Price Strategy in Hotel Seasonal Demand Fluctuation -Taking Sanya Wanda Jiahua Resort Hotel as an Example

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Abstract. This article takes Sanya Wanda Jiahua Resort Hotel as an example to study the price strategy optimization problem of the hotel industry under seasonal demand fluctuations. By analyzing the historical pricing data of the hotel and its advantages and disadvantages in management and pricing strategies, this study explores the impact of dynamic pricing and revenue management on hotel revenue. Through literature review research, questionnaire survey, strategy suggestions and other methods, relevant data is collected and summarized. Through market demand and differential pricing, pricing strategies suitable for high-end hotels in Sanya are formulated to promote further development of the hotel industry. Research shows that a well-designed seasonal dynamic pricing strategy can significantly boost hotel revenue. The success of Sanya Wanda Realm Resort demonstrates that dynamic pricing, precise market segmentation, and holiday-adjusted price and package promotions are effective ways to cope with demand fluctuations. This study can promote the overall improvement of revenue management level in the hotel industry.

1 Introduction

The tourism accommodation industry refers to the industry that provides accommodation, catering, and various comprehensive services for tourists. On February 28, 2025, the National Bureau of Statistics released the "Statistical Bulletin on the National Economic and Social Development of the People's Republic of China in 2024", which showed that the added value of the accommodation and catering industry in 2024 was 2.4729 trillion yuan, an increase of 6.4%. As a major tourist city in China, Sanya's unique geographical location, natural resources, government support, and comprehensive tourism facilities have attracted countless tourists to come for vacation. The tourism industry is one of the pillar industries in Sanya, and the success of Sanya's hotel industry largely depends on the development of the tourism industry and effective pricing decisions [1]. The repeated outbreaks of the epidemic have led to a sharp decline in travel demand, with hotel occupancy rates plummeting by 60%, and the industry entering a period of losses. As a coastal tourist city. Sanya's hotel occupancy rate and room rates exhibit significant seasonal fluctuations, which in turn pose challenges to hotel revenue. Every winter attracts a large number of tourists seeking refuge from the cold

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and traveling during the Chinese New Year, while in summer, the number of tourists sharply decreases due to factors such as high temperatures and typhoons. How to achieve maximum revenue during peak season periods, and how to maintain revenue and market share during low season periods, have become challenges for hotel management and pricing strategies to constantly adjust. This article takes Sanya Wanda Jiahua Resort Hotel as a representative of high-end hotel clusters, aiming to analyze how it can improve its profitability by responding to seasonal demand fluctuations through pricing strategies. The specific research questions include suggestions for adjusting pricing strategies during different seasons and holidays [2]. As the most representative coastal resort city in China, Sanya's hotel market has typical high volatility characteristics. The results will be presented sequentially: research methods, questionnaire analysis, pricing strategy recommendations, and management insights. [3].

2 Analysis of Factors Influencing Hotel Room Pricing

2.1 Basic information of the hotel

Sanya Wanda Jiahua Resort Hotel is backed by Wanda Group and can share Wanda Group's advantages in hotel design, management, and brand building to achieve resource integration benefits. The store is located at No. 18 Haitang North Road, Haitang Bay Resort, Sanya City, Hainan Province. The hotel opened on December1, 2010. It has 463 spacious and comfortable guest rooms such as Garden View Twin Room, Premium Garden View King Room, Family Room, and more than ten other room types. Except for different suite sizes, the rest of the rooms are 50m² in size. There are many surrounding attractions and the hotel is conveniently located near transportation.

2.2 The impact of policy changes

Hotel room prices are subject to government regulations. During the peak tourist season, due to the large influx of tourists, the number of guest rooms is in short supply, leading to hotels pricing their rooms too high. Therefore, government departments have formulated policies to control room pricing according to different time periods, room types and growth of the tourism and hotel industries [4].

