



**BERLIN SCHOOL OF
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Module Name (Business Decision Making for the Hospitality Industry)

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**Decision-making is the key to success in
business**



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Data-Driven Decision making – Concept

Data-driven decision-making is based on the collecting of data for the business's key performance indicators and then transforming that data to provide actionable knowledge for the business's success. As a result, the data-driven approach is built on information data facts to make inferences, patterns, and insights for corporate decision-making in order to achieve true growth and development (Amatulli et al., 2019). Essentially, data-driven decision-making is predicated on the assumption that decisions will be made without emotion or prejudice. As a result, the company's objective and strategy are based on facts gathered from data rather than likes or dislikes.

Data-Driven Decision making – Critical overview for performance review

In the commercial world, data-driven decision-making is critical. Because business decisions are based on facts and numbers that depict the true condition of the firm rather than emotions and prejudices. The position of leadership decides which decisions are the most objective. When they are done in a balanced and fair manner and are well-informed by real-time monitoring of company goals (Buhalis and Sinarta, 2019). There is aggregation, and there are patterns and forecasts about

the future based on any corporate strategy or plan.

Excellent Management

Manager's behavior with the workers to form a team

The choice may drive to have the answers to several problems, such as,

Profitability

Generate sales through satisfied visitors

- How to drive excellent management behavior at the workplace,

Optimisation

Efficient activities

- How to increase profits and sales in the business,

- How to go for the operation for Optimisation, and

- How to have team performance

management to enhance the job.

These, however, are the facts regarding data-driven decision-making. However, many firms are still concerned about leadership preferences. And also, the view of the people as well as the companies has a jumbled concept where the usage of social media is more together with the data

or information and whether it is reliable or not to make a specific business choice (Sigala et al., 2019). Of course, there may be a tendency among consumers to embrace specific items or services. However, it is equally critical to recognize that the product or service should be environmentally sustainable. It must also be sustainable because people's preferences change quite quickly with the passage of time.

Data-driven decision-making and providing City opportunities for the hospitality industry to recognize the importance of having efficient staff members or team management. Because the hospitality sector is built on a large number of staff people that provide services to clients and tourists in a specific hotel or any location, it is also necessary to have a budgeting strategy for the business.

As a result, it is critical to pursue a grasp of big data analysis using statistical techniques and other formats in order to comprehend what the new market trends are. And how guests perceive the specific Hotel of the sites. It is critical to play a big part in developing a better plan to fix present challenges and progress to the next phase in developing better strategies. Hence, when strategies are developed, they may be implemented to reach the main goal of the business, which is both profitability and productivity, in order for the firm to grow and flourish.

Complex decision making – financial and statistical tools for senior management – Hospitality Industry

The hospitality industry plays a significant part in the country's economic prosperity. Since the country's development is built on its improved infrastructure, growth and other Gross Domestic Product GDP are only attainable when the hospitality and tourist industries operate properly (Yallop and Seraphin, 2020). In this sense, financial and statistical tools are critical to consider when making decisions in the hotel business in order to achieve greater performance and growth.

Financial Tool for Hospitality Industry decision making

The hospitality business, in particular, places emphasis on decision-making, and there are a variety of tools to examine when analyzing performance. The hotel sector is more than just a profit-driven concern (Merican et al., 2020). However, it is necessary to comprehend the pattern of increased profitability in the number of visitors as well as visitor comments.

There are two approaches to go for improved financial analysis: a common size statement and a comparative financial statement. Because these provide an excellent opportunity for research in the hospitality business

Common size statements – Vertical Analysis

In this study, a common or base number is chosen to be compared with the other data in order to measure and analyze the business's performance. For example, the hotel business will have a percentage comparing performance in different years. As a result, a single year is chosen as the baseline, and subsequent years' performance is compared.

Comparative financial statements – Horizontal Analysis

In the hospitality sector, a comparative study of these claims is quite important because there is a comparison of different years' performance in terms of revenue costs and other headings so that it may be understood how the performance of the hotel business in a certain nation is progressing and what modifications for feedback are necessary to move for improved strategic planning (Mariani 2019).

Statistics Tools

In the hospitality industry, a comparative study of these claims is quite important because there is a comparison of different years' performance in terms of revenue costs and other headings so that it may be understood how the performance of the hotel business in a certain nation is progressing and what modifications for feedback are necessary to move for improved strategic planning.

