ONLINE AND OFFLINE HOTEL RATINGS: A CASE STUDY OF INDIAN HOTELS

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Abstract: Hotel classification system acts like an evaluation tool to create a hierarchy of hotels in terms of service quality offered by the hotels. This study investigates the effectiveness of the classification system by comparing the star ratings allocated to hotels through official classification system of India with the guest ratings awarded to hotels on TripAdvisor and Expedia. The study also tests the hypothesis established from literature review that the guests rate the three star hotels more favorably as compared to higher star rated hotels. Out of 983 officially classified hotels in India, the guest ratings of all the 595 hotels of all the six categories (One-star, two-star, three-star, four-star, five-star and five- star deluxe) listed on TripAdvisor and Expedia were collected. Using one way Anova, the mean guest ratings awarded by the guests on TripAdvisor and Expedia was computed. The findings of the study indicate that the mean guest ratings of the hotels are in proportion to the star rating awarded by classification system-thus rejecting the hypothesis that guests favorably rate three star hotels. Further, significant correlation between the ratings for five-star deluxe hotels, five-star hotels and four-star hotels on TripAdvisor and Expedia was established. Finally, the descriptive analysis established the robustness of TripAdvisor ratings because of the low standard deviation as compared to Expedia.

Key Words: Hotel classification system, online hotel ratings, online travel companies, social media, TripAdvisor

INTRODUCTION

The hotel classification and grading system is undergoing a rapid transformation because of technological innovations in the business world, including the hotel industry. This is mainly due to the internet and the emergence of online travel agents like TripAdvisor, Expedia, Yelp and many other such companies. These OTA's contain millions of the guest reviews who stay in the properties and experience the major guest services and facilities about the hotel properties. The audience of social networking sites by 2017 is expected to be 2.55 billion and India expects to be the second largest country after china in terms of the number of users of social media 282. 9 million (Emarketer.com, 2015).

Professor Andrew McAfee coined a term "Enterprise 2.0" to describe the impact of social networking, social computing, and social media on business organizations

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that led the world of business to embrace the change and rapid transformation [McAfee 2015]. Because of such changes, making a profitable use of social media is the top priority of many organizations [Levy, 2009]. Hospitality Industry is also undergoing transformation because of "Enterprise 2.0" paradigm because of social-media, which has emerged as an important channel for maintaining technological innovations for hospitality sector, to compete and succeed in the market (Zafiropoulos *et al.*, 2006).

Before the advent of Internet, the travel used to be private and experiences were shared with only small circle of acquaintances that were characterized by mutual trust. However, with the advent of internet, the guest experiences have converted into global databases of consumer information managed by the firms. Further, the process has enabled the user's real time recording and sharing of experiences (Munar, 2010). Many studies showing the reasons for motivation for sharing experiences online pointed at altruistic and community related motivations including reason for helping others (Munar and Jacobsen, 2014), (Hsu *et al.*, 2007), social and emotional support (Baym, 2010), providing advice on practical matters (Munar & Ooi, 2012).

The revenue from hotel business of MakeMyTrip, one of the largest online travel portal of India increased by 55.2percent to $48.6 million from $31.3 million in 2011 and for big hotels , the business grew to almost by 100percent [*Sathyanarayanan 2013*]. In year 2014, India's travel and tourism industry grew by 7.3 percent, outperforming the general economy by 2.5 percent. India is the third largest Internet and face book user of the world. The ecommerce industry in India recorded 88percent growth and reached $16billion in 2013. In this segment 70 percent of the transactions were recorded from travel industry (Soni and Mehra, 2014).

The increase in online travel business in India is clear indication of dependence of travelers on the online options for travel and hotel related purchase decisions. However, at the same time, [Nath 2013, Sharma 2013 and Chopra 2006] have questioned the effectiveness of hotel classification system of India to evaluate the hotels, as many hotels lacking basic service quality have been awarded five star ratings.

Online travel agents like TripAdvisor and Expedia also indicate the quality of the hotels using physical symbols scoring hotel out five.TripAdvisor ratings are temporarily sensitive, continually reconfigured, personal and relatively based upon unregulated content (Scott & Orlikowski 2009). TripAdvisoruses the Popularity Index calculated through algorithms to rank the accommodation. This index incorporates the traveler ratings to determine the traveler satisfaction putting emphasis on the most recent information. The algorithm takes into account quality, quantity and the recency of the reviews. The guests rate the properties on a scale of 1-5, where 5 stands for the best. (TripAdvisor, 2014). The hotels are evaluated in

terms of service, cleanliness, location and overall impression of the property.Expedia which an another leading travel company on the other hand bases its online ratings on guest feedback of Hotel services, hotel condition, room cleanliness, room comfort, location and neighborhood. The online ratings are computed by averaging the ratings in six areas. TripAdvisor provides the ratings separately in each of the areas unlike Expedia.

