by the analysis of variance (Tables 8 and 9) were used to determine the effect of individual factors on hotel occupancy in 2022. Table 8 shows that there is a statistically significant relationship at the 0.05 level between hotel occupancy and European standard hotel star-rating (statistical significance does not exceed 0.05, P=0.019).

As a result, we conclude that the occupancy of the accommodation facility as of 2022 largely depended on the star-rating of the company according to European standards.

Table 8. Univariate Tests
Dependent Variable: Occupancy rate of an accommodation facility

	Sum of Squares	df	Mean Square	F	Sig.
Contrast	9.539	2	4.769	4.034	.019
Error	347.566	294	1.182		

This relationship is clearly presented in Chart 1. As one can see, most of the companies star-rated by the European standards have high occupancy rates. 68% of starred hotels operate at maximum occupancy (81-100%), 52% operate at 61-80% occupancy, 44% operate at 41%-60% occupancy, 36% operate at 21%-40% occupancy, and only 17% operate at 20% occupancy. As for the non-starred hotels, only 32% of hotels operate at maximum occupancy (81%-100%), 46% operate at 61%-80% occupancy, 54% operate at 41%-60% occupancy, 64% operate at 21%-40% occupancy, and 75% operate at under 20% occupancy.

Diagram 1. Is a hotel starred according to the European standard?
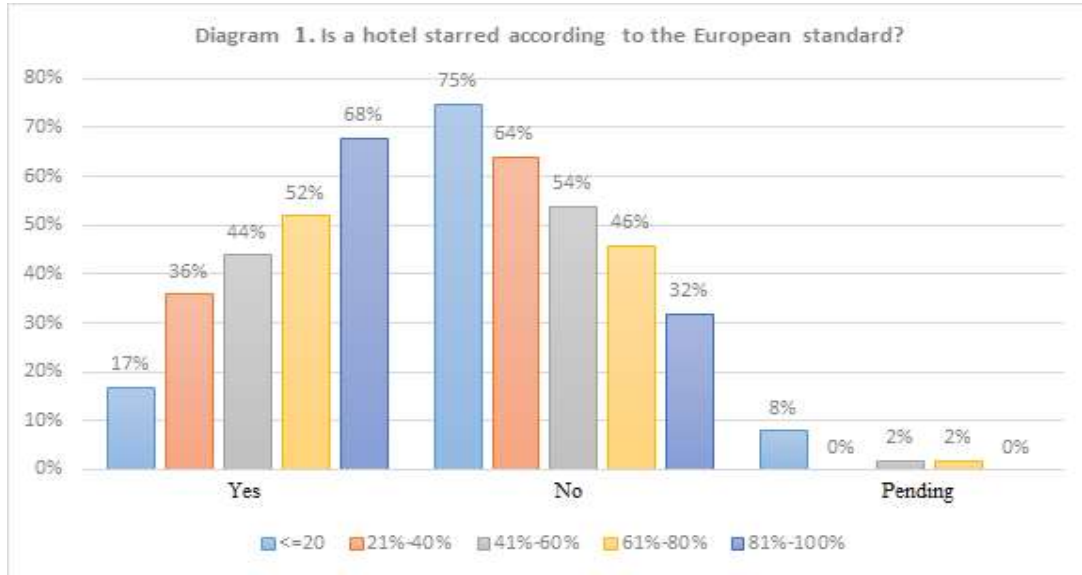
As for the second factor, Table 9 shows that in 2022 there was no statistical relationship between the variable of hotel occupancy and the cooperation with the Federation of Hotels, as the statistical significance level exceeded 0.05 (P=0.286).

As a result, we conclude that whether hotels cooperate with the Federation of Hotels or not, or whether they intend to cooperate or not, does not affect hotel occupancy.

Table 9. Univariate Tests
Dependent Variable: Occupancy rate of an accommodation facility

	Sum of Squares	df	Mean Square	F	Sig.
Contrast	5.959	4	1.490	1.260	.286
Error	347.566	294	1.182		

To determine the impact of the duration of operation of the given hotels on room occupancy, we used a cross-tabulation table and the Chi-Square Test included in it. Of the tables obtained as a result of cross-tabulation, Table 10 shows the distribution of room occupancy frequencies by the lifetime of the facility, and Table 11 shows the Chi-Square Test, which establishes the presence of a relationship between these variables.

