

Changing Competitive Landscape Through Differentiation Strategy Model of the Selected Hotels in Metro Manila, Philippines

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Abstract

The expansion of the Philippine tourism sector is closely linked to the growth of the hotel industry, which plays a crucial role in meeting the increasing demand for accommodations from both domestic and international travelers. Anchored on Porter's Theory of Competitive Advantage, particularly the Diamond Model and Generic Competitive Strategies, this study aimed to identify and assess the differentiation strategies employed by selected hotels in Metro Manila. In an increasingly competitive accommodation industry, innovation and distinct service offerings are essential for sustaining competitive advantage. This study utilized a mixed-methods approach, integrating quantitative and qualitative data collected from hotel top management. Findings revealed varying levels of implementation of differentiation strategies and highlighted key practices that contribute to competitive positioning. Based on the results, a proposed differentiation strategy model was developed to enhance the strategic capabilities of hotels in Metro Manila. The study underscores the importance of continuous innovation and strategic alignment in achieving sustainable competitiveness in the hospitality sector.

Keywords: differentiation strategy model, hotel industry, tangible and intangible differentiation, competitive advantage

Introduction

The tourism sector plays a pivotal role in the Philippine economy. According to the findings of Caynila et al. (2022), the sector stands as the primary source of employment for the country. The study highlights that in 2019, tourism in the Philippines served as the largest employer, generating jobs for about 5.7 million individuals, equivalent to 13.6% of the nation's overall workforce. The hospitality sector held hopeful expectations for the beginning of a new decade, viewing 2020 as an opportunity for fresh starts. As indicated by Business World's report in 2023, prominent mall developers have observed a significant rise in consumer footfall. The data indicates that consumer traffic, which had been at approximately 40% compared to the prior year, underwent a substantial rise to a range spanning from 85% to 95% when gauged against the pre-pandemic benchmarks in the third quarter of 2022.

As highlighted by Roa (2020), the hotel sector assumes a crucial function in the expansion of the Philippine tourism industry. This growth is underscored by a consistent increase in the requirement for accommodations from both domestic and international travelers, who engage in journeys either for business purposes or recreational activities. Fueled by an ambitious infrastructure initiative and a proactive tourism drive, the influx of visitors has been on a continuous upswing in recent years. The number of international tourists arriving in the Philippines reached 5.361 million in 2015, followed by 5.967 million in 2016, 6.621 million in 2017, and further escalated to 7.128 million in 2018. Uniformity arises from businesses having striking similarities in their offerings, a lack of effective branding differentiation, and unclear communication. They employ generic

language, provide products or services akin to their counterparts, and convey marketing messages that mirror those of their competitors according to Laja (2023).

In the Philippines, there exists a tiered system for rating hotel accommodations, which spans from one to five stars. The One Star rating corresponds to achieving a score within the range of 25% to 40%, equivalent to 251 to 400 points. These establishments primarily cater to budget-conscious travelers and offer a limited range of facilities and services. While diverse hotel types offer similar yet distinct services and products, the Department of Tourism (DOT) has established minimum requirements to ensure the maintenance of each hotel's classification. According to Interprid Wanderer (2019), the hospitality industry encompasses various sectors, including lodging, food and beverage, entertainment and recreation, as well as travel and tourism.

According to data released by the Department of Tourism (DOT), Metro Manila currently boasts a total of 64 accredited hotels, with 21 falling under the prestigious category of De Luxe Class Hotels. These hotels adhere to the most stringent set of standards among the various classifications. They are required to meet the criteria of a 5-star hotel, which entails achieving point ranges between 851 and 1,000, or percentile scores ranging from 85% to 100%. These establishments epitomize opulence and refinement, offering facilities and services that are unmatched on a global scale. Their service is characterized by an unwavering attention to detail, consistently exceeding guest expectations. In accordance with statistics provided by the Tourism Research and Statistics division, De Luxe Class Hotels accounted for 57.09% of the total 15,567 available rooms in 2014. Additionally, among all distinct hotel categories, these establishments achieved the highest occupancy rate, reaching an impressive 70.82% in 2014, as reported by Interprid Wanderer (2019). Chen (2019) underscores the importance of hotels continually devising marketing strategies, enhancing operational processes, and elevating the standard of service they provide in order to thrive within a fiercely competitive landscape.