INDIAN HOTEL AND TOURISM INDUSTRY

The professional hotel Industry in India dates back to pre-colonial times. The cities like Calcutta, Mumbai and Delhi were among the first cities where the commercial hotels were setup initially. The hill resorts of Shimla &Mussourie also witness setting up of Hotels for tourists looking for cooler destinations in summers. The Hotels that were built in early eighteenth century include Chales Ville in 1861 and Savoy in 1895 in Mussourie. In Shimla Clarkes hotel was established in 1898 and Savoy hotel was established in 1902(Bond 2003). Jamshedji Tata the founder of Tata Empire in Mumbai established the hotel on a grand scale in 1903 and this hotel is the first ever hotel to be built by Indian entrepreneur in India (Allen 2008). In 1934, RaiBahadur Man Singh, the founder of Oberoi hotel Chain took over Clarkes hotel (earlier known as Carlton hotel) in Shimla and Delhi and in 1938; he took over Grand Hotel of Calcutta. Other important hotels that were built during Indian British period were The Rugby, Matheran (1876), The Grand Calcutta 1930, The Cecil, Mussoorie (1936).

Post-Independence, Jawaharlal Nehru, the First Prime Minister of India recognized the need to build hotel for the foreign dignitaries and this led to the building of the first Government invested hotel Ashok in New Delhi. India witnessed a tremendous growth on economic front after independence. The Government of India established Indian Tourism Development Corporation (ITDC) in 1966 with the aim of establishing and operating hotels across India (theashokgroup, 2014). In 1982, India hostel Asian games and to accommodate the visitors many hotels were built. ITDC alone built seven hotels which include Kanishka, Ashok YatriNiwas, Akbar hotel, Lodhi hotel, hotel Ranjit and Qutab hotel (Davendra 2011).The Government of India granted license to Taj Palace, Asian Hotels-Hyatt Regency, Le Meridien, and Surya Sofitel hotels which were built in New Delhi. Another giant leap which led towards the growth of hotel Industry in India was the transformation that took place. India which was typically a socialist country started the economic reforms in 1990's to become attractive destination for investment. This led to massive growth of the Hotel Industry.

BUSINESS ENVIRONMENT OF THE HOTEL INDUSTRY IN INDIA:

The term external environment refers to all those factors outside the firm which can lead to opportunities or threats to the firm. Although there are many factors, the most important factors are economic, Government, legal, technological,

geographical and social. (Saleem 2010). The growth in India is distinct from growth in the other countries. While in other countries, it has been mainly manufacturing led growth, in India it has been service led growth. India's service sector contributes to as much as 56% of Gross Domestic Product (GDP). The Indian consumer environment according to Federation of Indian Chambers of Comerce and Industry (FICCI) long back in 2003-2004 was around $383 Billion. This has been mainly due to rise of Indian "market." In simple terms "market" means number of "buyers" or "people". In the service sector, tourism and hospitality holds an important place in India. It is emerging as the biggest sector for providing jobs in India.
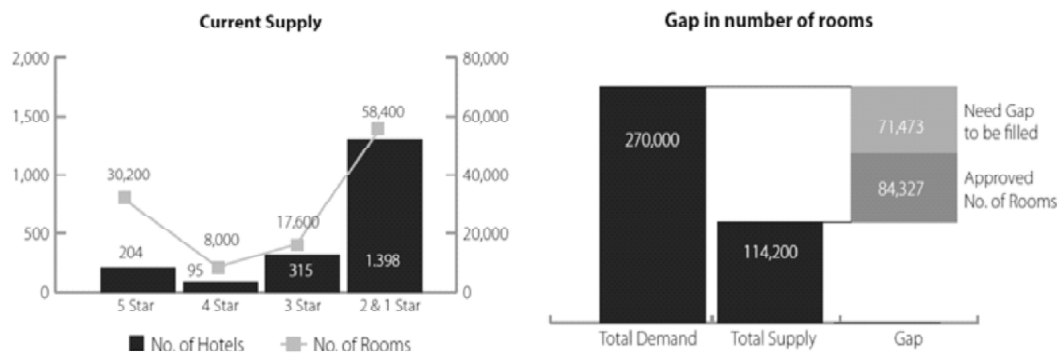
The policies of the Government influence the environment of business to a great extent. Industrial policy of 1956 and1991 are the examples how Government impacts the industries. Industrial Licensing policy, Foreign Investment policy, Foreign Technology agreements, Public Sector policy, Monopolies and restrictive Trade Practices ACT (MRTP ACT) etc which reflect the level of influence of Government on business environment. The two most powerful institutions in society today are business and Government; where they meet on the common grounds – amicably or otherwise they determine the public policy, both domestic and foreign for a nation (Joshi & Kapoor 2007).

