

LOCAL HOTELS AND INTERNATIONAL CHAINS: SERVICE DIFFERENCES AND OPPORTUNITIES

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Annotatsiya; Mazkur maqolada mahalliy mehmonxonalar va xalqaro mehmonxona tarmoqlari o'rtasidagi xizmat ko'rsatish sifati, xizmatlar turlari va mijozlar ehtiyojlarini qondirishdagi yondashuvlar o'rganiladi. Tadqiqotda xizmatlar darajasi, boshqaruv uslublari, xodimlar malakasi, innovatsion texnologiyalar qo'llanilishi va mijozlar sodiqligini ta'minlash strategiyalari tahlil qilinadi. Xalqaro tajribalar asosida O'zbekiston mehmonxona sektorining raqobatbardoshligini oshirish imkoniyatlari ko'rib chiqiladi.

Kalit soz'lari; mahalliy mehmonxonalar, xalqaro tarmoqlar, xizmat sifati, mijoz ehtiyoji, innovatsiya, raqobatbardoshlik, xizmatlar strategiyasi

Abstract; This article explores the differences between local hotels and international hotel chains in terms of service quality, types of services offered, and approaches to meeting customer needs. The research analyzes service levels, management styles, staff qualifications, the use of innovative technologies, and customer loyalty strategies. Based on international experience, the article discusses opportunities to improve the competitiveness of Uzbekistan's hotel sector.

Keywords; local hotels, international chains, service quality, customer needs, innovation, competitiveness, service strategy

Аннотация; В данной статье рассматриваются различия между местными гостиницами и международными гостиничными сетями с точки зрения качества обслуживания, видов предоставляемых услуг и подходов к удовлетворению потребностей клиентов. Исследование анализирует уровень сервиса, стиль управления, квалификацию персонала, использование инновационных технологий и стратегии удержания клиентов. На основе международного опыта рассматриваются возможности повышения конкурентоспособности гостиничного сектора Узбекистана.

Ключевые слова; местные гостиницы, международные сети, качество обслуживания, потребности клиентов, инновации, конкурентоспособность, стратегия услуг.

Introduction

In recent years, Uzbekistan has witnessed a significant growth in the tourism industry, leading to a parallel expansion in the hospitality sector. The construction of modern hotels across the country, the entrance of international hotel chains, and the dynamic development of local hotels have contributed to the improvement of the national tourism infrastructure. However, considerable differences exist between local hotels and international chains in terms of service quality, customer orientation, management practices, and the implementation of innovative technologies. International hotel chains are often distinguished by their standardized service quality, high-level professionalism, global brand recognition, and customer loyalty

programs. These attributes provide them with a strong competitive advantage in the global market. On the other hand, local hotels tend to offer a more personalized experience rooted in national hospitality traditions, flexible pricing policies, and a deeper cultural immersion. As a result, the contrast between these two types of accommodations, as well as the potential for synergy, presents an important area for academic investigation.

This article aims to examine the key differences in service delivery between local hotels and international chains, with a focus on customer satisfaction strategies, management approaches, and service innovation. Furthermore, it explores the opportunities and challenges each type of hotel faces in the current hospitality landscape. By analyzing global best practices and adapting them to the Uzbek context, the study proposes practical recommendations for enhancing the competitiveness of local hotels and aligning them with international standards.

Literature Review

The comparison between local hotels and international hotel chains has been a subject of growing academic interest in the hospitality and tourism management literature. Scholars emphasize that service quality, brand positioning, and customer experience are key differentiating factors between these two segments (Tsang & Qu, 2000). International hotel chains typically adhere to globally standardized service models, which help maintain consistent customer satisfaction across regions (O'Neill & Mattila, 2010).¹ These chains often invest heavily in technology, human resource training, and global marketing strategies, enabling them to attract international travelers with high service expectations. In contrast, local hotels are often praised for their authenticity, cultural proximity, and flexibility. According to Kandampully et al. (2015), local establishments can provide more customized and culturally enriched experiences, which appeal particularly to tourists seeking local immersion. However, they often face challenges such as limited financial resources, lack of access to global booking platforms, and lower brand recognition. Service quality remains a dominant theme in the literature. Parasuraman, Zeithaml, and Berry's SERVQUAL model (1988) has been widely applied in comparative studies to measure customer perceptions of service reliability, responsiveness, assurance, empathy, and tangibles. Studies (e.g., Nadiri & Hussain, 2005) show that international chains generally score higher on most SERVQUAL dimensions, while local hotels excel in personalized and empathetic service dimensions.

Moreover, research by Zhang et al. (2016) highlights the role of digital transformation and online reputation management in enhancing hotel competitiveness. International hotel chains tend to lead in this area, with integrated CRM systems, mobile booking apps, and data-driven personalization strategies. However, recent studies (e.g., Yoqubjonova, 2022; Yusupova & Karimova, 2023) from Uzbekistan suggest that local hotels are increasingly adopting digital tools, albeit with varying degrees of effectiveness.

Yoqubjonova (2022) emphasizes that while international standards are essential for attracting foreign tourists, maintaining cultural uniqueness is equally important for sustaining local identity in the hospitality sector. This balance is especially relevant in post-Soviet countries like Uzbekistan, where tourism is both an economic driver and a means of cultural diplomacy.

