

Research on Hotel Rating and Development of Star Rating in China

Jingwen Zhang

Shenzhen Campus, Jinan University, Shenzhen, China

Abstract: The hotel industry plays an important role in promoting economic growth, creating employment opportunities and providing high-quality services. Hotel rating helps to improve the service quality and market image of the tourism industry. Hotels in China use star rating methods. Since 1988, when the star rating standards were formulated, they have undergone many explorations and practices according to the development of the hotel industry. This study focuses on the development history of China's star rating as well as the current situation. It also finds that there are problems in China's hotel star rating standards, such as lack of adaptability, insufficient fairness, limitations, lack of legal regulation, and homogenized competition. Therefore, it is proposed to put forward corresponding countermeasures in terms of adaptability, transparency, professional quality, laws and regulations of hotel star rating standards, hoping to have a certain reference value for hotel star rating, and at the same time promote the overall development of the hotel industry.

Keywords: Hotel Development; Hotel Rating; China's Star Rating; Strategic Research.

1. Introduction

The hospitality industry plays an important role in economic development by creating a large number of jobs and revenues globally as well as contributing significantly to the GDP of many countries. The hotel industry is an important part of the tourism industry, which is one of the largest single economies in the world and brings a huge potential for growth and development of the global economy.

Hotel ratings are usually based on the quality of the hotel. Originally intended to inform travellers of the basic amenities to be expected, the goal of hotel ratings has now expanded to focus on the overall hotel experience. It can enhance the service quality and facilities of hotels to a certain extent, and it also helps industry management and supervision, enhances the brand value and market competitiveness of hotels, improves the service quality and market image of the tourism industry, attracts more tourists, and promotes the development of the tourism industry.

2. International Hotel Rating System

2.1. Common hotel rating systems around the world

(1) Star rating method

The rating schemes used by different organisations around the world are varied and different. However, most programmes include a star rating system where the higher the number of stars, the higher and more luxurious the hotel is [1]. The Forbes Travel Guide, formerly known as the Mobil Travel Guide, introduced its star rating system in 1958. The American Automobile Association (AAA) and its affiliates use diamond ratings rather than star ratings to denote rating levels for hotels and restaurants.

The five-star system ratings are: Tourist(★)|Standard(★★★★)|Comfort(★★★★★)|FirstClass(★★★★★)|Luxury(★★★★★) One star represents economy, two stars is a certain degree of comfort, three stars is an average level of comfort, four stars is a high level of comfort,

the Five stars represent luxury [2].

(2) Monkey Assessment Method

More common classification systems include the "Monkey Rating System", which uses the letters A-F, with A being the highest and E being the lowest, and which is used, for example, for conventional hotels and motels. Among other things, the terms luxury/luxury, first class/premium, tourist/standard, and business/budget are often considered to be types of hotels rather than hotel standards.

2.2. International Hotel Ratings

To date, there is no internationally harmonised rating methodology. Attempts to unify the hotel rating system into an internationally accepted and reliable rating standard have failed.

It has been argued that, as in other areas (e.g. international accounting standards), hotel classification standards should be developed by private and independent organisations. The World Hotel Rating (WHR) project is attempting to do just that, and its main aim is to develop international classification standards and rating criteria along the lines of the World Star Rating System. And it is attempting to establish a multilingual and multicultural information platform for the hotel industry. the WHR expects to contribute to the development of high quality hospitality services, equitable and sustainable tourism, and the preservation of the world's cultural and natural heritage.

3. The Development of Hotel Star Ratings in China

3.1. The development of China's hotel star rating

The development of hotel star ratings in China can be traced back to 1987, when the National Tourism Administration (now the Ministry of Culture and Tourism) issued the Provisions of the People's Republic of China on the Assessment of Star Ratings of Tourist (Foreign-related) Hotels. In 1988, the National Tourism Administration issued the Regulations of the People's Republic of China on the

Evaluation of Tourist (Foreign-related) Hotel Stars, and began to formally implement the star rating system. The implementation of this system has played a positive role in promoting the service quality and facility level of China's hotel industry. In 1993, the National Tourism Administration promulgated the Classification and Evaluation of Tourist Hotel Star Rating, which stipulates the classification, standards and evaluation methods of tourist hotel star rating.

