

Example of critical thinking on quantitative research about hotels occupancy in d...

[Science](#), [Statistics](#)



The hotel and hospitality industry is one of the most significant parts of travel and tourism industry as hotels offer accommodations and other hospitality services to tourists. The geographical location of Dubai at the confluence of the Middle East, Asia, Western Africa, and Central/Eastern Europe make a strategic tourist destination. Although many state that staying in apartment/flat is less expensive and more convenient, the statistics presented above revealed otherwise. Following the occupancy data of hotel rooms and apartments/flats between 2003 and 2012, the hotel room occupancy rates were higher all through the period. Tourists are guided by several factors in the selection of accommodation. These factors are basically cost related factors as well as convenience. People often want to stay in places that are safe, easy to access from their field trips, equipped with the necessary equipments such as first aid kits, and all inclusive in terms of entertainment and refreshment. While they desire all these under one package, tourists often look for the cheapest alternatives.

The steadily rising trends in the hotel industry before 2008 and the rapid decline after 2008 indicate the trends of tourists coming into the country. Before 2008, the Dubai economy experienced a boom following the economic boom in most countries of the world including the West and the United States. However, with their currency pegged to the dollar, the United Arab Emirates Central Bank followed similar policies as its American counterpart, the Federal Reserve. The money supply into the economy increased significantly until 2008, and then reduced tremendously by the end of the year. In other countries where tourists came from, similar situations happened. The money supply was reduced, thereby reducing the

amount available for spending on leisure activities. Tourists from countries like the United States were hit by the recession in 2008, thereby reducing their tour travels to Dubai (King, 2011).

The revenues are consistent with the occupancy rates in the first half up to 2008. However, the trend after 2008 is different from the occupancy rates. Between 2003 and 2008, the occupancy rates and the revenues rose simultaneously. However, from 2009, the occupancy rates reduced since tourists coming into Dubai significantly reduced due to the recession (King, 2011). This affected the revenues in 2009, which also fell from the previous year by -18 percent. However, hotel and apartment managements sought alternative measures of increasing revenues from the few guests, which significantly increased the revenues considerably. Due to the expansion of the world economy, the prices charged for hotel rooms and apartments significantly increased.

Additionally, with the increasing technological progress, most hotels replaced the bulk human labor with efficient technologies, thereby reducing their expenditure on salaries. This could also be the cause of the reduced revenues in 2009 as most hotels spent bulk of their income in installing new technologies. Considering the hotel occupancy rates and the revenues, I think the revenues are consistent with the projected tourism numbers for Dubai for the same years. For instance, the occupancy rates for hotels significantly increased from 70% to 78% between 2009 and 2012.

Simultaneously, the revenues increased from \$10 million to \$16 million between the same periods. These rates also show similar trends between 2003 and 2012.

I feel the statistics provided for the guest nights are consistent with the other statistics provided in the occupancy and revenues above. The constantly increasing statistics on the guest nights reveal the changing trends of the guest behaviors over the periods under study. This indicates that more guests are choosing the guest nights as opposed to the previous years. Even though the occupancy rates and the revenues fell after the 2008 boom, they did not go below the rates in 2003. Therefore, with the increasing number of tourists opting for the guest nights, the number is set to rise accordingly. Additionally, I feel that the guest nights are consistent with the goals established by the Department of Tourism and Commerce Marketing. DTCM aims at increasing the number and revenue from tourists following the 2008 boom and recession. According to the DTCM, by 2020, Dubai will welcome 20 million visitors per year and triple tourism's contribution to the city's economy (Edgcumbe, 2013). With the trends represented in the report, there could be more than 20 million tourists by 2020. This implies that hotels and apartments as well as other sectors of tourism should collect as much revenue and invite as much tourists as possible. The statistics have indicated a rising trend since 2009.

The steady increase in almost all categories listed in the summary provided for 2011/2012 indicate that most of the tourism goals are being met. The steady increase in the number of the total hotel rooms and flats available as well as the occupancy rates indicate that the industry is inviting more investors who identified the potential increase in the sector. The goal of getting the maximum revenues from the least guests is consistent with the statistics provided in the report above. Even though the number of

occupancy has not risen to its levels in 2008, the revenues in 2012 have surpassed those in 2008. If I were to research the numbers of hotel rooms available during the periods listed, I feel the numbers are realistic because according to the increasing number of hotel rooms, the hotels are accommodating more guest and the costs of operating these hotels are also becoming affordable to the managements.

References:

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Dubai Revenue Rates: http://www.dubaitourism.ae/sites/default/files/hotelstat/2003-2012_Revenues.pdf

Dubai Statistic Summary: http://www.dubaitourism.ae/sites/default/files/hotelstat/2012-2011_Statistics_Summary.pdf

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