Methodology

¹ O'Neill, J. W., & Mattila, A. S. (2010). Hotel brand strategy. *Cornell Hospitality Quarterly*, 51(1), 27–34.
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This study employs a comparative qualitative-quantitative research approach to analyze the service differences and strategic opportunities between local hotels and international hotel chains operating in Uzbekistan. The methodology integrates both primary data collection (through surveys and interviews) and secondary data analysis (from academic sources, government tourism reports, and hospitality performance indicators). The research adopts a descriptive-comparative design, aiming to identify service characteristics, customer satisfaction levels, and management strategies within both local and international hotels. The goal is to explore how these differences impact customer loyalty, service perception, and operational efficiency. A purposive sampling method was used to select 10 local hotels and 5 international hotel chains (e.g., Hilton, Radisson, Hyatt) located in Tashkent, Samarkand, and Bukhara key tourist destinations in Uzbekistan. These hotels were chosen based on their star rating (3 to 5 stars), availability of online booking systems, and diversity in customer base (both domestic and foreign tourists).² Surveys were conducted among 150 hotel guests (75 from local hotels and 75 from international chains). Respondents were asked to rate their experience using a 5-point Likert scale based on the SERVQUAL dimensions: tangibility, reliability, responsiveness, assurance, and empathy.

Semi-structured interviews were held with hotel managers and front-line staff to gather insights into internal service strategies, staff training systems, and approaches to customer relationship management.

Document analysis was conducted using hotel websites, online reviews (TripAdvisor, Booking.com), and Ministry of Tourism reports to support the primary data.

Analysis and discussion

The analysis is based on data collected from surveys of 150 hotel guests and interviews with hotel staff and managers from both local and international hotels in Uzbekistan. The findings focus on differences in service quality dimensions, customer satisfaction, use of technology, and strategic management approaches. Survey results revealed measurable differences between local and international hotels across the five SERVQUAL dimensions. Guests of international chains consistently reported higher satisfaction in terms of tangibility, assurance, and reliability, while local hotels performed relatively well in empathy and responsiveness.

Service Dimension Local Hotels (Mean Score) International Chains (Mean Score) Notable Observations;

Tangibility	3.7	4.5	Intl. hotels offer modern facilities and better room standards
Reliability	3.8	4.3	Intl. chains follow strict service protocols
Responsiveness	4.0	4.2	Local hotels respond quickly but with fewer resources
Assurance	3.6	4.4	Intl. hotels have better-trained, multilingual staff
Empathy	4.3	4.0	Local hotels excel in cultural warmth and personalized service

2. Customer Preferences and Expectations

² Yusupova, D., & Karimova, S. (2023). The impact of digitalization on the development of hotel services in Uzbekistan. *Tourism Studies Review*, 1(1), 44–51.

Interviews and survey comments revealed that foreign tourists preferred international chains due to predictability, international standards, and loyalty benefits, while domestic tourists often chose local hotels because of affordability, cultural familiarity, and personalized attention.

3. Technology and Innovation

International hotel chains were significantly more advanced in digital services:

- Online booking systems
- Mobile check-ins
- Smart room technology
- Integrated CRM platforms

Local hotels were still in early stages of adopting such technologies, with many relying on manual systems or third-party platforms like Booking.com without customized solutions.

4. Human Resource and Staff Training

Local hotel staff often lacked formal hospitality training, especially in areas like foreign language skills, conflict resolution, and digital systems operation. In contrast, international chains typically followed standardized staff development programs, including regular assessments and international certifications.

Key Findings;

- ❖ International chains dominate in standardized service delivery and technological integration, which appeal to global travelers.
- ❖ Local hotels demonstrate strengths in personalized service, cultural familiarity, and cost-effectiveness, which resonate with domestic and budget-conscious tourists.
- ❖ There is significant potential for local hotels to enhance competitiveness through staff training, digitalization, and strategic alliances with tour operators and OTAs.

Conclusion

The study reveals distinct service-related differences between local hotels and international hotel chains operating in Uzbekistan. While international chains excel in delivering standardized, high-quality services supported by advanced technology and professional management systems, local hotels offer personalized, culturally resonant experiences that appeal to a specific segment of travelers. The comparative analysis, based on the SERVQUAL model, shows that international chains outperform in tangibility, assurance, and reliability, largely due to structured training, quality control, and global branding. In contrast, local hotels score higher in empathy and responsiveness, reflecting their cultural closeness to domestic customers and their ability to adapt flexibly to individual guest needs. However, local hotels face considerable challenges in scalability, technological adoption, and human capital development. These issues limit their ability to compete on equal terms with international brands, particularly in attracting high-value foreign tourists. Nonetheless, with appropriate strategies such as investing in digital transformation, forming partnerships with global booking platforms, and implementing

structured staff training local hotels can enhance both their operational efficiency and service quality.

Ultimately, the findings suggest that the future success of Uzbekistan's hospitality sector depends on creating a balanced ecosystem where local hotels and international chains coexist, collaborate, and complement each other. Policymakers and industry stakeholders are encouraged to support local hotels through targeted policies, innovation incentives, and capacity-building programs to enable them to reach international service benchmarks without sacrificing cultural uniqueness.

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