The regulatory or external growth drivers that affect the industry that have been initiated by Government of India include the following:

- Foreign Direct Investment (FDI) allowed in all construction development projects including construction of hotels and resorts, recreational facilities.
- Reduction of expenditure tax for upscale hotels.
- Introduction of new category of visa- "Medical Visa (M) Visa) for medical tourism.
- Tie up with UNDP for promotion of rural tourism.
- Plans to permit the issuance of visa on arrival.
- Introduction of web based Public delivery system to ease the process of filing of the applications to bring transparency and speed up the process of granting licenses.
- Initiatives like building the tourism infrastructure at tourist destinations.

The future of tourism and Hospitality sector looks very promising according to the recent surveys. The wellness tourism sector in India is going to push India on number one position in world by next five years which is growing at 20% annually. Similarly many critical initiatives like introduction of Electronic Visa facility (e visa), enforcing the electronic travel authorization, addition of 52,000 hotel rooms in the hotel inventory shall give boost to the tourism and Hospitality sector in India(Ibef.org, 2014).

At present, India has 114, 200 hotel rooms across various categories, while as there is a shortage of 156,000 hotel rooms. This opportunity is tapped by real estate companies like DLF, IT companies like Wipro and Infosys, private Equity firm like Credit Suisse, Diversification of established businesses like Anil DhirubhaiAmbani Group (ADAG) which is in talks with Starwood Hotels for bringing St. Regis hotel (Technopak 2012).

Source: Indian Hospitality Outlook, Technopak p-9

The opportunities in Indian hospitality Market are tapped by foreign hotel chains as well. While most of the top brands are already in India, the other brands like Rotana&Jumeirah (UAE), Six Senses etc are planning to enter India by next two years. The big hotel companies are already present in China that is why these companies are now focussing on India. The main concern of these foreign hotel chains is only finding the right partners here. Since, hotel chains take long time is providing returns- the Indian partners who are mostly land developers expect quick returns (Khosla&Santhyanarayanan 2014).

The impressive overall growth resulted in massive investment in the hotel sector and new Indian and foreign Hotel Chains made their presence on Indian landscape. The growth of Hotels in India is propelled by the increase in the tourism. The continued "Incredible India" campaign launched by Government of India has had a strong impact on the tourist arrivals in India (Thadani2015). Crisil research Annual Review 2013 highlighted the following interesting facts about the Indian Hotel Industry. The size of the Hotel Industry is USD 3.8 Billion, and is growing at average rate of 12%. The current supply of hotel rooms is about 110,000 hotels rooms and current demand is about 150,000 hotels rooms.

However, the major reason of the boom in the Hotel Industry is the growth in information technology and related services. The rise of stock indicesand new business opportunities are also attracting foreign institutional investors, funds, equity and venture capitalists. The rising BPO industry is also contributing to growth of the Hospitality Industry Nasscom (2013).However, certain factors pose

a severe threat to the industry like terrorism, diseases like H1N1, travel advisories etc.

The successful marketing of Indian Hotels resulted in the growth of these hotels on the global scale. Many of these hotel chains are respected in international markets. This positive image of Indian hotels helped the hotels chains in achieving the global recognition and many hotel chains like Taj, Obeori, ISTA Hotels etc have forayed in the International markets. Taj hotel has presence in twelve countries (Taj Group 2014) which include UK, USA, Malaysia, Maldives, South Africa, Sri Lanka, UAE and Zambia. Similarly, Oberoi hotels have presence in Indonesia, Mauritius, Egypt and Saudi Arabia. These hotels are respected for world class hospitality service in the host countries. The Indian hotel business leaders like P.R.S. Oberoi received '2010 Corporate Hotelier of the World' award in New York in November 2010 by Hotels Magazine on the basis of voting by the readers of the magazine in more than 150 countries. The hotel chain also received the award for being Worlds Highest Rated Luxury hotel Brand for being the best in customer satisfaction in service, value and hotels location and cleanliness (Obeori Hotels, 2014). The future of tourism and Hospitality sector looks very promising according to the recent surveys. The wellness tourism sector in India is going to push India on number one position in world by next five years which is growing at 20% annually. Similarly many critical initiatives like introduction of Electronic Visa facility (e visa), enforcing the electronic travel authorization, addition of 52,000 hotel rooms in the hotel inventory shall give boost to the tourism and Hospitality sector in India (Ibef.org, 2014).