The distinction between a 4-star and 5-star hotel lies in the extent of indulgence and individualized care that visitors are provided throughout their visit. While both types offer in-house dining and activities, 5-star hotels surpass expectations to transform their establishment into something truly remarkable. In a 5-star hotel setting, patrons have their requirements and wishes meticulously attended to by dedicated staff members, tailoring the experience according to the guest's preferences. The 5-star hotels are designed for affluent and renowned individuals, whereas 4-star hotels primarily cater to vacationers as mentioned by Jones (2019).

In this study the above mention Implications were utilized to assessed and identified the differentiation strategy of selected hotels in Metro Manila. The outcome of this paper suggested a possible differentiation strategy model for selected hotels in Metro Manila. The fundamental point of the study is to analyze the differentiation strategies of hotels using the data that collected from the hotel's top management as the respondents and to analyzed the level of implementation of their existing differentiation strategy. The study focused only on the differentiation strategy rather than the cost strategy of Porter's Generic Competitive Strategy. Focusing on a differentiation strategy, as opposed to a cost strategy, can be essential for a business to achieve competitive advantage and long-term success in the marketplace. It's important to know that the choice between a cost strategy and a differentiation strategy should be based on a company's unique circumstances, competitive environment, and its ability to effectively execute the chosen strategy. Some businesses may find success in combining elements of both strategies to gain a competitive edge. Ultimately, the strategy chosen should align with a company's core strengths and the needs of its target market as mentioned by Jules in 2020.

Theoretical Background

This study is rooted in the Theory of Competitive Advantage, also known as the Porter Diamond Model, which was introduced by Michael Porter in 1985, as indicated by Vaidya (2019). The theory of competitive advantage

proposes that both states and businesses should adopt strategies that result in the production of high-quality goods capable of being sold at premium prices within the market. Porter accentuates the centrality of productivity growth within national strategies. This theory is built on the premise that inexpensive labor is widely available and that natural resources aren't indispensable for a robust economy. In response to this challenge, the competitive advantage theory seeks to address this by emphasizing the optimization of scale economies within goods and services that command higher prices, as outlined by Vaidya (2019).

Moreover, this study is anchored with Porter Generic Strategy in 1980. Anwar and Zebari (2018) define strategy as "constructing a robust defense against the five competitive factors," as elucidated by Anwar and Abdulla (2021). In order to effectively manage Porter's five competitive forces and thereby create a sustainable competitive advantage, enterprises within the Oil and Gas sector must strategically cultivate an adaptable position, as suggested by Anwar and Balcioglu (2018). While a company's strengths and weaknesses can diverge from those of its competitors, as highlighted by Anwar and Climis (2018), it can ultimately possess one of two types of competitive advantage: either cost leadership or differentiation, as pointed out by Anwar and Ghafoor (2018). As defined by (Anwar & Qadir, 2019), strategy encompasses the process of establishing a valuable and distinctive position through a diverse array of activities, as outlined by Anwar and Shukur (2018). A company is faced with the decision of embracing either a differentiation or cost leadership approach, as indicated by Anwar and Surarchith (2018), as achieving both simultaneously is unattainable (Anwar, 2018). These two forms of competitive advantage, as identified by Anwar (2019), in conjunction with the array of competitive actions employed to attain them, result in three generic strategies that enable a company to outperform competitors, as discussed by Anwar and Louis (2018).

