Ranking system of Hotels in Tourism industry

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Abstract: *In order to comprehend the standards and methods used to rate and rank hotels, this thesis investigates the hotel rating system in the tourism sector. The study focuses on analyzing how ranking systems affect hotel operations, consumer behavior, and the tourism sector as a whole. The thesis assesses the validity and reliability of existing ranking approaches and suggests possible improvements through a thorough analysis of the literature and case studies of well-known ranking systems. The survey also examines how hotel managers, visitors, and industry professionals feel about hotel ranking systems. The findings offer insightful information on the purpose and importance of ranking systems in the tourism sector and offer helpful advice for hotels on how to improve their operations and rankings.*

Keywords: *Tourism sector, possible improvements, thorough analysis, helpful advice.*

INTRODUCTION

The tourism business, which is fiercely competitive and ever-changing, depends on a variety of elements to draw in and keep visitors. The standard of lodging is one of the most significant variables that affect visitor behavior and decision-making. Hotels are essential in providing travelers with convenient and pleasant lodging, and rating systems are frequently used to assess and compare their performance. Travelers may use hotel rankings to guide their selections, and hotels can use them to boost their efficiency and competitiveness.

Since the beginning of the tourist business, there has been a grading system for hotels. The French Touring Club created the first hotel ranking system in 1900, grading lodgings on their level of comfort, cleanliness, and service. Since then, several more hotel evaluation and rating systems have appeared, each with its own set of standards and methods. The Michelin Guide, the Forbes

Travel Guide, the AAA Diamond Rating System, and the TripAdvisor Travelers' Choice Awards are a few examples of these ranking systems.

Hotel rating systems have a big impact on the tourism business even though they offer travelers and hotels useful information. Both the operations and tactics of hotels as well as the behavior and decision-making of travelers can be influenced by hotel rankings. They may also have an impact on the tourist sector's overall sustainability and competitiveness.

Therefore, both academics and practitioners must comprehend the hotel rating system in the tourist business. In order to understand the standards and methodology used to rate hotels, as well as how ranking systems affect hotel operations, consumer behavior, and the overall tourism industry, the purpose of this thesis is to examine the ranking system of hotels in the industry.

The hotel sector makes a sizable contribution to the global tourist sector, producing income and creating job opportunities in several nations. The importance of hotel rating systems has grown as a result of the development of social media and digital technology. These rating algorithms help hotels perform better and draw in more customers while also giving travelers seeking for the finest lodging alternatives useful information.

Over time, hotel rating systems have changed, and there are now several distinct systems with various criteria and procedures. For instance, some rating systems place a strong emphasis on the luxuries and facilities offered by hotels, while others place more value on the comfort, cleanliness, and customer service. Depending on whom the rating system is intended for, different hotels may be evaluated using different standards and procedures. A rating system for business travelers, for example, can use different standards and methodology than one for pleasure tourists.

Systems for grading hotels have a considerable influence on customer behavior and choice-making. According to research, hotel ratings are a crucial component in determining the accommodations that travelers choose. Tourists frequently agree to pay extra for hotels with better ranks since high rankings are correlated with higher rates. Additionally, travelers may alter their trip plans in response to hotel rankings because they believe highly rated hotels to be more dependable and trustworthy.

Consumer behavior is just one effect of hotel rating systems. The plans and operations of hotels are also impacted by hotel rankings. Hotels with good rankings are more likely to draw more guests, enhance their reputation, and boost income. As a result, hotels could spend more money enhancing the aspects of their performance that are assessed by the ranking systems.

However, there are several difficulties and restrictions with hotel ranking systems. Some detractors claim that because hotel ranking systems rely on the judgments and experiences of

assessors, they are subjective and prejudiced. Others assert that hotels may deceive reviewers or bribe them to alter their rankings. Additionally, it's possible that the methodology and criteria used by rating systems are not extensive enough to account for all facets of hotel performance.

Overall, the hotel rating system in the tourist sector is a complicated and dynamic phenomenon with substantial effects on the sector. This thesis intends to add to the knowledge of the hotel ranking system by examining its criteria and methodology, influence on customer behavior and decision-making, difficulties and constraints, and opinions and attitudes of industry players. In order to improve the validity and reliability of hotel ranking systems and support the long-term expansion of the tourist sector, the results of this thesis will offer hotels and ranking system providers with actionable advice.

The comprehension of hotel rating systems in the travel and tourism sector will be improved by this thesis, both theoretically and practically. The study will provide light on the standards and methods employed in evaluating and rating hotels as well as the effects of ranking systems on hotel operations, consumer trends, and the tourist sector as a whole. The research findings will also point out the shortcomings and problems with the present hotel ranking systems and provide alternative solutions to strengthen their validity and dependability. This thesis will offer advice to hotels on how to enhance their productivity and competitiveness and help the tourist sector remain viable and expand.

