International Journal for Research in Tourism and Hospitality
Published by: **Green Publication Services**
DOI:**XXXXXXXXXX**
ISSN: **XXXX-XXXX**
Volume 01 Issue 02 June 2026

HOTEL PRICING AND DISCOUNT PATTERNS ACROSS LOCATIONS: EVIDENCE FROM THE INDIAN HOSPITALITY MARKET

Dr.M.Obulapathi

Faculty in Political Science, Vikrama Simhapuri University, Nellore, Email: pathisk30@gmail.com, ORCID: 000-00057631-6663

ABSTRACT

In the context of India's diverse tourism landscape, hotel rates are a key determinant of competitiveness and profitability in the hospitality sector. The study employed secondary data analysis to study the pricing patterns of the hotels in the Indian hospitality market at various places. The study employed a quantitative cross-sectional research design with the Google Indian Hotel Data 2023 from Kaggle. The data set included 1,101 hotels in 51 Indian cities, with hotel prices, ratings, location and amenities. Descriptive statistics, Pearson correlation analysis and comparative analyses were used to analyse pricing differences and to investigate the relationship between hotel characteristics and room prices. Results showed that prices were highly geographically variable, with major metropolitan areas and popular tourist destinations having higher average room rates. A positive relationship was also found between hotel ratings and room price, which means that the higher the rating of a hotel the higher the room price. The results also show that hotel prices are affected by location-specific factors, service quality, and hotel characteristics but not by one of them alone. The results offer useful information to hotel managers, tourism practitioners and tourism policymakers for better understanding the role of evidence-based pricing and regional market in tourism revenue management. Though there are limitations in terms of the cross-sectional secondary data used, this study will help in understanding the pricing behaviour of hotels in Indian hospitality industry and form a base for future studies involving dynamic pricing, seasonal demand and customer booking behaviour.

Article History:

Article Type: **Research**

Received Date: **17/12/2025**
Revised Date: **11/03/2026**
Accepted Date:**22/05/2026**
Published Date: **25/06/2026**

Keywords: Hotel pricing, Indian hospitality market, Hotel ratings, Location-based pricing, Secondary data analysis

1. Introduction

The Indian tourism sector has seen significant development over the last decade, with rising domestic travel, business tourism, enhanced connectivity and a swift drive towards digitization in booking processes. Nowadays, hotels are facing a fierce competitive environment, and pricing strategies are a key focus of the fight to gain customers and to guarantee that they can keep their profits. No longer is the price of a hotel just a function of its cost to operate, but it is now more dependent on market demand, customer preferences, the attributes of the location and technological improvements within revenue management. The importance of pricing in the hospitality industry is a key focus of research in the modern era of the industry, as a multidimensional strategic tool that combines market intelligence, customer value perception, and competitive positioning to maximize organizational performance (Han & Bai, 2022; Alves et al., 2026). Likewise, the use of data-driven revenue management systems and dynamic pricing algorithms has led to the optimization of room rates based on changing market conditions, room availability, and consumer demand, boosting operational efficiency and profitability for hotels (Gao, 2025; Munnaluri, 2022).

In the Indian hospitality segment, pricing has become a critical decision as guests can now readily compare prices on online travel agencies (OTAs), online booking platforms and mobile apps. Before deciding to make a hotel reservation, consumers assess several factors, such as value of the accommodation, price, hotel rating, amenities available and location. Some Indian studies have shown that pricing impacts the perception of the service quality, satisfaction and purchasing behaviour of guests, making it a key element of hotel competitiveness (Ansari et al., 2023; Joshi & Budke, 2023). Furthermore, the proliferation of online travel portals has revolutionized the way people look for lodging, compare prices, and make their hotel booking decisions, making online channels a crucial part of the hotel pricing strategy and consumer decision making process (Sharma & Sharma, 2025).

Location continues to be one of the most important factors affecting hotel rates: hotels in commercial districts and in popular tourist destinations, transportation hubs or upscale urban areas tend to charge more for their rooms than those in less upscale and peripheral areas. The four key determinants of hotel price policies in a specific destination, spatial concentration, neighbourhood characteristics, accessibility, local tourism demand, jointly influence hotel price policies in the specific destination. Empirical studies show that the pricing difference can be attributed to various factors such as the location-specific attributes and hotel clustering, while

other factors include amenities and services of the hotel in the same market (Aziabah & Attakora-Amaniampong, 2022; Arzaghi et al., 2023). Moreover, exploratory data analysis and data mining methods have proven to be valuable in understanding trends in pricing, room-rate distributions, and factors influencing pricing behaviour in secondary data from hotels (Hikmawati et al., 2024).

