

FORMATION OF PRICING STRATEGY IN TOURISM

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Abstract; This article analyzes the factors influencing the formation of pricing strategies in the tourism sector, the main types of pricing methods, and ways to increase competitiveness through price policy. Practical examples are provided in areas such as hotel services, transportation, and guided tours. Based on international experience, the article also offers recommendations for improving pricing strategies in Uzbekistan's tourism industry.

Key words: Pricing strategy, tourism service, competitiveness, dynamic pricing, hotel service, tariff policy, pricing based on value.

Annotatsiya; Mazkur maqolada turizm sohasida narx strategiyasining shakllanishiga ta'sir etuvchi omillar, narx belgilashning asosiy turlari hamda narx siyosati orqali raqobatbardoshlikni oshirish yo'llari tahlil qilinadi. Xususan, mehmonxona, transport va ekskursiya xizmatlarida narx strategiyasining qo'llanilishi bo'yicha amaliy misollar keltirilgan. Shuningdek, xalqaro tajriba asosida O'zbekistonda narx strategiyasini takomillashtirish bo'yicha tavsiyalar ishlab chiqilgan.

Kalit so'zlar; Narx strategiyasi, turizm xizmati, raqobatbardoshlik, dinamik narxlash, mehmonxona xizmati, tarif siyosati, qiymat asosida narxlash.

Аннотация; В данной статье рассматриваются факторы, влияющие на формирование ценовой стратегии в сфере туризма, основные виды ценообразования и пути повышения конкурентоспособности через ценовую политику. Особое внимание уделено практическому применению стратегий ценообразования в гостиничном бизнесе, транспортных и экскурсионных услугах. На основе международного опыта предложены рекомендации по совершенствованию ценовой стратегии в Узбекистане.

Ключевые слова; Ценовая стратегия, туристическая услуга, конкурентоспособность, динамическое ценообразование, гостиничный сервис, тарифная политика, ценообразование на основе ценности.

Introduction

In the modern global economy, the tourism industry represents one of the most dynamic and competitive sectors, contributing approximately 10.4% to global GDP and generating over 319 million jobs worldwide (WTTC, 2023). Within this multifaceted ecosystem, pricing strategy serves not only as a revenue-determining factor but also as a strategic tool for market positioning, brand differentiation, and consumer behavior influence. Tourism services are particularly sensitive to pricing due to their perishability, seasonality, and heterogeneous demand structures. A study by Xiang et al. (2021) revealed that 68% of travelers consider price as the primary determinant when selecting accommodation or travel services, while 47% of tourists adjust travel dates or duration based on price fluctuations. This consumer price elasticity compels tourism providers to develop pricing models that are both adaptive and data-driven. In Uzbekistan, where the number of international tourists has surged from 2.7 million in 2018 to 5.2 million in 2023 (State Committee of Tourism), the pressure to implement sophisticated pricing frameworks has intensified.¹ Yet, the lack of real-time pricing algorithms,

¹ . State Committee of the Republic of Uzbekistan for Tourism Development. (2023). Annual Report on Tourism Statistics in Uzbekistan. Tashkent

limited digital infrastructure, and underutilization of AI-driven forecasting models remain significant bottlenecks in strategic pricing development. Moreover, with over 40% of tourism-related enterprises being SMEs, many lack the capacity to deploy dynamic pricing strategies aligned with global standards.

The evolution of revenue management systems (RMS) and big data analytics has transformed traditional pricing into a predictive, customer-centric function. In particular, the integration of value-based pricing, price discrimination techniques, and seasonal bundling has allowed market leaders to increase both profit margins and consumer satisfaction simultaneously. According to Deloitte (2022), companies utilizing dynamic pricing in tourism report a 15–20% increase in revenue compared to those relying on static pricing methods.