LITERATURE REVIEW

A rating system of hotels is a structured, analytical process used in the tourism industry to assess and compare hotels based on certain criteria or qualities. Consumers will be better able to pick lodgings for their travel requirements with the aid of these rankings by learning more about the quality, facilities, services, and overall experience is given by various hotels.

The standards that will be used to grade hotels must be defined and identified as part of the process of developing a hotel rating system. Objective factors like location, facilities, cleanliness, affordability, and accessibility as well as softer factors like reviews and ratings from former customers may be included in these criteria. Every ranking criterion may be given a varying degree of weight or importance depending on the specific ranking system.

There are several ways to rank hotels depending on the chosen technique. In certain ranking systems, certified inspectors visit hotels, conduct inspections, and assign ratings in line with specified standards. Other algorithms gather reviews from websites like TripAdvisor or online travel agencies and base their conclusions on user-generated information.

It's important for a grading system to be reliable, consistent, and transparent. Because of the explicit disclosure of the assessment process and criteria, transparency ensures that both hotels and consumers are informed. Consistency guarantees that the method is used uniformly across different hotels, while reliability ensures that the rankings correctly represent the standard and performance of the hotels.

Here is a list of some researchers who have contributed to the study of ranking systems of hotels in the tourism industry:

- Jeng-Wei Lin
- Jinsoo Hwang
- Florian Kock
- Juan M. Ramon-Jeronimo
- Jong-Hyeong Kim
- Tingting Zhang
- Dong-Woo Ko
- Jongsik Lee
- Pınar Çevikayak Yelmi
- Yıldırım Beyazıt Önal

METHODOLOGY

The methodology for developing a ranking system of hotels in the tourism industry may involve several steps. These steps are described below:

To build a rating system for hotels in the tourism industry is an important topic, in this case, therefore defining it is the first step. The study question ought to be clear, quantifiable, and doable.

Determine the criteria: The next stage is to determine the standards by which the hotels will be judged. The standards must be thorough, accurate, dependable, and pertinent. Location, cost, cleanliness, facilities, staff friendliness, and visitor happiness are a few examples of criteria.

Create a weighing system: The next step after determining the criteria is to create a weighting system. Each criterion is given a weight by the weighting method according to its relative relevance. For example, the location of the hotel may be more important than the amenities, so it should be given a higher weight.

Collect data: The next step is to collect data on the hotels. The data may be collected through surveys, interviews, observations, or secondary sources such as online reviews.

Analyze data: Once the data has been collected, it needs to be analyzed. Various statistical methods can be used to analyze the data, such as factor analysis, regression analysis, and cluster analysis.

Develop a ranking system: After analyzing the data, the next step is to develop a ranking system. The ranking system should assign a score to each hotel based on its performance on the criteria. The score can be calculated using a formula that incorporates the weighting system and the data analysis results.

Validate the ranking system: The final step is to validate the ranking system. This can be done by comparing the ranking system results with other available rankings or by testing the system on a sample of hotels and comparing the results with the actual performance of the hotels.

In conclusion, the methodology for developing a ranking system of hotels in the tourism industry involves defining the research question, identifying the criteria, developing a weighting system, collecting and analyzing data, developing a ranking system, and validating the system.

nterviews were held in different languages, however the guests were from different countries with different languages, so most of them were from Russian speaking countries. I decided to make this survey in offline way during my working process, because I knew that this would be more effectively and near to reality.

RESULTS AND DISCUSSION

Specific result of project

The findings and analysis of the study on hotel rating systems in the tourist sector are presented in this chapter. This section seeks to offer a thorough examination of the research results from the participant survey. The purpose of the study was to assess customer knowledge, trust, satisfaction, preferences, and perceptions of hotel ranking systems as well as to examine how these factors may affect both consumer behavior and the wider travel and tourism business. The findings shed light on a number of issues pertaining to the efficacy, transparency, and trustworthiness of the current ranking systems, as well as the variables influencing customer choice and their recommendations for enhancement.

The discussion that follows the presentation of the results takes a closer look at the key findings, explores their implications, and provides insight into the challenges, limitations, and opportunities associated with hotel ranking systems in the travel industry. In addition, recommendations for improving existing systems and future research directions are discussed to promote continuous development and improvement of hotel ranking practices.