The digitalization of the hospitality sector has also led to the creation of huge amounts of publicly available hotel data, allowing researchers to explore the pricing behaviour of hotels by using secondary data. Information regarding hotel characteristics, ratings, amenities and prices are all available in digital platforms to analyse market trends and give evidence to the management decision making process. These platforms have proven to be invaluable sources of information for consumers and hotel managers alike, helping to clarify hotel pricing and support competitive benchmarking (Faizal et al., 2024; Singh, 2025).

While numerous studies have explored hotel pricing strategy and revenue management and consumer behaviour, there have been relatively few studies that have investigated the location-based pricing patterns of hotels in multiple cities of India based on secondary data on a larger scale. The literature available has predominantly examined one destination, the pricing system or the international market and there is little evidence of the geographical variation of the price of a hotel in the Indian market for accommodation. Further, research about the joint effect of location, hotel ratings, and service attributes on pricing in a wide variety of Indian destinations is still scarce (Dubé et al., 2026; Valenzuela-Ortiz et al., 2025). Understanding this gap can help hotel managers, tourism practitioners, policy makers and tourists by knowing the differences in the regional prices and what factors are linked to hotel pricing. Hence, this study will examine the hotel pricing pattern in different locations of India, based on secondary data, it will give empirical evidence on the variation of pricing in Indian hotel market.

Objectives

- To examine hotel pricing patterns across different Indian cities.
- To assess the relationship between hotel ratings, amenities, and hotel prices.
- To identify the key factors associated with hotel pricing in the Indian hospitality market.

2. Methodology

2.1 Study Design

The study adopted a quantitative and cross-sectional research design with secondary data analysis to examine the pricing trends of hotels in various locations in the Indian hotel industry. This was a suitable design as it allowed for the analysis of the existing hotel pricing data that were obtained from the hotel listings on the web without involving hotels or customers directly. The study aimed to find out geographical price differences for hotels and to explore how hotels' features affect their prices.

2.2 Data Source

A publicly available secondary data Google Indian Hotel Data 2023 (Alex, 2023) was used for the study. The data set contains hotel data from the google hotel listing of various cities in India. It has detailed information on Amenity related features, hotel names, hotel rating, location of the hotel in the city, and hotel price, which can be used for understanding the price difference in the Indian hotel market.

2.3 Study Sample

Data comprised of 1101 hotels in 51 cities of India. This observation each corresponded to one hotel and comprised the hotel location, customer rating, amenities offered and the listed room price. During data screening, duplicate observations and observations with incomplete pricing information were not included in the analysis, and hotels with complete information for the study variables were included. As the dataset chosen included complete data for all the variables under study, the final analytical sample included all 1,101 hotels.

2.4 Study Variables

The main outcome variable was the price of a hotel, defined as the hotel room price listed on the hotel website. Independent variables were city location, hotel rating, and hotel amenities, which was composed of nine feature variables that were characteristics of the various facilities and services in each hotel. The name of the hotel was used only as a unique identifier and was not considered in the statistical analysis.

2.5 Data Preparation

Data was checked for completeness, consistency and accuracy before subjecting it to statistical analysis. Data cleaning was performed by checking for missing values, duplicate records, consistency in the names of cities and correct variable format. The categories for the amenity features and city names were handled as categorical variables, while hotel ratings and prices

were kept as continuous variables. The cleaned data was then analysed descriptively and inferentially using statistical analysis.

2.6 Statistical Analysis

Descriptive statistics were used for summarizing the characteristics of the study sample. Categorical variables were represented by means of frequencies and percentages while continuous variables like hotel price and hotel rating were represented by means, standard deviation, minimum and maximum. Inferential statistical analyses were then carried out to answer the objectives of the study. A one-way analysis of variance (ANOVA) was performed to check if there are significant differences in hotel prices between the different cities. Pearson correlation analysis has been performed to find out the relationship between hotel ratings and hotel prices. Multiple linear regression was used to determine the effect of hotel ratings, location of the city and hotel amenities on the hotel price. A p-value of < 0.05 was considered statistically significant. Microsoft Excel and Python were used for data management, descriptive analyses, and visualization.