Table 10. Impact of the duration of hotel operations on hotel occupancy

		Number of years of operation of an accommodation facility in the Georgian market					
		1 to 3 years		3 to 5 years		Over 5 years	
		Frequency	%	Frequency	%	Frequency	%
	January	5	2.8%	6	2.5%	13	9,8%

Month with maximum hotel occupancy rate (80%-100%)	October	4	2.3%	10	4.1%	27	11,3%
	November	0	0.0%	0	0.0%	4	2,2%
	December	2	1.1%	3	1.2%	6	3,7%
	February	3	1.7%	4	1.7%	11	8,3%
	March	1	0.6%	1	0.4%	4	2,2%
	April	1	0.6%	1	0.4%	5	1.3%
	May	6	3.4%	3	1.2%	21	8,7%
	June	37	20.9%	42	17.4%	105	29.2%
	July	49	27.7%	59	24.5%	111	41.6%
	August	51	28.8%	79	32.8%	130	65.3%
	September	18	10.2%	33	13.7%	56	26.5%
	Total	53	100%	89	100%	159	100%

The data in Table 10 show that most of the accommodation facilities operating at maximum occupancy are those (159) that have been in the market for more than 5 years, followed by those (89) that have been in the market for 3 to 5 years, and by only few accommodation facilities that have been in the market for 1 to 3 years.

Table 11 shows that there is a statistically significant relationship between the years of operation of an accommodation facility in the Georgian market and the hotel occupancy rates, as the level of statistical significance P does not exceed 0.001. Besides, Pearson Chi-Square coefficient is also significantly high (r = 79.290).

Table 11. Pearson Chi-Square Tests

		Number of years of operation of an accommodation facility in the Georgian market
Month with maximum hotel occupancy rate (80%-100%)	Chi-square	79.290
	df	36
	Sig.	.000

We used Kruskal Wallis Test to evaluate the impact of competitiveness factors on hotel occupancy. As Table 12 shows, the level of statistical significance and the Chi-Square Test ratio made it clear that:
- ✓ There is a statistically significant relationship between effective service quality control systems and hotel occupancy rates at the level of 0.01, (the statistical significance level P does not exceed 0.001, and the Chi-Square Test ratio is 31.855).
- ✓ There is a statistically significant relationship between the variety and differentiation of services and hotel occupancy at the level of 0.01 (the Chi-Square coefficient is 20.817).
- ✓ There is a statistically significant relationship between marketing activities and hotel occupancy at the level of 0.01 (P=0.008, the Chi-Square Test ratio is 13.800).

✓ There is a statistically significant relationship between the implementation of the latest technology in the management process and hotel occupancy at the level of 0.05 (the Chi-Square Test ratio is 10.619).

✓ There is a statistically significant relationship between the continuous improvement of the service offered and hotel occupancy at the level of 0.05 (the Chi-Square Test ratio is 10.399).

✓ There is a statistically significant relationship between flexible pricing policy and hotel occupancy at the level of 0.05 (the Chi-Square Test ratio is 0.051).

As for the factor of constant staff qualification improvement, it does not have a significant influence on hotel workload, and there is no statistical relationship between them.

Table 12. Influence of competitiveness improvement factors on hotel occupancy

	Chi-Square	df	Asymp. Sig.
Continuous improvement in the services offered	10.399	4	.034
Variety and differentiation of services	20.817	4	.000
Efficient service quality control systems	31.855	4	.000
Flexible pricing policy	7.927	4	.051
Continuous professional development of the staff	5.341	4	.254
Introduction of latest technologies in management	10.619	4	.031
Marketing efforts	13.800	4	.008

We analyzed the impact of type, location and star-rating of hotels in different regions on the hotel occupancy rates using an Univariate Analysis of Variance in the statistical software package SPSS environment and consumer tables. Of the tables derived from the analysis, Table 13 shows the combined impact of all three factors (hotel type, location and star-rating) on hotel occupancy, and Tables 14, 15, 16 show the individual impacts of each of them (hotel type, location, star-rating) on hotel occupancy.

As Table 13 shows, Levene's Test demonstrates that there is a significant statistical relationship at the level of 0.01 between the three factors on the one hand and the hotel occupancy rate on the other hand (statistical significance P does not exceed 0.001) what allows us conclude that hotel type, location, and star-rating of a hotel jointly influence the hotel occupancy.

Table 13. Levene's Test of Equality of Error Variances[a]
Dependent Variable: Occupancy rate of an accommodation facility

F	df1	df2	Sig.
1.831	53	245	.001

Table 14 shows the impact of a hotel type on its occupancy rate. According to the analysis, there is no statistically significant relationship between these two factors (P statistical significance exceeds 0.05).

As a result, in conclusion, we can say that the type of hotel has no influence on hotel occupancy, i.e. hotels, whether local (national), international or joint, have the same tendency of occupancy.