The reviewed literature highlighted that the global hospitality industry has evolved into a dynamic and highly competitive sector that significantly contributes to economic growth, employment, and tourism development. Globally, the industry's expansion is driven by increasing travel demand, technological advancements, quality management practices, and the need for continuous innovation and dynamic capabilities to remain competitive. The rise of sharing economy platforms such as Airbnb has disrupted traditional hotel markets, particularly in the budget and midscale segments, while also generating economic and social benefits for local communities. In the Philippine context, tourism and hospitality play a vital role in national economic performance, contributing substantially to GDP, employment, and infrastructure development. The industry has demonstrated resilience amid challenges such as the COVID-19 pandemic through government support, health protocols, and adaptive strategies.

Moreover, literature emphasizes the importance of differentiation strategies—both tangible (e.g., facilities, cleanliness, physical environment) and intangible (e.g., brand image, service quality, employee engagement)—in achieving customer satisfaction and sustainable competitive advantage. Service quality, innovation, effective marketing, and human resource management are consistently identified as key determinants of hotel performance, profitability, and long-term sustainability in both global and Philippine settings.

The literature discussed that hotel occupancy and performance measurement are central to evaluating competitiveness and sustainability in the hospitality industry. Revenue per Available Room (RevPAR) remains the most widely used performance metric, particularly among major hotel brands such as Hilton and Marriott International, as it reflects room revenue efficiency. However, RevPAR has limitations because it excludes operating costs and non-room revenue streams, leading to the development of alternative metrics such as Gross Operating Profit per Available Room (GOPPAR), which incorporates overall profitability and departmental revenues. Alongside RevPAR, occupancy rate serves as a key performance indicator that measures how effectively available rooms are utilized and guides pricing, marketing, and distribution strategies.

Revenue management further optimizes performance by balancing product, timing, pricing, customer segmentation, and distribution channels, with direct bookings through hotel websites generating higher net returns compared to commission-based online travel agents. In the Philippine context, operational efficiency and sustainability—especially among De Luxe hotels—are shaped by standardized classifications from the Department of Tourism, employment contributions, and service quality standards. Competitiveness in the industry is influenced by strategic tools such as Porter’s Five Forces and SWOT analysis, while intangible factors like reputation, corporate identity, and brand image strengthen differentiation and long-term advantage. Overall, the literature underscores that a successful differentiation strategy—through quality investments, pricing strategies, service excellence, and strong brand positioning—enables hotels to justify premium pricing, enhance occupancy, and achieve sustainable competitive advantage in an increasingly dynamic market.

The conceptual framework presents a Differentiation Strategy Model that helps hotels in Metro Manila remain competitive by aligning their organizational profile, strategic inputs, and market performance. The hotel profile—such as star rating, size, and location—serves as the foundation of the framework because it determines the resources and capabilities available to the hotel. This profile influences the type of differentiation strategies that can be implemented and the expected performance outcomes, emphasizing that strategies should be tailored to each hotel’s unique characteristics rather than applying a uniform approach.

The framework identifies three major dimensions of differentiation: tangible, intangible, and other differentiators. Tangible differentiation focuses on physical aspects of the guest experience such as product performance, design, and atmosphere. Intangible differentiation highlights service-related elements like reservation convenience, service delivery, and customer awareness. Other differentiators include personnel quality, innovative marketing strategies, ethical standards, and brand image. These strategies collectively influence the level of implementation of hotel differentiation strategies, which ultimately impacts competitive advantage and performance. The model operates as a continuous feedback loop where performance outcomes guide improvements in strategy, enabling hotels to sustain competitiveness beyond price-based competition.

Methods

In this study, the mixed method research design was employed to analyze the differentiation strategy of the selected hotels in Metro Manila. The overall goal of mixed methods research, of combining qualitative and quantitative research components, is to expand and strengthen a study’s conclusions and, therefore, contribute to the published literature. In every research endeavor, the utilization of mixed methods should serve the purpose of addressing the researcher's questions, as noted by Burke (2017).

For the quantitative component, descriptive correlational research was employed. This research design seeks to elucidate the association between two or more variables without making assertions about causation, as detailed by Bhat (2023). It includes collecting and analyzing data on at least two variables to see if there is a link between them. In descriptive correlational research, researchers collect data to explain the variables of interest and figure out how they relate. The main goal is to give a full account of the variables and how they are related without changing them or assuming that one thing causes another.