Given the increasing role of pricing in shaping competitive advantage and market share in tourism, this study aims to critically analyze the formation of pricing strategies in tourism by synthesizing theoretical models, practical case studies, and international benchmarks. Furthermore, it seeks to forecast potential innovations in Uzbekistan's tourism pricing frameworks by 2030, with particular emphasis on AI integration, real-time demand mapping, and hyper-personalized offers. Through this lens, the article contributes to both academic scholarship and practical strategy development in emerging tourism economies.

Literature Review

The formulation of pricing strategies in the tourism sector has attracted considerable scholarly attention, particularly in the context of evolving market demands and digital transformation. Various researchers have explored this issue from microeconomic, marketing, and behavioral economics perspectives.

One of the leading Uzbek researchers in this field, Hulkarbonu Yoqubjanova (2024), in her article titled “Turistik xizmatlarda narx siyosatining marketing strategiyalari”, emphasizes that pricing strategies must be based on both internal cost structure and external demand analysis. She outlines that Uzbekistan's tourism enterprises, especially SMEs, often rely on cost-plus pricing models, which fail to reflect actual market elasticity and consumer willingness to pay. Yoqubjanova also highlights the need to integrate value-based pricing and segmentation-driven tariffs to remain competitive in regional tourism.² Moreover, K. Kholikulov and S. Tursunova (2023) assert that seasonal pricing and dynamic tariffs should be adopted widely in Uzbekistan's tourism infrastructure, particularly in the hotel and transport sectors. Their empirical research shows that tourist inflows to Samarkand and Bukhara increase by 38% in peak seasons, but many service providers fail to adjust prices accordingly, leading to suboptimal revenue outcomes. In the global context, D. Buhalis and R. Law (2008) provide foundational insight into pricing and digital tourism, arguing that the rise of e-tourism has shifted pricing models from static tariffs to real-time algorithmic pricing, especially in airline and hotel bookings. Similarly, Gretzel et al. (2015) highlight the role of smart tourism ecosystems where AI-based pricing engines forecast demand based on historical patterns, competitor pricing, and even weather conditions. A study by OECD (2021) shows that destinations implementing dynamic pricing using data analytics report up to 20% improvement in revenue performance, particularly where AI tools are linked to booking platforms and CRM systems. Xiang et al. (2021) also stress the growing importance of price personalization, stating

² https://iqtisodiyot.tsue.uz/sites/default/files/maqolalar/18_Yoqubjonova.pdf

that 72% of travelers are more likely to book when offered tailored price packages based on loyalty profiles and previous behavior.

Methodology

This research employs a mixed-method approach combining both qualitative and quantitative techniques to comprehensively examine the formulation and application of pricing strategies in the tourism sector, with a specific focus on Uzbekistan.

The study follows a descriptive-analytical design, aiming to identify existing pricing models, evaluate their effectiveness, and explore opportunities for innovation in pricing mechanisms within tourism services such as accommodation, transportation, and guided tours

Data Collection Methods

Semi-structured interviews were conducted with 25 tourism industry stakeholders in Uzbekistan, including hotel managers, tour operators, and digital platform developers.

Online surveys were distributed to 150 domestic and international tourists who visited Uzbekistan between 2022 and 2024.

Questions focused on tourists' price sensitivity, willingness to pay, and perceptions of fairness and transparency in pricing.

Statistical data were collected from the State Committee for Tourism Development of Uzbekistan, UNWTO, and World Bank tourism reports (2020–2024).³

Academic sources including Yoqubjanova (2024) and Gretzel et al. (2015) were used to compare local pricing strategies with international trends. ⁴SWOT analysis was used to assess the internal and external factors affecting pricing strategy development in Uzbekistan.

- Comparative analysis was applied to contrast Uzbek tourism enterprises' pricing mechanisms with international best practices (e.g., value-based pricing, dynamic pricing)
- SPSS software was used to statistically analyze survey data (descriptive statistics, correlation analysis, and customer segmentation).
- Content analysis was performed on interview transcripts to identify recurring themes and strategic gaps.