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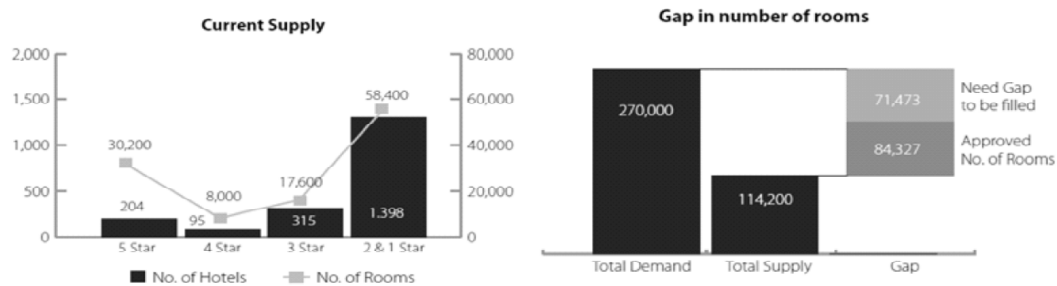
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2012). The customers of these International Hotel Chains recognize the levels of services where ever they stay and get satisfied by the services offered by the hotel.

WHAT IS A HOTEL CLASSIFICATION SYSTEM?

World Tourism Organization defines hotel classification system as the ranking of hotels, usually by using nomenclature such as stars or diamonds, with one star donating the basic facilities and standards of comfort and five stars donating the luxury in facilities and services. Naragajavana (2008) explained that the purpose of the hotel classification is to inform the intending guests in advance on what can be expected in order to reduce the gap between expected and experienced facilities and service delivery. The term "classification", "grading", "rating" are used to refer to the same concept i;e to rank the hotels by their facilities and standard.

Further, there is another term that is frequently used apart from the word "classification" that is "Grading". Halloway (1994) defined both the terms to clear the difference. While classification distinguishes the hotels according to physical features (amenities, facilities, service, and cost) for example number of guest rooms with bathroom etc, the grading identifies hotels based on certain verifiable objective features of service for example 24 hours coffee shop etc. Qing and Liu (1993) explained that the hundred plus ratings worldwide can be classified into two groups- official and unofficial ratings. While as official rating system is conducted by the Government agencies and followed on compulsory and regulatory basis, the unofficial rating system is carried out by the private organizations such as Hotel Associations, trade bodies and the hotels participate on voluntary basis in these ratings. In Europe, HOTREC (Umbrella association of Hotels, Restaurants and cafes contribute to Hotel Classification in association with public authorities. At present, HOTREC is responsible for classification systems of at least sixteen European countries which include Austria, Czech Republic, Germany, Hungary, Netherlands, Sweden, Switzerland, Estonia, Latvia, Lithuania, Luxembourg, Malta, Belgium, Denmark and Greece (HOTREC 2014). This is an example of unofficial grading system done be a private organization. However, in India the Hotel classification system is regulated by Ministry of Tourism through special committee called HRACC (Hotel and Restaurant classification committee). This is the example of official classification.

HOTEL CLASSIFICATION SYSTEMS IN INDIA: PAST AND PRESENT

The process of classification of hotels in India started in 1956 when the government set up a hotel standards and rate structure committee under the chairmanship of M.S.Oberoi , founder of Oberoi Hotels, with the objectives of laying down criteria for the purpose of classification of hotels in India, keeping in view international standards that apply to similar establishments elsewhere. another objective of the committee was to suggest ways and means for promoting tourist traffic to and in india and also to suggest arrangements or improvements on existing arrangements desirable for promoting international and external tourism (Seth, 2006).

With this, the process of classification system of Indian Hotels started and the recommendations of the same guidelines were used till 1955 when the revision of the classification norms initiated. The committee was set up to decide the legislation that are necessary for Indian hotel Industry keeping in view price level prevailing in India and also to suggest suitable rate structure for the Hotel Industry. The committee decided to accept classification system based on star rating system. The Government of India accepted the recommendations of this committee. The committee traveled all over India and classified 186 hotels. India adopted the point based system of hotel classification based on level of facilities available in the Hotel (Bhatia, 2008).

In 2003 Ministry of Tourism renewed the guidelines again for hotel classification so that Indian hotels rank high on global scale as well. However, Chopra (2006) raised the apprehensions that these norms are haphazard since the Indian Hotels that claim to be five stars cannot meet the international standards, as these Hotels do not offer the level of services that the International Hotels offer. There are few five star hotels only which rank on global scale as well, many of our five star rated hotels do not appear anywhere on global scale. Based on the suggestions from the industry, Ministry of Tourism recently revised the norms a in 2013 to make the Hotel classification system more customers oriented with increased level of service. The new guidelines provided customers with all the information about the services offered on the hotel website. Sharma (2013) summarized views of the industry experts that the new guidelines are of little use in evaluating hotels because of being full of minute details. For example the requirement of hooks for curtains, water sprays in bathrooms , blackout curtains are of little use in evaluating the hotels. The experts also emphasized that the guidelines offer too low standards than what the hotel brand standards offer to the customers.