In the following years, China's hotel industry has continued to develop and grow, and the star rating system has been continuously improved. In 2003 and 2010, the National Tourism Administration (NTA) revised the standard to meet the development needs of China's hotel industry. Since the launch of the 2010 revised edition of "Classification and Assessment of Tourist Hotel Star Ratings", the guiding nature of the industry has been further strengthened, and has not been revised for more than a decade since then. However, the combination of multiple factors such as changes in the market environment after 2012, the deep integration of culture and tourism in 2018, and the industrial changes spawned by the new crown epidemic in 2020, there is an urgent need to revise the star rating standard again [3].

3.2. Exploration and practice of emerging rated hotels

(1) Exploration

1. Flexibility of rating criteria

The emerging rating system focuses on the flexibility of the rating criteria in the exploration process. The system no longer relies too much on hardware facilities and service standards, but pays more attention to consumers' individual needs and innovative services. For example, some emerging rating systems have begun to introduce the Customer Experience Index (CEXI) as an evaluation index, through customer satisfaction, loyalty and other indicators to measure the service quality of the hotel, a certain re-understanding of the star rating standards to make a repositioning [4].

2. Information transparency and timeliness

The emerging rating system is committed to improving information transparency and timeliness. Through the use of modern information technology, the emerging rating system can update the hotel service quality information in real time and publicly display consumer evaluation and feedback in a timely manner. This practice helps to improve consumer decision-making efficiency and satisfaction, and also helps hotels identify and improve service quality problems in a timely manner.

3. Sustainability and Social Responsibility

As society's attention to sustainability and corporate social responsibility continues to grow [4], emerging rating systems are beginning to incorporate these two aspects into their rating criteria. For example, some emerging rating systems consider a hotel's performance in terms of environmental protection, energy consumption, and employee welfare in order to evaluate the hotel's overall performance in a more comprehensive manner. This practice helps guide hotels to achieve sustainable development and enhance the social image of the company.

(2) Practice

1. Practice of online tourism platforms

Online travel platforms have taken the lead in introducing an emerging rating system in practice. By integrating information such as consumer evaluations and service quality data, online travel platforms can provide consumers with

more intuitive and timely hotel ratings and recommendation services. At the same time, this practice also helps to enhance the market competitiveness and brand image of hotels.

2. Hotel Group Practice

Some hotel groups have also begun to try the practice of the emerging rating system. These hotel groups conduct comprehensive assessment of their hotels through a combination of internal rating and customer feedback. In practice, hotel groups focus on improving service quality and innovation to attract more consumers and increase customer satisfaction.

The emerging rating system has been widely explored and practiced in China's hotel star ratings. By improving the flexibility of rating criteria, transparency and timeliness of information, as well as focusing on sustainability and social responsibility, the emerging rating system better meets consumer needs and promotes the development of the hotel industry. In the future, with the advancement of technology and changing market demands, the emerging rating system is expected to continue to improve and play a greater role in injecting new vitality into the development of China's hotel industry [5].

3.3. The Current Status of China's Hotel Star Ratings

As shown in Figure 1 [6], from the analysis of the composition structure of star-rated hotels, there are 783 five-star hotels, 2,285 four-star hotels, 3,487 three-star hotels, 768 two-star hotels, and 14 one-star hotels among 7,337 star-rated hotels. It can be learnt that: three-star hotels (generally corresponding to economy hotels) have the largest number, accounting for 47.53%, ranking the top of the list of each star level; followed by four-star hotels, accounting for 31.14%. Three-star and four-star hotels together accounted for 78.67% of the total, with mid-range and mid-high-end hotels forming the cornerstone of the star hotel market. Overall, the spatial distribution of star-rated hotels is unbalanced, showing a "spindle" type development trend of the hotel industry among the provinces [7].