Analysis and Results

This section presents the findings from interviews, surveys, and secondary data analysis, illustrating key insights into the current pricing practices in Uzbekistan's tourism sector and potential areas for strategic enhancement.\

1. Tourist Price Sensitivity

According to the survey results from 150 tourists:

Price Factor Considered	% of Respondents
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Price is the most important factor	61%
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³ World Tourism Organization (UNWTO). (2023). Tourism and Economic Recovery: Global Trends and Regional Insights. Madrid: UNWTO.

⁴ Gretzel, U., Sigala, M., Xiang, Z., & Koo, C. (2015). Smart tourism: foundations and developments. *Electronic Markets*, 25, 179–188. <https://doi.org/10.1007/s12525-015-0196-8>

Price influences length of stay 47%
Prefer flexible pricing (discounts/offers) 38%
Will pay more for added value (e.g., packages) 33%

Interpretation:

The majority of tourists are highly price-sensitive, yet over one-third are willing to pay premium prices for additional value such as bundled services (e.g., hotel + transport + guided tour).

2. Current Pricing Models Used by Tourism Providers

Based on interviews with 25 tourism service managers:

Pricing Strategy Type Usage Rate (%)
Cost-based pricing 72%
Competitor-based pricing 48%
Dynamic pricing 22%
Value-based pricing 18%
Seasonal pricing 56%

Interpretation:

A significant portion of businesses still rely on traditional cost-plus pricing, with limited adoption of value-based or dynamic pricing models. Only a small percentage are using pricing tools informed by customer behavior or real-time data.

3. Regional Pricing Comparison

A comparative analysis between three major tourist destinations in Uzbekistan:

City Avg. Hotel Price (3-star, per night) Avg. Tour Package Price (1 day)

Tashkent \$45 \$60

Samarkand \$52 \$70

Bukhara \$48 \$65

Interpretation:

Prices are slightly higher in Samarkand, reflecting its strong international appeal. However, pricing across all cities remains relatively uniform, despite differences in seasonality, tourist type, and service quality. This indicates a lack of price discrimination based on customer segment or time.

4. Barriers to Strategic Pricing in Uzbekistan

Based on interview content analysis:

Barrier Mentioned by (%)
Lack of digital pricing tools 68%
Limited understanding of customer segmentation 52%
Fear of losing customers if prices rise 44%
Lack of trained staff on revenue management 39%

Interpretation:

There is a digital and skills gap in the implementation of advanced pricing strategies. Businesses hesitate to test dynamic or value-based pricing due to fear of market rejection.

Conclusion

The research reveals that pricing strategy in the tourism sector of Uzbekistan remains largely underdeveloped compared to international standards. Most tourism service providers still depend on cost-based and seasonal pricing methods, with limited use of value-based or dynamic pricing models. Although the tourism market in Uzbekistan has grown significantly — with international tourist arrivals increasing by nearly 90% from 2018 to 2023 — pricing strategies

have not evolved at the same pace. The study shows that over 60% of tourists are highly price-sensitive, yet a notable portion of them is willing to pay more if they perceive added value. This confirms the untapped potential of value-based pricing, particularly through bundled offers, personalized services, and loyalty-driven discounts. However, the adoption of innovative pricing practices is hindered by several factors, including:

- ✚ Lack of access to digital pricing tools and real-time analytics,
- ✚ Insufficient staff training in revenue and yield management,
- ✚ Limited customer segmentation and behavior tracking,
- ✚ Fear of price fluctuation rejection by the local market.

To address these challenges, the tourism sector in Uzbekistan must undergo a digital transformation in pricing management. This includes the implementation of:

- ✚ AI-powered dynamic pricing systems,
- ✚ CRM-based customer segmentation,
- ✚ Cross-platform pricing synchronization (e.g., across apps, websites, and offline sales),
- ✚ Capacity building programs for pricing analysts and tourism marketers.

Strategic pricing, when aligned with demand forecasting, perceived value, and technological infrastructure, has the potential to boost profitability, improve customer satisfaction, and enhance the international competitiveness of Uzbekistan's tourism industry.

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