On the other hand, the thematic analysis applied for qualitative part. It is a technique used to analyze qualitative data, which entails carefully reviewing a dataset and identifying patterns in the data's meaning to identify recurring themes, as explained by Villegas (2023). It is an active process of reflexivity in which the researcher’s subjective experience is at the center of making sense of the data. Thematic analysis is typical in qualitative research. It emphasizes identifying, analyzing, and interpreting qualitative data patterns.

The research locale of the study are the hotels are in Manila and Makati City which is the central business district of Metro Manila and where most of the hotels are situated whether economy to deluxe types of hotels. According to the top central business districts in Metro Manila in 2021, Manila and Makati City are known as Central Business District. These business districts are highly urbanized development clusters, typically consisting of office buildings, residential enclaves, retail centers, and sometimes an industrial zone and usually centers of investment as they can attract high-value local and multinational companies offering high-paying jobs.

The data was collected using a semi-structured questionnaire. The researcher utilized at least 63 top management for the quantitative part and 4 top management for the qualitative part at selected hotels in Metro Manila as the respondents of the study. The subject of this study is chosen based on the criteria set for selected hotel management. To wit, the top management is considered such as hotel owner, hotel manager, supervisor and department manager of selected hotels in Metro Manila.

Results/Findings and Discussions

The following interview questions guided the study.

I. Personal and Hotel information

1. Respondent's profile
2. Hotel/Establishment profile

II. Identification of differentiation strategies implemented by selected hotels to develop and sustain their competitive advantage based on the dimensions of differentiation.

1. Tangible Differentiation
2. Intangible Differentiation

III. Other differentiation strategies of hotels in Metro Manila use to differentiate their products and services among other hotels.

1. Personnel differentiation
2. Sales and Marketing differentiation
3. Image differentiation
4. Image differentiation
5. Ethical Standards

IV. Interview Guide

1. How has the sales performance of your hotel been over the past three years (from 2019 to 2023)?
2. How did the different differentiation strategies affect the sales performance of your hotel from the past 3 years (year 2019-2023)?
3. What are the challenges encountered by the hotel establishments in the implementation of the differentiation strategies used in your company?
4. How did you address the challenges encountered in the implementation of differentiation strategy?
5. Based on the result of the assessment, what existing differentiation strategy does your hotel implement? Please enumerate and elaborate.

Table 1 presents the percentage distribution of the respondents in terms of sex. It showed that most of them are female with a total of 34 equivalent to 64.2%. It only showed that most of the hotel leaders and owners are female in the hotel operation. The hospitality industry has become the largest employer of women in the current date. It is undeniable that women have excelled in the Hospitality sector all over the world according to Pant in 2020.

Table 2 presents the weighted mean distribution of the differentiation strategies implemented in selected hotels in terms of product performance with an overall result of 3.65 and interpreted as very good. It showed that the highest mean pertains to Satisfaction with quality in use of hotel facilities, equipment & products are ensured with a mean of 3.72 and rank as 1. It shows that every hotel ensures that quality has been included in every service that leads to highest customer satisfaction of the guest. According to Evans & Lindsay in 2019, quality is not a new concept in the modern business environment. It has been recognized that offering high-quality goods and services gives organizations a competitive advantage. Furthermore, organizations that are known for providing superior quality products and services tend to attract satisfied and loyal customers, as stated by Evans & Lindsay in 2019.

The lowest mean pertains to the use of hotel equipment is efficient with a mean of 3.58 and interpreted as very good. There is a need for every hotel to reconsider modifying or enhancing their use of equipment in the establishment. Aryee (2018) highlights that the increasing number of real estate investors entering the hotel development industry raises concerns for facility management services, particularly in the areas of maintenance and renovation. This is because people have various reasons for traveling, such as leisure, business, and relaxation, which necessitate the need for hotels.