2.3 Seasonal impact

Due to Sanya's unique geographical location and climate environment, consumer numbers, and tourism development are greatly affected by seasonality. It attracts a large number of tourists for vacation during national holidays and winter, but during the off-season, there is an oversupply of hotel rooms, which affects the hotel's pricing strategy and revenue. So hotel managers need to develop corresponding marketing plans based on the different seasons and holidays, and continuously adjust room prices to meet consumer demand while maintaining hotel revenue. The number of tourists during the Spring Festival Golden Week has skyrocketed, resulting in a significant increase in hotel room and other consumer prices in Sanya, leading to a continuous rise in hotel profitability [5].

2.4 Competitor pricing characteristics

Sanya Haitang Bay is home to dozens of high-end resort hotels. When setting room prices, hotels need to refer to the pricing of hotels of the same or different levels, such as Atlantis Sanya, which is a high-end luxury hotel. Wanda Realm Sanya should set prices based on its

room types, location, and facilities, while referencing competitors like Atlantis. Pricing too low may attract budget-conscious guests but risks losses and compromised service quality, harming the brand image [6].

2.5 The pricing characteristics of the hotel itself

In the era of the pandemic, the hotel industry has been hit, with no fixed or even no customers. In the post pandemic era, the hotel industry has implemented various dynamic pricing strategies to compensate for the low profits during the pandemic. Pricing rooms and services based on different objectives, implementing different pricing plans to seize market share, maximize profits, provide consumers with the best experience, and enhance the hotel brand [7]. Business district, and actual situation, clarifying the priority between short-term goals and long-term profit mechanisms, and developing profit plans that are suitable for different periods. Sanya Wanda Jiahua Resort Hotel can use the previous annual revenue report to analyze the problems and implement different countermeasures [8].

3 Pricing strategy adjustment

3.1 Questionnaire

Although consumers may have only stayed at Wanda Jiahua Resort Sanya once, the hotel faces the challenge of maintaining its return to consumption, which directly affects customer loyalty and the hotel's long-term profitability. In order to further understand the sensitivity of pricing strategies based on seasonality to consumer prices, this article designed a corresponding questionnaire survey. The data for this study was obtained from field research conducted at Jiahua Resort Hotel in Sanya during April 2025. By contacting the hotel lobby to distribute a QR code questionnaire, guests who have stayed continuously for at least 2 days are invited to voluntarily participate in the survey by searching for previous guests on social media platforms. The distribution is random. A total of 70 questionnaires were distributed and 70 were collected in this survey, of which 65 were valid and the effective response rate was 92.8% (Table 1). According to the reliability test, the Cronbach's alpha coefficient reached 0.801; The KMO value for validity test is 0.764, the approximate chi square value for Barth sphericity test is 421.869, the degree of freedom is 136.000, and the corresponding p-value is 0.000.

Table 1. Sample Composition of Questionnaire Survey for Sanya Wanda Jiahua Resort Hotel

Name	Option	Frequency	Percentage(%)
	Under 18 years old	5	7.69
	18-25	20	30.77
Age	26-30	18	27.69
	31-40	11	16.92
	41-50	7	10.77
	Age 60 and above	4	6.15
	self-employed	24	36.92

The profession you are currently engaged in	retirement	4	6.15
	Student	13	20
	Enterprise employees	24	36.92
	Less than 100000 dollars	10	13.38
Average annual household income	100000-200000 dollars	20	30.77
	200000-500000 dollars	30	46.15
	Over 500000 dollars	5	7.69
Have you been familiar with hotel dynamic pricing	Yes	52	80
	No	13	20
Total		65	100

According to Figure 1, it can be seen that the proportion of peak season stays is still the highest at 35.38%, indicating that there is a huge demand for travel during peak seasons, such as different holidays, and that peak season consumers have a certain degree of acceptability for hotel room price increases; Choosing to cancel the trip accounts for 26.15%, indicating that hotel room rates need to increase within a certain area, otherwise many potential consumers will be lost for check-in and consumption.