There are different approaches to the traditional statics to analyze big data, particularly in the hospitality industry. Mean, Median, standard deviation, regression, hypothesis testing, and sample size determination are the various ways to go for big data analysis, particularly in the hospitality industry.

On the other hand, several current technologies are accessible through software apps that provide data for tourists to the nation and their stay at various hotels to obtain services. Similarly, it is important to determine how frequently people visit the nation and if they agree with the trade in the country. It would be good to assess the number of individuals who have visited the country and their experiences to determine the preferred hotels or other attractions.

Decision-making in Tourism and Hospitality Industry

Understanding the many changing trends and people's preferences to visit certain sites and discover specific services in a specific region is a cognitively taxing job. Working in a pleasant setting is simple, even if the day is lengthy. But it is understood what work will be done (Buhalis et al., 2019). However, when someone is present, they must be prepared to greet various visitors without understanding their needs and demands.

There is constantly frantic work to discover the methods that will meet the wants and desires of the visitors and make them happy so that they would refer us to others. In the hospitality sector, decisions must be made. When management recognizes that there are several concerns on the list and it is now time to make adjustments and comprehend the situation

As a result, the following steps should be considered while making a decision:

- Understand the issue, whether with administration or with individuals working on distinct or many tasks simultaneously. As a result, communication is lacking. Solution: There should be a program or application where the names of the water should be there to comprehend the assigned task so that they can be released quietly and easily (Buhalis and Leung, 2018). It is to comprehend the load on the employee that is easily completed efficiently to satisfy.
- The problem of not having enough time to examine the operations or activities performed at the front desk or in any other location. Changes can be made to modify or rotate staff members and better understand the issues causing visitors to have a negative experience. Solution: A notepad should be available to track arriving guests and those working in various places such as the reception desk or the main entrances. So that it is clear where services are not being offered directly or efficiently for visitors, the management and Hotel Administration should be well organized to please the guests and welcome them back.
- Out of date, or the website is down due to a technical issue. Solution: In the current technology era, it is critical to provide the greatest services for people's needs, such as a website for the hotel business. People may visit to see the many hotel alternatives for a specific place to visit because it will offer tourists the confidence to properly comprehend the sites of the nation and the hotels to visit based on their comments.

As a result, decision-making in the hospitality sector can have varied instructions. Therefore it can be seen that strategies are highly necessary to create changes in the workplace or the staff members to deliver better services to people from all over the world. Once management is efficient enough to make certain decisions based on workplace analysis, it will be helpful for the organization to expand in terms of both goodwill and profitability (Peterlin et al., 2021). Profitability strategies are important in the hotel sector, but goodwill is more important because of the specific hotel's reputation or the staff members that provide these services.

Since it is the reputation of the specific Hotel or the staff members that provide these services to the people who come to the nation and make their experience pleasant or best, they want to visit the location again and again.

Efficiency

The hotel sales mix and offering services to guests are examples of efficiency, notably in the hospitality business. It is based on industrial production and operating guidelines (Nadkarni et al., 2019). Efficiency is based on the growth of staff members and their performance to deliver valuable services to tourists while increasing profitability and production in the country.

Effectiveness

Understanding and then achieving the company's and hospitality sector's basic and major goals is an effective technique. Its purpose is to analyze and quantify the production and productivity of businesses in the hospitality sector (Arunachalam and Kumar, 2018). Revenue and occupancy are the most important performance indicators to consider while analyzing effectiveness. As a result, it is centered on achieving the business's goal and vision statements to deliver better services and increase profitability or productivity.

Measurement indicators

In the hotel business, measuring indicators take efficiency and effectiveness into account. It is critical to realize that every business should work on its Vision and Mission statement (Lv et al., 2022). Hence, inside the statement is to progress towards the aim to be reached in the business, which might be improved feedback from consumers of pleased customers for visits. Profitability or other values might be considered since the aim is to work on the road plan to realize the vision.

The basic notion of measurement indicators is to attend to the aim of the business, which is defined as the core value of the business to attain.