4. Problems and Challenges Facing China's Current Star Ratings

4.1. Lack of adaptation of hotel star rating standards

Since 1988, China's tourism hotel industry has been implementing a star rating system for 33 years. In order to adapt to the ever-changing market situation, lead the diversified development and transformation and upgrading of the industry, and meet the high-quality accommodation needs of tourists, the Standard was revised in 1993, 1998, 2003 and 2010, with each version of the standard having different characteristics. However, it is obvious that the latest revision of the star rating standard was more than ten years ago, so in the rapid development of science and technology, policy guidelines today, the current hotel star rating standards have been unable to follow the development trend of the hotel industry, while it is difficult to meet the needs of the relevant consumer groups.

In addition, due to the development of third-party platforms, more and more hotels are gradually getting rid of their reliance on star ratings, and even abandoning the "star" phenomenon [8]. Nowadays, the impact of the new industry has also caused some trouble to China's hotel star rating.

Traditional hotels have certain thresholds and advantages in hotel star rating, however, in recent years, many special hotels, theme hotels, boutique hotels, new concept hotels have appeared around China, some boutique hotels and special hotels not only make up and fill the existing hotel industry structure very well, but also by some consumers' pursuit and recognition, with excellent market share and good brand reputation, some of the hardware standards have even surpassed some of the star-rated hotels. However, due to such hotels in the design concept, brand positioning, customer orientation and other factors, if strictly in accordance with and apply the current star rating standards, the scale of its hardware or some of the limited services can not reach the star standard, and will be rejected in the door of the star-rated hotels.

4.2. Insufficient fairness in hotel star rating standards

Creating a stable, fair, transparent and predictable institutional environment is the basic requirement for the modernisation of market supervision in the "14th Five-Year Plan", and it is also the basis for stimulating market vitality and consolidating high-quality development. By setting the questions "Do you understand the current standardisation of domestic hotel star ratings" and "Do you think the current domestic hotel star ratings are reasonable" in the questionnaire, the team members consolidated the relevant research data and found that 37.5% of the people were relatively unaware of the current standardisation of star ratings. It was found that 37.5 per cent of the people had no knowledge of the current star rating standards. At the same time, some hotels may obtain high star ratings through improper means, for example, hotels through advertising false propaganda or bribery, which will not only make the interests of consumers suffer, the accommodation experience did not meet the expectations, but also affects the fair competition in the hotel industry market, for the stable and sustainable development of the hotel industry to produce a more far-reaching negative impact.

4.3. Lack of legal regulation of hotel star rating standards

On the one hand, China's hotel star rating laws and regulations are still blank, for the hotel star rating of the specific measurement standard has not made effective provisions, the lack of evaluation standards and procedures of clear provisions and legally effective laws and regulations, "Hotel Law" is basically not involved. On the other hand, the existing laws and regulations for star rating starvation responsibility norms are not clear enough, the effectiveness of the weak, the applicability is not high, the existing only some public order and morals of the industry standards and general norms, mainly by industry practice, industry standards and enterprise self-inspection, tourism law and other related regulations are only to do the principle of the provisions of the penalty is not enough, as early as 1988, the National Tourism Administration issued the "People's Republic of China rating". As early as 1988, the National Tourism Administration issued the "People's Republic of China to assess the star rating of tourism-related hotels and standards" has still been completely appropriated and has not been revised and supplemented accordingly. This has led to inconvenience in the assessment process in terms of supervision and monitoring by various levels of government

and industry associations, and increased uncertainty and arbitrariness in the work of the assessment organisations and the relevant assessment staff.

5. China's Hotel Star Ratings Can Be Upgraded

5.1. Enhancing the adaptability of assessment criteria

In May 2022, the National Tourism Standardisation Technical Committee (NTSTC) publicly solicited opinions on the national standard "Classification and Rating of Tourist Hotel Star Rating" (revised draft for comments). In view of the problem of poor adaptability and backwardness of the current star rating standard, a diversified revision method should be adopted.