Table 3 presents the mean distribution of the respondents when it comes to the implementation of other differentiation strategies with an overall result of 3.66 and interpreted as very good. Highest mean pertains to the staff show a willingness to help the guest with a mean of 3.74 which showed a positive outcome and results for every establishment that staff are very approachable and provide their time in helping the guest during their stay. When the staff members showing a willingness to help guests brings advantages such as enhanced guest satisfaction, improved guest experience, positive word-of-mouth recommendations, increased guest loyalty, enhanced brand reputation, improved staff morale, effective problem resolution, and a competitive advantage. Hotels should prioritize training and empowering their staff to provide exceptional assistance and support to guests throughout their stay according to Maheswaran in 2020.

The lowest mean pertains to the promptness in correcting problems that must be practice with a mean of 3.60 which showed the needs for the establishment to consider how to quickly resolve the problems or complaints of the guest as necessary.

The consistent practice of promptly correcting problems is crucial in the hotel industry as it directly impacts guest satisfaction, reputation management, customer loyalty, staff morale, and competitive advantage as highlighted by Mikel in 2019.

Particularly in this study, the respondents experienced challenges encountered in the implementation of different strategies in their establishment. As mentioned: *“Hotels had to consider the long-term sustainability of their operations and adapt their business models to align with changing travel and hospitality trends”*. (13) Most of the respondents agreed that the pandemic brought a lot of challenges in the implementation of differentiation strategy due to travel restrictions and strict government protocols. On the other hand, respondents responded differently since other establishments experienced other challenges such as lack of manpower and the pricing strategy due to pandemic. By embodying the aspects of resilience, hotels can navigate challenges, adapt to changing market conditions, and maintain consistent sales performance. It is important for hotels to continuously

assess their resilience strategies, monitor industry trends, and stay agile in order to thrive according to Jufran in 2022.

According to Porter (2018), differentiation takes on two forms: tangible and intangible attributes. This research was made with the aim of identifying and assessing the differentiation strategy of selected hotels in Metro Manila to be able to develop a hotel differentiation strategy model. In an increasingly competitive industry in the accommodation industry, it is essential to produce new and innovative ideas to differentiate a product and services from others of the same nature. The study focused on three areas of differentiation strategy such as tangible differentiation, intangible differentiation, and other types of differentiation strategy.

The tangible differentiation comprised of product performance, product features, product design, quality maintenance, and atmosphere. The study showed that hotel product design is the best feature which implied that the hotel's interior design and amenities are appropriate for its hotel star rating in which the amenities that may be found inside the guestrooms are appropriate to what the star rating of the hotel establishment. Amenities are the items or services that add comfort to the stay of the guest in the hotel. Intangible differentiation is composed of ease of reservation, service delivery, customer awareness of the services, and service quality maintenance. The study showed that the best feature is hotel service delivery, which is related to the friendliness of the employees to the guest. It only showed that the warmth hospitality and guest service are highly noticeable to the hotel establishment and merely provides positive outcomes and results to the hotel establishment. In terms of other differentiation strategies consist of personnel differentiation, sales and marketing differentiation, image differentiation, and ethical standards. The study showed that image differentiation is the best feature focused on hotel symbols representing its identity and showed that the hotel logo and branding really represent the brand it advocates. The hotel differentiation strategy can focus on creating a unique and unforgettable guest experience that is synonymous with luxury and opulence. It sets the hotel apart not only in Metro Manila but on a global scale, attracting discerning travelers seeking the pinnacle of luxury and exclusivity.