Both efficacy and efficiency are key issues in the hotel business regarding improved management. Doing the correct and appropriate things is the foundation of effectiveness. However, efficiency is doing things correctly. Therefore, managers must grasp the performance in the hospitality business while determining the categories based on the effectiveness and efficiency of the task to be efficient and successful at the workplace. Managers must also be efficient and effective, particularly in the hospitality business. Management is vital since it is impossible to comprehend the various demands of visitors and work together to reach the objective without a team.

Teamwork is essential in the hospitality sector for success to lead the individuals working in the organization and provide the finest experience for the tourists. It is built on the desire to make adjustments and progress along a route that clearly defines the business's goal (Lyu et al., 2022). Since the input from the effective and efficient team is there to create the roadmap and accomplish the desired business objective, every worker in the other team is accountable for carrying out the activities and working effectively. The team's collaborative efforts can put workers in a better position to recognize their needs and expectations and then work on them.

As a result, it is not only dependent on client expectations. But also worker criticism and team member suggestions to work out the many aspects and deliver the most effective top services to the people working.

Important budgeting and planning in Hospitality Industry and Tourism

The company startup is built on the notion of pursuing a business career and working on a purpose. It formulates to start enterprises with the notion of providing services and facilities to individuals acquiring content, and budgeting is a critical component. Hospitality professionals must recognize that there is a responsibility on management or supervisors to appreciate the importance of sales generating and providing superior services to have a favorable impression on guests. The expense of everything has the most beneficial influence.

Because labor is so expensive in the hotel sector, some services are supplied to guests. As a result, if used properly in the hotel business, it may reap advantages. There is just one dust and a higher amount of payroll costs (Peterlin et al., 2021). And it demonstrates the average variable cost for

persons working in an organization or at a hotel. Budgeting is about more than just money. However, it is the return of the value on the stated investment when the expenditure is in the form of money. However, they are measurable in terms of outcomes, particularly where investment can be justified by the services offered to tourists in a specific area of the nation.

Hotels prepare yearly budgets to help management carry out the various operations and activities of the business efficiently. The effective and cautious management of costs or expenses, particularly labor costs, is required for the business's success. The hospitality business, particularly hotels, employs a vast number of people. As a result, it is critical to establish how many human resources are necessary at a specific location or Hotel to provide the finest services to visitors or clients. It must not be overstaffed, as this will lower the Hotel's profitability.

Process

Budgets are based on spreadsheet software, and there are financial models to anticipate the costs and expenses in the business that are in a given year to create money and provide high-quality services to the Hotel's clients (Shamim et al., 2021). Because budgeting is part of the corporate planning process, it covers the strategic marketing strategy and capital expenditures.

Key revenue forecasting variables

The variable based on the average daily or occupancy rate drives the hospitality business. It indicates that the average or square of a day's stay in a hotel's occupancy rate varies from one day to the next, week to month, and even seasonally. Because resort hotels are aware of the peak season, there is a specific region. However, hotels keep business travelers in mind throughout the week, and for the weekend, there are daily prices for rooms. As a result, there are differing revenue forecasts based on off-peak and peak hours.

Investigation is necessary

Budget accuracy is impossible to achieve. However, market data can give appropriate information to vote for budget decision-making for effective budgeting projection of services and chances to move the economy correctly. Since there is also a need to understand the different seasons and the history of the visitors so that funding may be allocated to the various locations to give better amenities to the continuing process

If cash and resources are allocated effectively, it can create a greater possibility for firms to flourish positively. Once the business management understands the necessity for a budget and the specific area for development, it may strive to increase profitability and productivity (Peterlin et al., 2021). The productivity of any firm is fully dependent on strategic management decisions, which are based on decisions to recruit staff members and, in particular, budget in hotels. It may meet the requirements and desires of visitors while also achieving the business's aim.

The main purpose of the business, particularly in the hospitality industry, is to understand the wants and desires of the guests and then give them the greatest possible experience there. So, if they do not have that experience, they may shuffle themselves to bad feedback and not suggest other people or explain to them for not visiting the specific Hotel or location.

However, if visitors have a favorable experience, it might be advantageous for the firm to reach its goal. It is fairly simple to the hospital the nature of the workplace staff members. Once they have been well taught by management and have charismatic leadership to help them realize the value of good feedback and visitor experience, because they are the heart of today's corporate events, if they have a pleasant experience, they will want to return and will influence others. However, if they are dissatisfied, they will not return or recommend that others visit this location or Hotel.



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