The Ministry of tourism guidelines classifies hotels based on the level of the facilities and services offered. The hotels are star categorized as one, two, three, four and five star) hotels and heritage category hotels (heritage grand, heritage classic and heritage basic) hotels. The inspection of the Hotels is carried out by Hotel & Restaurant Approval & Classification Committee which inspects and assesses the hotel on the basis of the facilities and services offered. The committee checks the projects on the basis of the following parameters for allocating the star category to the hotel (MOT 2013). These parameters include, location details, status of ownership, site details, project details (size, area, facilities, energy conservation, etc), blue Prints of all areas, proposed capital structure, skills development initiatives (running training courses). The part two of the norms deal with the level of services that the hotel should offer. These facilities are further classified as guest room facilities, bath room facilities, public area facilities, facilities for disabled, food and beverage facilities, facilities in kitchen, guest services, safety and security, communication facility, eco friendly practices etc. However, the intention of the Ministry to upgrade the level of service and quality of the Hotels through the new guidelines are questioned by the Industry. There have been the cases where the

hotels were allocated five-star ratings, but lack the basic levels of service. The Federation of Hotel and Restaurant Association of India in its report on hotel classification (Nath 2013) summarized the views of the hotel general managers, tour operators and other stakeholders. The report clearly expressed dissatisfaction with the new classification guidelines because of following issues:

- Classification being a deterrent for many hotels as tax structure of classified is higher in some states, minimum wages higher for three, four and five star hotels, increase in license fees.

- The marketing support as claimed by Government for classified hotels is of no real value because the guests do not refer to these guidelines rather they refer to the websites like trip advisor etc. Micromanagement by Ministry in hotel operations like number of hooks hotel should have behind bathroom door etc leave hotel executives frustrated. On the other side, the positive side of the guidelines include, conformity to bench mark, enforcement of laws, enforcement of energy conservation, ensuring safety and security and providing a platform for hotel quality to guest.

- Many hotels which have been categorized as five star and five star deluxe status lack the service standards and do not deserve such a higher star ratings.

- The Government should delegate the responsibility of hotel classification to private bodies or hotel association who are more competent for this complicated task.

However, the response to this criticism of Government officials is that Hotel Classification system in India brings national and international standards. The hotels can make statement about their services globally to consumers through this classification process. The Hotels can set standards and be known amongst national and global stakeholders. (Kumar 2013).

IMPACT OF ONLINE RATINGS ON THE HOTEL CLASSIFICATION SYSTEM

(Carter, 2015) questioned the ability of the hotel classification system to establish the hierarchy of the hotels based on service quality is questioned. Quo's (2013) studyinferredthat "officially accredited stars" take a back seat in influencing the customer decision as rating system has variable meanings across markets. The study also indicated that the guest's level of trust is highest for guest feedback websites and social media web sites rather than the official rating system. The role of the ratings by traditional classification system raises the expectations of the guests about the hotel services. Arrifin and Maghzi(2012) in their study on the customer expectations of hotel industry found that there is a strong Association between the star ratings and expectation of hotel hospitality. However, the star rating system does not guarantee that these expectations are met automatically and that is where the hotel review websites start playing a role.

The research on hotel guest reviews for different category hotels by TripAdvisor has found a place in UNTWO report. The study discusses Trip Advisor findings that guests review the three star and four-star hotels delivering superior service and value more positively than five star hotels. The reason for five star hotels not getting favorable scores includes these hotels not able to exceed the guest expectations (UNTWO 2014). This study correlates the guest ratings of hotels five -star deluxe, five- star and four- star hotels on Trip Advisor and Expedia to establish if these rating correlate. The reason for excluding three star, two star and one- star hotels is that only TripAdvisor covers the ratings of these hotels, few hotels in these categories are covered on Expedia. The following hypothesis based on the literature is established .

H_o: The guest ratings for upscale hotels are higher than mid-scale hotels.

H_a: The guest ratings for mid-scale (e: g three and four-star hotels) are higher than upscale hotels (e: g five star) hotels.

H_0: The ratings of classified hotels on the TripAdvisor and Expedia have no correlation.

H_b: The ratings of classified hotels on TripAdvisor and Expedia correlate.

1.2. HOTEL EVALUATION SYSTEMS OF INDIA

HRACC (Hotel and Restaurant Accreditation Committee) of Ministry of Tourismclassifies allocates the star ratings to hotels in India. The classification process involves evaluation of large number of documents (licenses, permits etc) related to regulatory bodies. The inspection is carried out by the committee constituted by HRACC which evaluates the hotels on the basis of facilities, services, equipments, guest amenities, eco friendly practices, waste management, safety etc. The hotels get the star ratings for five years. The inspectors evaluate the score on these parameters and grants the star status based on how hotels scores in the HRACC report(Ministry of Tourism, 2015).The inspectors evaluate the hotels and award the ratings based on the following check list.