Overall, the Results and Discussion section serves as a platform for critically evaluating the effectiveness and impact of rating systems in the context of the tourism industry. By understanding consumer perceptions, preferences and suggestions, industry stakeholders can increase transparency, fairness and trust in rating systems, ultimately allowing consumers to make

more informed choices and contributing to the growth and competitiveness of the hospitality sector.

Findings

The survey was conducted in a month during working process from April 25 to May 25, 2023. A total of 120 guests responded to the questionnaire, 85 of them are from abroad, and the remaining 35 are local tourists who visited and our hotel. Table 1 shows that 55 (45%) of the visitors are men and 65 (55%) are women. Twenty four of the visitors were over 50 years old (20%), 30 percent of tourists were between 26 and 40 years old, and 35 percent of the tourists were between 41 and 50 years old. Young visitors made up 15 percent (18-25)

As you see in the first table, specific responses were received from tourists. Of course, the results are excellent, however 78 (65%) of our travelers mentioned a lot of positive aspects of the ranking and rating system of hotels. Of course we also had negative comments from tourists and guests who were not agree with this opinion. Almost 22 (18%) of tourists mentioned that it doesn't play role for them for choosing a hotel. 20 (17%) of them were neutral for this opinion. During my survey, I also encountered tourists who ignored my questions.

**Table 1.** Analysis of the pros and cons of ranking system of hotels

Characteristic: Demografic	Number	%	Characteristic: Demografic	Number	%
Gender			**Traveling partner**		
Male	55	45	Alone	50	42
Female	65	55	With partner	70	58
Age			**Types of answers**		
Between 18-25	18	15	Positive	78	65
Between 26-40	36	30	Negative	22	18
Between 41-50	42	35	Neutral	20	17
Over 50	24	20			

Column1. Below is the age distribution of the people from my survey with percentages.
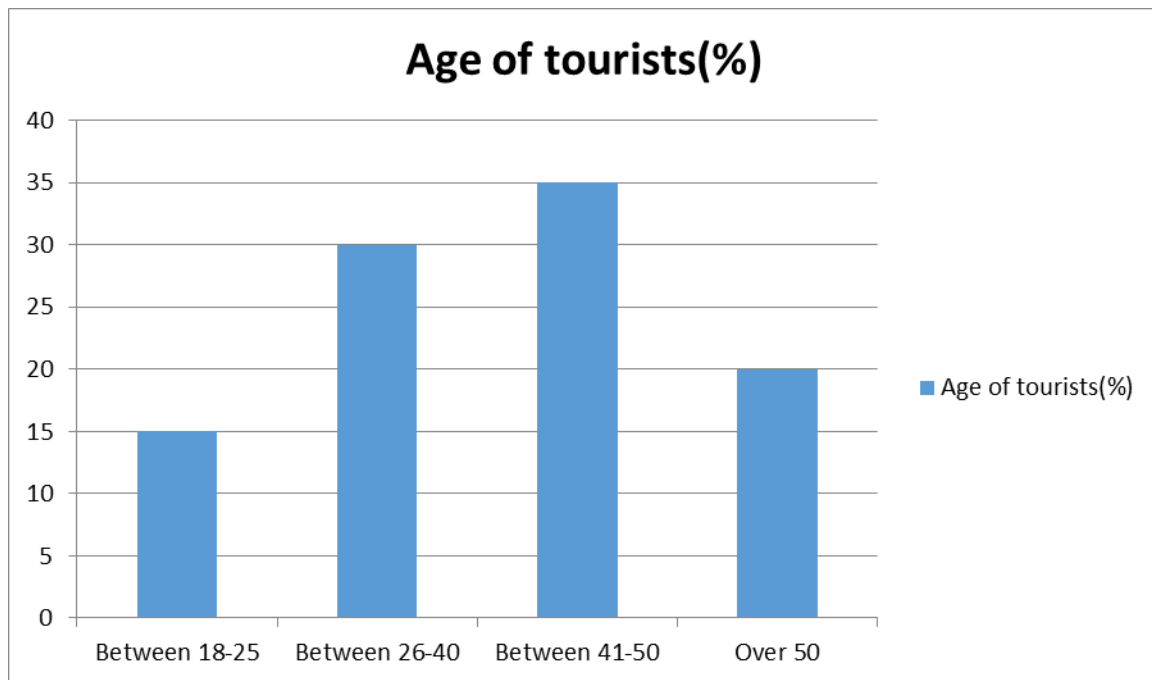
Pie chart 1.The responses of the tourists are presented below in the form of a pie chart.
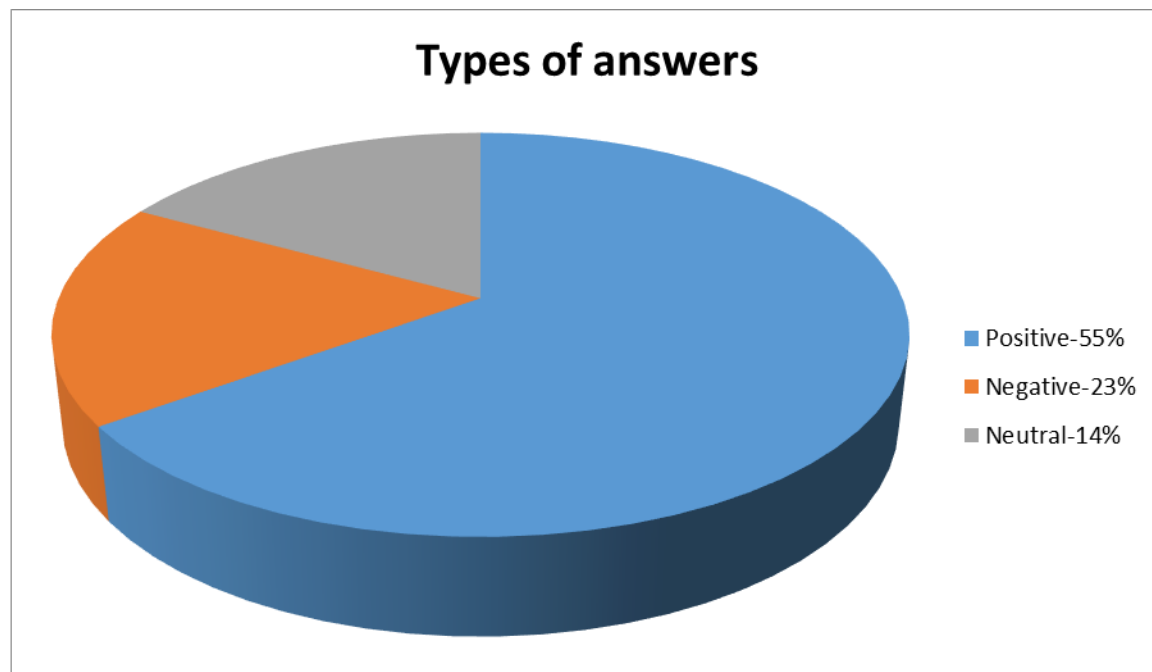
I also included opportunities for participants to remark and give comments at the end of the survey. I've addressed these in the findings and suggestions section, based on the feedback I have received.