Table 14. Univariate Tests
Dependent Variable: Occupancy rate of an accommodation facility

	Sum of Squares	df	Mean Square	F	Sig.
Contrast	.822	1	.822	.846	.358
Error	238.015	245	.971		

As for the impact of location on hotel occupancy, Table 15 shows that there is a strong statistical relationship between the hotel location and the occupancy at the level of 0.01 (statistical significance P does not exceed 0.001).
As a result, we can conclude that hotel occupancy depends on hotel location, and hotels located in different regions differ significantly from each other with the rates of occupancy.

Table 15. Univariate Tests
Dependent Variable: Occupancy rate of an accommodation facility

	Sum of Squares	df	Mean Square	F	Sig.
Contrast	38.922	10	3.892	4.006	.000
Error	238.015	245	.971		

Table 16 shows the impact of hotel star-rating by European standards on hotel occupancy. A statistically significant relationship at the 0.01 level (P = 0.001) was found between the two factors.
As a result, we can conclude that hotel star-rating influences hotel occupancy, as stated above (Table 8), but when comparing the effect of these two separate factors on hotel occupancy, the statistical significance P and Fisher's coefficient show that the location has a greater influence on hotel occupancy than its star-rating.

Table 16. Univariate Tests
Dependent Variable: Occupancy rate of an accommodation facility

	Sum of Squares	df	Mean Square	F	Sig.
Contrast	20.178	5	4.036	4.154	.001
Error	238.015	245	.971		

Discussion. Based on the results of the study, features specific to the accommodation/hotel facilities in Georgia were identified.

Accommodation facilities/hotels are found in all regions of Georgia, although their number is highest in the following five regions: Adjara, Tbilisi, Kakheti, Samtskhe-Javakheti, and Mtskheta-Mtianeti.

Accommodations/hotels in Georgia mainly operate as national, international or joint ventures, but local (national) hotels make up the majority in terms of percentage. As for occupancy, the study results of the aforesaid hotels differ. The maximum occupancy of the international hotels is up to 20%, while it is 21-40% for the local hotels and 41-60% for joint ventures.

The number of beds in hotels has an important impact on occupancy. The hotels with occupancy from 81% to 100% (45%) are those with more than 200 beds, while the hotels (35%) with up to 100 beds have occupancy from 21-40%. In addition, it should be emphasized that the influence of accommodations on occupancy is higher than the influence of hotel type.

Hotel occupancy is affected by seasonality. As of 2022, only 53.3% of hotels reported that they were operating at maximum occupancy (61% to 100%). Hotels achieved high occupancy rates during the summer season, especially in the following months: August, July, June and September.

Star-rating by European standards proved to be an important factor in the hotel business. As the study results demonstrated (Diagram 1), the majority of hotels (75%) reaching maximum occupancy (81%-100%) are the starred ones, while only 15% of non-starred hotels reach the same rate of occupancy. The results of the study also revealed that most hotels operating at maximum occupancy (81%-100%) are those operating on the market longer than 5 years, what is not surprising, since their popularity and experience favorably influence such factor as the attractiveness for customers is.

The study evaluated the impact of competitiveness factors on hotel occupancy. It was found that the following factors influence hotel occupancy: introduction of effective quality control systems, variety and differentiation of services, marketing measures, introduction of the latest technologies, constant improvement of the services offered, and flexible pricing policy.

A regional factor is also important in analyzing the capacity of hotels. The specifics of regions have a significant impact on consumer behavior. The study found that in the regional context, the type, location and star-rating of hotels jointly affect hotel occupancy. Hotel location, as a separate factor, also has a great influence on hotel occupancy, although the regional aspect has a greater influence on hotel occupancy than star-rating.

The occupancy rates of local (national), international or joint hotels do not differ much from each other, i.e. their occupancy rate does not depend on the type of hotel.

Conclusion. Thus, the hotel industry is an area particularly dependent on consumer behavior. The continuously growing number of customers is important for hotels. Hotel occupancy, as a measure of hotel performance, is a major concern for hotels. Increasing hotel occupancy depends on many factors, and constantly identifying them and using sound strategies is a defining aspect of hotel competitiveness and viability. Based on the results of the study discussed in the article, we consider that the following factors are needed to increase hotel occupancy:

➢ Continuous monitoring of customer needs and offering services tailored to their personal needs;
➢ Use of the latest technology at all stages of hotel management;

- ➢ Offering a variety of services tailored to regional characteristics;
- ➢ Continuous use of marketing measures to manage customer behavior and ensure loyalty;
- ➢ Continuous use of flexible pricing strategies and development of a competitive price-quality system.

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