Chopra (2006) raised the apprehensions that these norms are haphazard since the Indian Hotels which claim to be five stars cannot meet the international standards as these Hotels do not offer the level of services that the International Hotels offer. There are few five star hotels only which rank on global scale as well, many of our five star rated hotels do not appear anywhere on global scale. The Ministry of tourism recently revised the norms in 2013 based on suggestions provided by the Hotel Industry to make the Hotel Industry more customers focused with increased level of service. However (Sharma 2013) summarizing the views of Industry experts, criticized the system as it expects much low standards than hotels offer.

Table 1
Check list for hotel classification system in India.

INDIAN HOTEL CLASSIFICATION SYSTEM

S. No	Area	Check List
1	General facilities and services	Full time operation , requirement of trading licences, requirement of public liability insurance, requirement of elevators, fully serviced bedrooms, bath rooms, public areas, kitchens, floor surfaces in clean and good shape.
2	Guest Rooms	Change of bed and bath linen daily & between check in ,Bed width for single and double beds, Matress thickness minimum 10cm , Minimum bedding 2 sheets , pillow & case blanket, mattress protector & bed cover, Suites, hair dryers, safe keeping, minibar fridge, drinking water with minimum one glass tumbler per guest, guest linen, shelves, drawer space, wardrobe with minimum 4 cloth hangers per bedding, sufficient lighting (1 per bed), 5 amp socket, bedside drawer and table, tv cable(remore for 3, 4, 5 star hotels), a writing surface with sufficient light, chairs, waste paper basket, opaque curtains or screening at all windows, 3 ft mirror, stationary folder, do not disturb notice, night spread, bed cover, energy saving lighting, linen room.
3	Bath Room	Bedroom with attached bath, size of bath room, bath towel / hand towel, bath mat, guest toiletries with soap for each guest, bath mat, hookes for hanging clothes, sanitary bin, lid for WC, toilet papers, non porous surfaces, bath tubs, water saving taps / showers, energy sving devices.
4	Public Area: Lobby/ Lounge	Furniture including chairs, arm chairs, sofa, table, floral display, staff on duty in lounges.
5	Reception facility	16 hrs minimum on duty staff, 24 hrs call service, directions to hotel, city street maps to be available.
6	Other services	Valet parking services, availibility of room, F&B and other terriff, temperature control, availibility of room terriff, rest rooms for ladies, wash basin for running hot and cold water.
7	Facilities for differently abled guests	Guest room, bath room, public rest rooms with user friendly services for differently abled guests.
8	Food and Beverage Provision	Availibility of restaurants and dining rooms for different star category hotels with specified hours of operation. The suggestions on the type of restaurants are also made based on the city where the hotels are suggested.
9	Equipment/Crockery / cutlery	Plastics accepted in pool area, stainless steel cutlery,
10	Bar	Requirement of bar licences
11	Equipment	Refrigrator, storage for meat , fish and vegetables, Mixed color chopping board, tiled surfaces, head covering for staff, germicide for cleaning of floor, good quality cleaning vassels / utensils, food grade equipment containers, drinking water, ventillation system, garbage to be segregated, clean recieving areas, six monthly medical check ups, first aid training to all staff, pest control.
12	Staff	Staff uniform for front of the house, english speaking staff, percentsge of supervisory staff in each hotel, percentage of skilled staff, separate male female staff rooms, staff locker room, toilet facility, separate dining areas & facilities.

S. No	Area	Check List
13	Safe and honourable tourism(SHT)	Pledge to be displayed in multiple places, training for SHT,
14	Guest Services	Provision of wheel chair for differently abled guest, valet parking services, dry cleaning laundry, tea/ coffee in room, iron and board facility, paid transportation on call, shoes shining, ice on demand, acceptance of credit cards, assistance with luggage on request, public tel on premise, wake up call, message for guest to be recorded and delivered, doctors contact list with reception, stamps and mailing, news papers, travel desk, left luggage, provision of emergency supplies, health and fitness, beauty saloon , florists, utlity shop, money changing facilities
15	Safety and security	Metal detectors, CCTV, x-ray machines, Under belly scanners, verification of staff and suppliers, staff trained in fire fighting, security arrangements for all hotel entrances, bedroom doors with peeping holes & internal securing device.
16	Communication facility	Email, fax, internet, Business center, telephone, pc, multipurpose sockets, etc

1.3. INTEGRATION OF GUEST RATINGS WITH HOTEL CLASSIFICATION SYSTEM

In terms of improvement of business with the help of guest review, the study by (Ye *et al.,* 2011) showed the significant improvement in the online hotel business because of online hotel reviews by ten percent. The impact of the social media on the hotel booking has been tremendous. The cases of integration of hotel reviews and hotel classification system under two options are reported. The first one is "full integration" mode where a hotel can move up or down a star level depending upon guest perception of its service quality. The second option of "comparative performance" includes guest review rating displayed separately to the hotel classification without integration. The full integration model is already in use in Norway. The integration is achieved using a series of formulae into the formal classification. Under comparative performance mode as in Switzerland, the guest ratings and the hotel classification is written separately without integrating (UNTWO 2014). Hotel Review website TrustYou allows the hotel chains to integrate the hotel reviews and raking (TrustYou score) on their websites. Apart from hotel review websites providing the hotel reviews, hotel chains like Marriott have started its own review and rating process.Integrating guest review and hotel classification is recommended on account of helping the hotels in improving services, image and revenue. (Anderson 2011).