Fig. 1. Analysis of Peak-Season Demand Elasticity

According to Figure 2, the most attractive factor for consumers to stay in hotels during the off-season is a 30% -50% decrease in room rates compared to the peak season, accounting for 55.38%. During the off-season, there is less foot traffic, and hotels need to use price advantages to retain consumers in order to make profits. However, hotels need to set a certain range of low prices to ensure profitability, so combining low prices with high-quality services can bring customers to the hotel during the off-season.

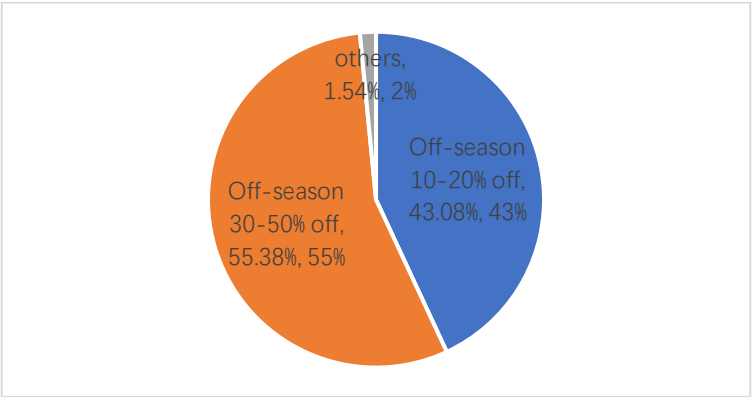

Fig. 2. Consumer Acceptance of Price Differences Between Peak and Off-Peak Seasons

3.2 Dynamic Pricing

3.2.1 Busy season

During the peak season, hotel room prices are relatively high, with room rates of over 500 yuan during the off-season tripling during peak and holiday periods. As shown in Figure 3, Price is the most influential factor for consumers [3].

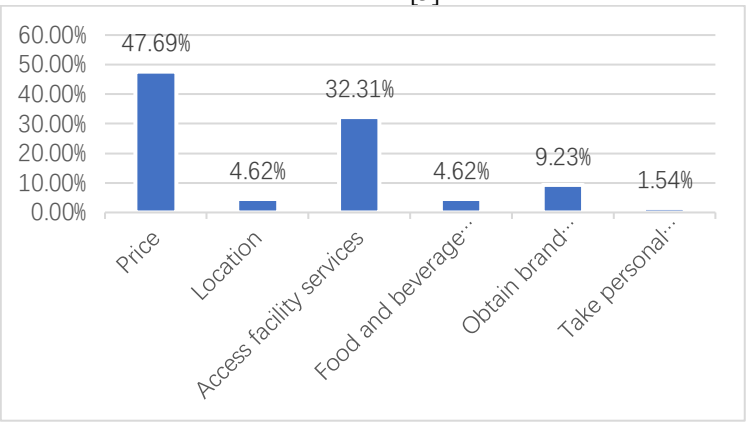

Fig. 3. Consumer Preferences in Hotel Selection

One way to attract consumers is to include some complimentary items in the room rate, such as a double room for 1 night at 1500 yuan and 2 adult tickets for Sanya Wu Zhi Zhou Island (ticket+round-trip boat ticket), a hot pot dinner set and buffet breakfast for two, and 2 adult tickets for Nanshan Cultural Tourism Area for over 1000 yuan. In addition, free parking and free use of swimming pools during hotel stays have become necessary factors for consumers to choose hotels. During peak seasons and holiday travel periods, there is a sharp increase in passenger flow, leading to a shortage of rooms. In terms of discounts, early bird booking policies can be provided by releasing tickets in advance and offering discounted prices for early birds. For example, during the May Day holiday, hotel room reservations can receive early bird coupons starting after the Qingming Festival in April. For orders over 500 yuan, a hot pot set meal and buffet breakfast for two people will be given away. For orders over 800 yuan, a discount of 80 yuan and an afternoon tea will be given away. For orders over 1000 yuan, a discount of 88% will be given away. By utilizing member benefits to attract

consumers to become hotel members, members can earn points based on their spending amount, with 5 yuan per point. Points of 1500 or more can be exchanged for different value-added services, such as deluxe Western cuisine for two, discounted room rates for staying in the same brand hotel, etc. During peak season, there is a high volume of guests, and hotel services need to improve in order to retain consumers. During holidays, fruit plates, small desserts, or drinks can be given out based on the number of stays [9].