First of all, on the basis of standardisation, due to the factors led by science and technology, the whole industry continues to innovate and develop, the relevant rating standards should gradually tend to be personalised while catering to the overall needs of consumers, some of the functions originally provided by the public area tend to be integrated in the guest room or virtual space. Consumers require less and less space for business centres and other spaces. In addition, should also improve the rating standard revision time interval, can be set according to the current general development of the situation of a fixed interval of years, in the revision of the year to convene a meeting and the relevant personnel to carry out a comprehensive rectification, to avoid such a more than ten years of such a situation has not been changed. Secondly, now people in the consumption, can carry out more rational thinking, the traditional hotel industry is more concerned about the guests stay during the service, but the Internet era also need to pay attention to the guests before the consumption of information, the consumption of the experience of the perception, after the consumption of the review feedback and so on.

5.2. Enhance the transparency and openness of the assessment criteria to the public

In view of the lack of fairness and transparency in hotel star rating, the group proposes to strengthen the supervision and regulation and improve the mechanism of rating process, so as to make the star rating of hotels more specific and complete and enhance the credibility.

Strengthen supervision and regulation

Hotel star ratings require the participation of multiple actors as well as multi-level supervision and regulation. Multi-subjects include the hotel industry itself, the central government, the Ministry of Culture and Tourism, the Ministry of Health, the Ministry of Public Security, the Ministry of Market Supervision and local governments, and multi-levels include the central government, localities and market players. Among them, the central government should speed up the revision of national hotel star rating standards, improve the specific requirements for star rating, and achieve full coverage of hardware and software requirements. At the same time, through the industry's market data, the development of rating standards and institutional mechanisms in line with the current development of China's hotel industry star rating.

2. Improve the process mechanism

Improve the process of hotel star rating mechanism is an important measure to enhance transparency. Hotel star rating

process needs to pay attention to standardisation, standardisation, and rating details and assessment of the main public, enhance the transparency of the standard and predictability, so that the main body of the hotel industry and the public have a wide range of participation in the space, and promote the hotel industry to promote the long-term sustainable and good development. For the main body of the hotel industry, the public evaluation process is conducive to its own service status quo has a clearer positioning, to promote its efficient and targeted improvement of the quality of service and facilities and environment; for the public, public evaluation is conducive to a more realistic understanding of the level of hotel services, so that it can make consumption choices and have more detailed comparative data to improve the consumer experience and goodwill.

5.3. Develop fully the hotel star ratings

1. Seize the focus

The domestic hotel star rating standard itself has a focus. Table 1 below shows the standard requirements of China's hotel star rating, which clearly indicates that the rating of the equipment and facilities required for the rating of the important indicators, more emphasis on the hotel's degree of

luxury and hardware facilities [10], such as room size, the degree of perfection of the facilities, etc., while the service quality requirements, management level, comfort and other aspects of the indicators fuzzy. Taking AAA Hotel in the United States as an example, its professional inspectors stay in the rated hotels to assess every aspect of hotel operation and service, and it adopts the form of no prior notice, and the results of the rating are presented in written form. In its rating system, room equipment and luxury facilities are merged with service quality to a certain extent in parallel, combining the overall quality, size of the facility and service level as a whole, including the hotel's physical attributes and service level of the objective ratings as a guideline, combined with experience and experience based on the subjective factors as a whole, and guided by a number of subjects and media together. In contrast, the domestic hotel rating standards are sloppy, resulting in the hotel in the construction process and development process is too concerned about the investment and construction of hardware facilities, while ignoring the improvement of service quality and consumer experience, and even lead to increased homogeneous competition in the hotel market, and in the long run, the serious imbalance between the investment and return.

Table 1. Table of contents of China's hotel star rating classification

Category	Description	Requirements for Each Star Level
Equipment and Facility Requirements	Quality of Hotel Operations Regarding Facilities and Equipment	No requirements for one-star and two-star hotels; Three-star, four-star, and five-star hotels have specified minimum score thresholds
Service Quality Requirements	Basic service principles and requirements (employee appearance, behavior, professional ability, and skills)	No requirements for one-star and two-star hotels Three-star, four-star, and five-star hotels have specified minimum pass rates
Management Requirements	Employee handbook, organizational charts, comprehensive regulations, service standards, management norms, operational procedures, departmental operations, job descriptions, service project guidelines, and technical work for specific positions required by national and local authorities and mandatory standards, as well as other certifications or documents proving the quality of hotel management	General requirements, different star-rated hotels must meet different essential standards, with a uniform scoring ratio
Safety Management Requirements	Safety permits for fire and other aspects, ensuring the integrity and effective operation of fire safety facilities; safe and effective operation of facilities and equipment such as water, electricity, gas, and pipelines; strict implementation of safety management and control systems, ensuring the effective operation of security monitoring equipment and personnel responsibility; focus on hygiene management in the food processing flow to ensure food safety; develop and improve emergency plans for various emergencies such as earthquakes, fires, food hygiene, and sudden	