However, respondents evaluated the level of implementation in a lower rank which means that these are areas for improvement. The paper showed that in tangible differentiation, the product performance, particularly the use of hotel equipment, is efficient and is considered as an area for improvement. There is a need for every hotel to reconsider modifying or enhancing their use of equipment in the establishment. In the intangible differentiation, it showed that the customer awareness of the services focused on the friendliness to guests must be practiced all the time. There might be some improvement or enhancement in the friendliness of the guest. The exposure in the training of department of Tourism about the MABUHAY training or known as the Filipino Brand Service of Excellence Training might be useful for this matter. In terms of other differentiation strategies, Personnel differentiation and Sales and Marketing differentiation are considered as an area for improvement. Personnel differentiation showed that the promptness in correcting problems must be practiced which showed the need for the establishment to consider how to quickly resolve the problems or complaints of the guests as necessary. The consistent practice of promptly correcting problems is crucial in the hotel industry as it directly impacts guest satisfaction, reputation management, customer loyalty, staff morale, and competitive advantage as highlighted by Mikel in 2019. In Sales and marketing differentiation focused on the hotel is skilled in in-service provision and needs to reconsider for enhancement of the hotel property. In 2022, EHL emphasizes that customer service and creating exceptional customer experiences are at the heart of the thriving hospitality industry.

To address the areas for improvement, the researcher recommends different advanced differentiation strategies. The goal of advanced differentiation strategies of the hotel industry is to provide visitors with an experience that beyond their fundamental expectations of a place to stay. By doing this, a hotel may increase brand loyalty and draw in clients who are prepared to spend more for these exclusive deals. To enhance product performance,

innovative technology integration, sustainability and eco-friendly practice, and design iconic architecture can be applied. Innovative technology integration can be considered. The hotel can differentiate itself by integrating innovative technologies throughout the guest experience. This can include features such as incorporates the latest technology and innovation in its guest services, such as in-room tablets for controlling room features and services, voice-controlled rooms, and robotic concierge, ensuring a seamless and high-tech stay. Innovative technology integration should be done strategically to enhance the guest experience, improve operational efficiency, and differentiate your hotel in the competitive hospitality industry. It's crucial to stay up-to-date with emerging technologies and guest preferences to remain relevant and meet evolving expectations according to Jamil (2019).

Sustainability and eco-friendly practices the hotel can differentiate itself by implementing sustainable practices and promoting eco-friendly initiatives. This can include using renewable energy sources, reducing water consumption through efficient systems, implementing recycling programs, sourcing locally produced goods, or supporting community projects focused on environmental conservation. Incorporating sustainability and eco-friendly practices into your hotel's operations can not only reduce your environmental footprint but also improve the guest experience and set your hotel apart in an increasingly competitive market focused on responsible travel as mentioned by Ang (2020).

The most obvious element of differentiation is the hotel's unique design architecture, which makes it instantly recognizable. This distinctive design sets it apart from other hotels and creates a strong brand image. The hotel can consider developing a unique architectural design to attract guests. As mentioned by Lao (2019), unique design architecture can turn a hotel into a destination in itself, attracting guests who seek an extraordinary and immersive experience during their stay. Whether it's a stunning natural setting, a historical landmark, or a futuristic concept, these hotels provide a memorable and captivating experience for their guests.

To improve customer awareness of the services, unique and personalized customer experience can be applicable. The hotel can differentiate itself by offering a unique and personalized experience to its guests. This can include customized room designs, personalized amenities, tailored services, and attention to detail in every aspect of the guest's stay. The hotel's exceptional level of personalized service and attention to detail is a hallmark of its differentiation strategy. Guests can choose to be assigned personal butlers who cater to their every need, ensuring a highly personalized and indulgent experience. The hotel can also offer exclusive experiences such as private helicopter and limousine transfers, and access to unique dining experiences. The hotel can provide special occasion recognition such as celebrating birthdays, anniversaries, or other special occasions of guest with surprises or perks from the hotel. They can use the guest's name and personal information in their interactions which are personalized greetings. As discussed by Lee (2018), customer awareness of a hotel's services, unique features, and personalized customer experiences is a fundamental driver of success in the hospitality industry. It not only helps in attracting and retaining guests but also supports positive branding, higher revenue, and a culture of continuous improvement that positions the hotel for long-term success. Creating an atmosphere of luxury and exclusivity requires a combination of attention to detail, outstanding service, exceptional amenities, and a commitment to delivering unique, personalized experiences that cater to the desires of high-end guests as mentioned by Jill (2020).