3.2.2 Off season

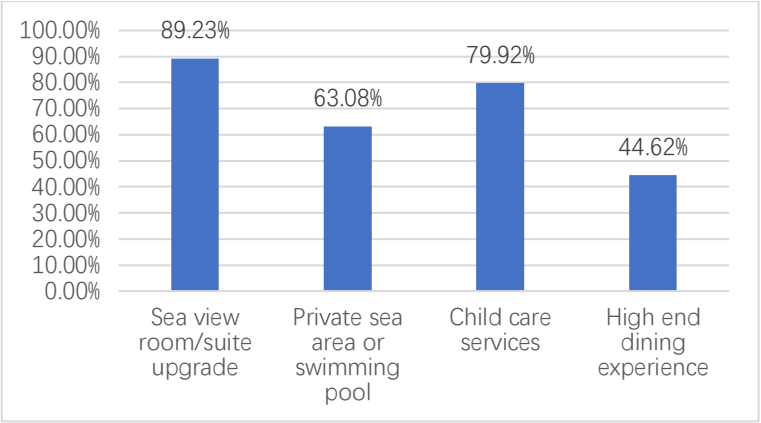

Fig. 4. Consumer Willingness-to-Pay for Premium Hotel Amenities

Hotel room rates return to low prices, allowing consumers to choose to pay a small additional fee to experience higher priced services. As shown in Figure 4, the highest proportion of consumers willing to pay additional fees for room upgrades is 89.23%. During the off-season, families also travel, and childcare reflects its advantages. Hotels can provide children's playground activities, allowing children to play games and have parties together. These activities can provide travel convenience for parents. They are also a factor influencing the choice of hotels for family travel [10].

Long stay discounts can also be provided. Vacation travelers usually stay in the same hotel during the off-season, and different types of services can be offered to them, such as partial discounts on monthly room types, and additional self-service breakfast, scenic spot tickets, or movie tickets. This can satisfy consumers' experience and make the hotel profitable. Different room rates can be set according to different time periods within a week. For example, from Monday to Thursday, the room rate is lower but includes additional services (breakfast, afternoon tea, movies, etc.), while from Friday to Sunday, the price is slightly higher and free airport pick-up and drop off services are provided. Additional services can also be offered, such as room rates including SPA experience, half price for the 4th night of a 3-night stay, and free room upgrades.

3.2.3 Customer dimension segmentation

According to different customer groups, different pricing methods are formulated. Members can enjoy discounted booking prices and more services such as free room upgrades, and double points for booking and staying through direct sales channels. Group bookings and stays can enjoy a 20% discount policy, and group meal services can be provided [8]. Booking through OTA platforms such as Ctrip, Meituan, Fliggy, and other travel platforms can enjoy preferential policies.

4 Conclusion

In today's business environment, the hotel industry is undergoing revolutionary changes in its business strategies due to the impact of the pandemic, global economic crisis, and tariff wars. This article conducts an in-depth study on the dynamic pricing strategy of hotel rooms with seasonal changes. By refining the different room rate formulation plans for peak and off-season seasons and conducting questionnaire surveys to understand consumer needs, it reveals the importance of dynamic pricing strategies in enhancing the competitiveness and profitability of the hotel industry. The hotel industry needs to continuously pay attention to and adapt to these changes, develop targeted pricing strategies that are suitable for its own development, understand market data and target customers in a timely manner, meet customer needs and create customer fission. A reasonable seasonal dynamic pricing strategy can significantly improve hotel revenue. Precise market segmentation and continuously adjusting prices and package promotion strategies based on time periods are effective methods to cope with demand fluctuations. The limitation of this research is that the sample size is small and concentrated on a single regional hotel. Future research can expand the sample scope, include more data from regions and multiple types of hotels, and combine artificial intelligence technology to further optimize the dynamic pricing model, in order to enhance the universality and accuracy of the strategy.

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