Conclusion

In conclusion, the development of a hotel rating system in the tourism industry is an important and complex process that requires a comprehensive and systematic methodology. The methodology includes defining the research question, defining criteria, designing a weighting system, collecting and analyzing data, developing a ranking system, and testing the system.

The ranking system should be designed with the specific target audience in mind and should include both quantitative and qualitative data. The methodology must also take into account ethical considerations and provide feedback to hotels to ensure that the ranking system is always up to date and accurate.

By offering a trustworthy and thorough evaluation of hotel performance, a well-designed rating system may be advantageous to both hotels and visitors. This may result in more hotel competition, improved consumer happiness, and a more effective and efficient travel and tourist sector.

It's crucial to remember that the grading system is just one component of the tourist sector and shouldn't be the only one considered when making decisions. When picking a hotel, travelers should also take into account other aspects including their personal tastes, their budget, and their planned itinerary.

 Overall, creating a hotel rating system for the travel industry is a challenging but rewarding endeavor that may help raise the bar for the travel experience of both visitors and the travel business.

In addition to the benefits mentioned in the previous conclusion, a well-designed hotel ranking system in the tourism industry can have other positive effects as well. First, it can provide valuable information to policy makers and tourism organizations to make informed decisions. By analyzing ranking data, they can identify areas for improvement in the tourism industry and develop strategies to increase the competitiveness of the industry.

Secondly, the rating system can also contribute to the sustainability of the tourism industry. By incorporating sustainability criteria such as energy efficiency and environmental practices into the rating system, hotels can be motivated to adopt sustainable practices that can help reduce their environmental impact and promote sustainable tourism.

Finally, a rating system can also help develop a more transparent and accountable tourism industry. By providing consumers with accurate and unbiased information about hotels, they can make informed decisions and hold hotels accountable for their performance.

In conclusion, a well-designed hotel ranking system in the tourism industry can have various benefits, including increased customer satisfaction, increased competitiveness, valuable information for decision making, promoting sustainability, and industry transparency and accountability. It is important to develop a comprehensive and systematic methodology to ensure the validity, reliability and generalizability of the results.

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