To enhance personnel differentiation, training and rewarding staff can be a useful tool. Training and rewarding staff can help create a positive work environment and motivate employees to provide excellent service to customers. This can include things such as hospitality training, customer service, or even incentive programs that reward staff for providing great customer service. Training your staff in the basics of hospitality is essential for making sure they understand how to interact with guests and provide quality service. Additionally, customer service training is important for understanding how to identify and respond to guest needs in a timely manner.

Let the staff acquire certifications such as Certified Guest Service Professional (CGSP) and TESDA certifications because it plays a crucial role in ensuring quality, safety, and compliance in tourism and hospitality industry. They help businesses and individuals demonstrate their competence, build trust, and access global markets. When employees are well-trained, motivated, and recognized for their efforts, it creates a virtuous cycle of improved guest service and a positive work environment, ultimately benefiting both the hotel and its guests as mentioned by Yu (2021).

In terms of Sales and marketing differentiation, through targeted marketing and branding it can be improved. According to Yul (2020), effective sales and marketing differentiation is crucial for hotels to stand out in a competitive marketplace and attract guests. The hotel can differentiate itself through targeted marketing strategies that highlight its unique features and benefits to specific customer segments.

Conclusions

According to Porter (2018), differentiation takes on two forms: tangible and intangible attributes. This research was made with the aim of identifying and assessing the differentiation strategy of selected hotels in Metro Manila to be able to develop a hotel differentiation strategy model. The study focused on three areas of differentiation strategy such as tangible differentiation, intangible differentiation, and other types of differentiation strategy. The researcher identified the best features of differentiation implementation such as hotel product design, hotel service delivery, and image differentiation. Areas for improvement was also analyzed based from the results of the data namely product performance, customer awareness of the services, personnel differentiation and sales and marketing differentiation. The researcher recommended different advanced strategies to address the areas for improvement namely innovative technology integration, sustainability and eco-friendly practices, build iconic architecture, unique and personalized customer experience, train and reward staff, and targeted marketing and branding.

Based on the findings and interpretations presented in the previous chapter, the researcher concluded the following conclusions:

Theoretical Contribution

Several studies have been conducted primarily about differentiation strategy and have become research subjects of numerous studies as mentioned by Ron in 2018. This paper is a recent and pioneering effort to introduce the hotel differentiation strategy model in Metro Manila, Philippines. This shall also contribute to studies pertinent to differentiation strategy, and competitive advantage and to other researchers who would explore similar research in the future. The study was important as it can help bring a new insight in the operations of hotels in Metro Manila and particularly as it regards management of competition. Interestingly, this combination of quantitative and qualitative study contributes to the expansion of Michael Porter's Theory of Competitive Advantage or Porter Diamond Model and Porter Generic Competitive Strategy in the future.

Practical Contribution

This paper may serve as the basis for different hotels particularly for those who are aiming to sustain their five-star rating and at the same time be a five-star hotel rating for their market research, SWOT Analysis, Guest feedback, competitive analysis, and brand positioning. Secondly, the hotel differentiation strategy model may the accommodation or lodging industry to be a basis or model for establishing their own competitive advantage strategies. It may also motivate the hospitality and tourism industry to give emphasis on the differentiation strategy since it is crucial as it provides a competitive advantage, enhances guest satisfaction, establishes a strong brand positioning, drives revenue generation, enables adaptability to market trends, and fosters employee

engagement. This study encourages further explorations of the hotel differentiation strategy. The relationship between differentiation strategies utilized and the level of implementation among establishments showed that product features have high positive correlation. There are five indicators that achieved a moderate rate of correlation and these are service delivery, customer awareness of the services, personnel differentiation, image differentiation, and ethical standards. It showed that there is no significant relationship between the differentiation strategies and the level of implementation among establishments.

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