1.4. METHODOLOGY

Many online travel agents (OTA's) provide ratings of Indian hotels. Out of 983 officially classified hotels in India, TripAdvisor rates 595 hotels while Expedia rates 305 hotels. The study used the guest ratings of all such listed hotels of different

star categories from both OTA's. Using SPSS, the statistical difference of means of the guest ratings of all-star categorized hotels from both OTA's was calculated. The guest ratings of five stars deluxe, five star and four-star hotels on TripAdvisor and Expedia were correlated (one and two star hotels are not listed on Expedia).The descriptive statistics of the guest ratings of the hotels on TripAdvisor and Expedia was computed using SPSS to compare their standard deviation, mean, median and mode to compare the consistence and robustness.

Table 2
Total number of officially classified hotel in India and their presence on hotel review sites

Hotel Star Category	Total number of Hotels n=	Number of hotels included for study	Number of hotels with ratings on Trip Advisor	Number of hotels with ratings on Expedia
1	35	9	17	0
2	66	29	45	12
3	490	171	218	53
4	122	94	106	48
5	147	76	98	84
5 Star Deluxe	123	87	111	108
Total	983	466	595	305

1.6. DATA ANALYSIS

Significant variation in the mean guest ratings within the different hotel star categories was found (Sum of squares =41.61, F=30.4, Sig=0)(see table3 and 4). The mean score of the guest ratings of all six categories of hotels (five star deluxe, five star, four star, three star, two star and one star hotel) were found in proportion to the star ratings of the hotel. The results therefore reject the hypothesis established from the literature that the guest rate three star favorably as compared with five star hotels.

The five star deluxe hotels score the highest average ratings 4.33 (out of 5) while as one star hotels scored lowest ratings of 3.08. One way Anova test used to check the variation of means between the different star categories of the hotels indicated significance value of "0" there by indicating a significant difference between the means between the guest ratings of hotels of different star categories (see table 4).

The correlation between TripAdvisor and Expedia ratings for five star deluxe hotels, five star hotels and four star hotels using SPSS was conducted(see table 5). The Pearson correlation-two tail was used to establish the significance of the data. The results showed the significant correlation between the guest ratings on TripAdvisor and Expedia in all the three categories five-star deluxe hotels, five-star hotels and four-star hotels. While as in case of five-star deluxe hotels, the correlation r=0.70 and significance of correlation p=0 , there by suggesting a strong correlation between the ratings . Similarly in case of five star hotels, the value r=0.537 and the

Table 3
Descriptive statistics of hotel guest ratings

Hotel category	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1 star	28	3.08	.673	.127	3.22	3.74	2	5
2-star	33	3.38	.638	.111	3.15	3.60	2	4
3-star	217	3.77	.580	.039	3.69	3.85	1	6
4-star	106	3.91	.571	.055	3.80	4.02	1	5
5-star	98	4.08	.354	.036	4.01	4.15	3	4
5-star deluxe	113	4.33	.382	.036	4.26	4.40	3	5
Total	595	3.92	.584	.024	3.87	3.96	1	6

Table 4
Significance of difference of means between the different star category of hotels

ANOVA					
Guest Rating	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	41.613	5	8.323	30.499	.000
Within Groups	160.725	589	.273		
Total	202.338	594			

significance of correlation is p=0 indicates the strong correlation and finally the results of four star hotels r=0.599 and the significance of the correlation p=0 shows the correlation suggesting the correlation of the four-star hotels between TripAdvisor ratings and Expedia guest ratings. The correlation of guest ratings on TripAdvisor and Expedia for five-star deluxe, five star and four-star hotels indicate that these ratings are consistent and representative of the respective hotel star category. Further, it is an indicative of robustness of TripAdvisor guest ratings for the hotels.

1.7. DISCRIPTIVE STATISTICS

The descriptive statistics of the guest ratings for five-star deluxe, five-star and four-star hotels on TripAdvisor and Expedia (see table 6) reveal that standard deviation of guest ratings on TripAdvisor have a low standard deviation compared to the ratings for the hotels on Expedia and suggesting the robustness of the guest ratings of TripAdvisor ratings.

1.8. RESULTS AND DISCUSSION

These results of the study suggest that the guests rate five-star deluxe and five-star hotels in India favorably-thus rejecting the null hypothesis that guest rate three star hotels favorably as compared with higher star rated hotels. The results

Table 5
Correlation between TripAdvisor and Expedia guest ratings.