2. Double-pronged approach

To improve the hotel star rating standards and methods, reference to the international advanced evaluation system for benchmarking, based on domestic conditions on the development of the evaluation system in line with the actual situation and more practical evaluation system, for example, the integration of low-carbon environmental protection, humane service, artificial intelligence, and other ratings to adapt to the current social development content. In order to make the study more detailed, the author combined with the

American AAA rating system, the British Tourist Bulletin Boards (ETBs) and other international standards, SERVQUAL service quality as a model (see Figure 1), combined with the domestic reality, focusing more on the measurement of the quality of the hotel service, reducing the weight of the original rating system on the measurement of the hotel services and facilities, and the introduction of the "Mystery Guest Evaluation". "Occupancy rating mode and" popular guest evaluation "reference mode, further integration of the" home "concept, refine the" comfort "concept [11]. The

proposed criteria (see Figure 2) are as follows:

reliability	reliability to accuracy of ability to fulfill service commitments
reactivity	willingness to serve guests and provide service in a timely manner
assurance	employees are knowledgeable and courteous and have the ability to gain the trust and confidence of guests
empathy	provide human and caring attention to guests
certainty	facility equipment and staff image

Figure 1. SERVQUAL service quality evaluation model

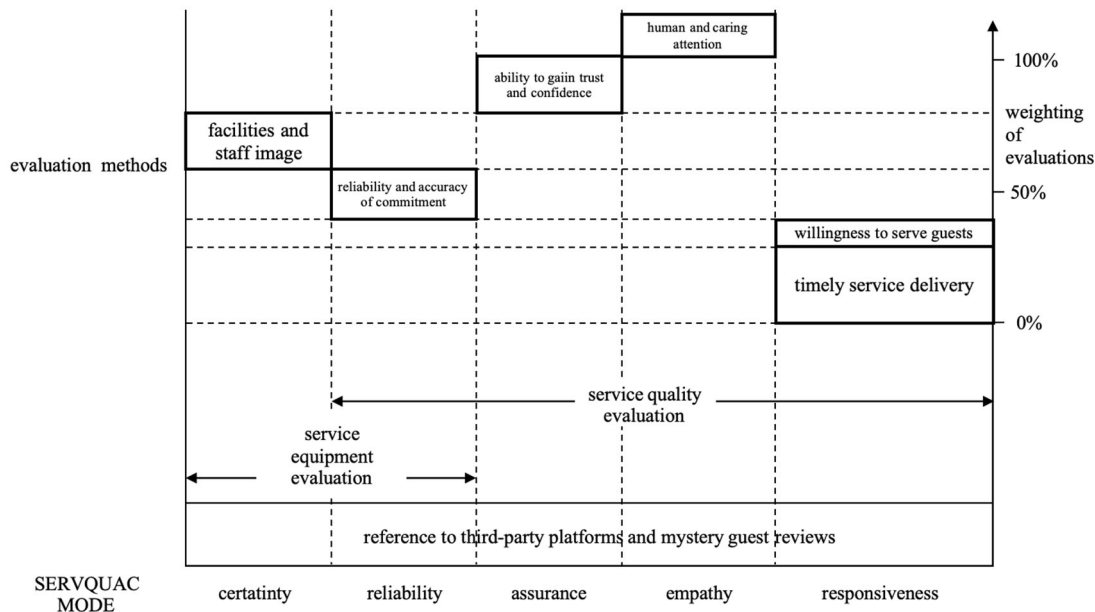


Figure 2. Criteria to be developed

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