		Trip Advisor 5star Deluxe Guest Ratings	Expedia 5 Star Deluxe Guest Ratings	Trip Advisor 5Star Ratings	Expedia 5 Star Ratings	TripAdvisor Four Star Ratings	Expedi 4 Star Ratings
TripAdvisor	Pearson Correlation	1	.700*	1	.537**	1	.599**
	Sig. (2-tailed)		0		0		0
	N	102	101	84	84	48	48
Expedia	Pearson Correlation	.700**	1	.537**	1	.599**	1
	Sig. (2-tailed)	0		0		0	
	N	102	101	84	84	48	48

**Correlation is significant at the 0.01 level (2-tailed).

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Table 6
Comparative descriptive statistics of TripAdvisor and Expedia guest ratings

Descriptive Statistics				
	N	*Mean*	*Std. Deviation*	*Variance*
TripAdvisor 5star Deluxe Guest Ratings	102	4.3480	.35031	.123
Expedia 5 Star Deluxe Guest Ratings	101	4.3495	.41295	.171
Trip Advisor 5 Star Ratings	84	4.1071	.33895	.115
Expedia 5 Star Ratings	84	4.0571	.39646	.157
Trip Advisor Four Star Ratings	48	3.9583	.35480	.126
Expedi 4 Star Ratings	48	3.8146	.56342	.317
Valid N (listwise)	48			

therefore indicate the strength of five star hotels to meet the guest requirements. The results have clearly suggestedthe five star deluxe hotels have highest mean guest ratings compared to any other hotel star category hotel. The results however do not indicate that it is due to the hotel classification. The better guest ratings of these hotels can be due to the various reasons- that include branding. Almost all of these hotel chains belong to strong International and national hotel brands. The superior ratings of five star deluxe hotels can be result of stringent practices of guest satisfaction, availability of superior work force, stringent training development, ensuring close monitoring of the guest review and taking measures for to improve the same. The results convey that the five star hotels in India are capable of meeting the guest expectations in a better way as compared to the other category of the hotels. Further, the official classification system of India accurately represents the guest perceptions about the properties.

The standard operating procedures of those hotel brands are likely to be stringent enough to ensure guest satisfaction and comfort. The award of the higher star ratings by the agencies compliments what these hotel stand for. The impressive presence of these hotels as compared to three- star, two-star and one-star hotel on hotel review websites is indicative of the seriousness of higher stare rated hotels towards social media management. It is clear that the higher star hotels pay due attention towards good ratings on hotel rating websites. These hotels are quick to respond to the guest feedback and ensure they improve their services for better guest satisfaction and hence better ratings. In comparison, just a few one star two star and three star hotels are listed by online travel agencies indicating the lack of willingness of these hotels to be listed and improve online guest ratings by a quick response system like higher star rated hotels.

The correlation of the guest ratings for the five star-deluxe hotels, five-star and four-star hotels on TripAdvisor and Expedia indicates that guest ratings for these hotels are consistent and statistically representative. The study has further indicated strong presence of Indian hotels on TripAdvisor as compared other online travel website. The review of literature in this study has explained how the use of social

media has resulted in the growth of travel and hospitality industry. The traditional means of communication with the guests through social media has created endless opportunities for businesses to present the information and facts in the most innovative ways. Whether it is the website, social media, and hotel and travel review websites, there are numerous modes of communication available for businesses. The first finding of this study-that higher the star category, better the guest ratings is one of the most important findings. This means that those hotels are most conscious of use of social media and they have system in place that takes care of the guest opinion and feedback which results in excellent ratings. Down the star category, we found that either the hotels are not covered by the hotel review websites and do not have any presence on social media. This is obvious that those hotels are lagging behind when it comes to social media. One, two and three star category need to create a system where the guest feedback is recorded, evaluated, improvements made and exceed guest expectations. This can happen these hotels acknowledge the role of online ratings. Another important finding is that the online travel companies have a superior mechanism of rating the hotels compared to the official hotel classification system. The official classification systems whether in India or anywhere else must incorporate the online ratings for guest reference to stay relevant, a practice that started by few countries like Norway.

The study also provides an assurance to the travel planners and Industry experts in India who have been raising their concern in the media about the five star ratings being given to some hotels that do not deserve the five star rating. Few of those five star hotels might not be up to the mark as expected, however the guests are not dependant on the official classification ratings only for decision making about hotel booking. The online ratings are becoming important source of information for guests apart from star rating. The five star hotels that do not offer service quality to the guests as expected, the guests do not rate those hotels favorably. However, the hotel classification system of India at the same time needs to evolve its system of evaluating hotels to ensure the hotels that do not offer acceptable service quality, do not get away with top star ratings. The hotel classification system of India needs to be benchmarked with worlds best such systems so the ratings provided by the system are trustworthy and relevant.

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