3. Results

3.1 Characteristics of the Study Sample

The final data set consisted of 1,101 hotels spread over 51 cities in India, covering a wide spectrum of the Indian hotel industry. The hotel record contained data on hotel rating, city location, listed price of rooms available in the hotel, and nine amenity-related features. Complete records, in all variables, meant that there were no missing observations for statistical analysis. Thus, the data gave a full overview of the differences in hotel prices by location. The overall characteristics of the study sample included in the analysis are shown in Table 1. As can been seen in Figure 1, the distribution of hotels in the selected cities according to the geographical distribution is shown.

Table 1. Characteristics of the Study Sample

Variable	Value
Total hotels	1,101
Total cities	51
Hotel rating (Mean ± SD)	4.16 ± 0.36
Hotel price (Mean ± SD)	₹4,209.43 ± ₹4,622.08

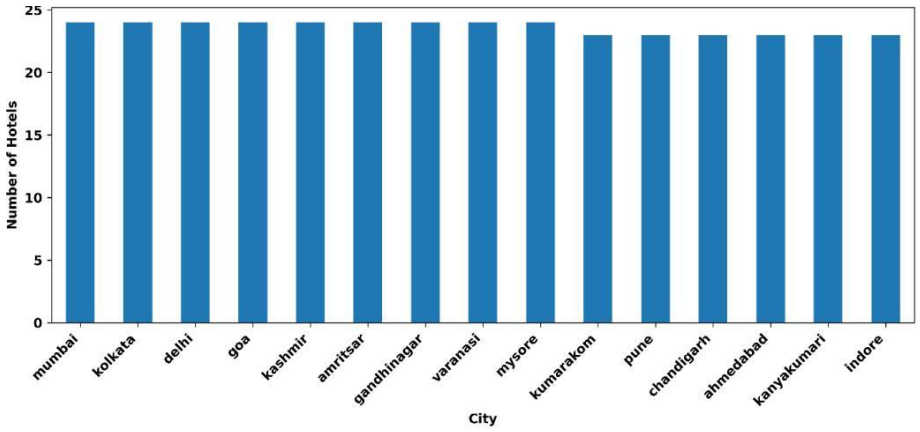


Figure 1. Distribution of Hotels Across Indian Cities

3.2 Descriptive Analysis of Hotel Prices

Descriptive statistics showed that there was a wide difference in the price of the various hotels in the sample. Average listed price of the hotels was ₹4209.43 (SD = ₹4622.08) with a range from ₹448 to ₹64,900, which reflects the significant level of heterogeneity in the Indian hotel market. The median hotel price stood at ₹2,940 indicating that there was a relatively small number of expensive hotels that pushed up the mean. The interquartile range also revealed a significant variation in hotel prices. Table 2 shows descriptive statistics of the Hotel prices. Figure 2 shows the distribution of hotel prices.

Table 2. Descriptive Statistics of Hotel Prices

Statistic	Value
Mean	₹4,209.43
Standard deviation	₹4,622.08
Minimum	₹448
25th percentile	₹1,836
Median	₹2,940
75th percentile	₹4,936
Maximum	₹64,900

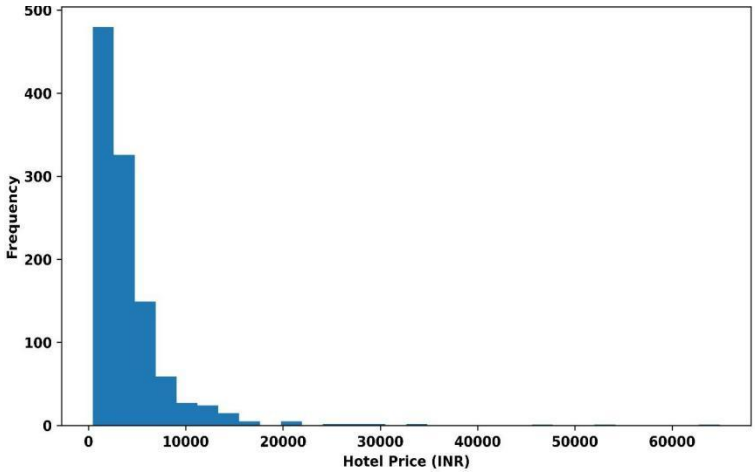


Figure 2. Distribution of Hotel Prices

3.3 Relationship Between Hotel Ratings and Hotel Prices

Correlation analysis showed that there was a positive correlation between hotel rating and hotel price (r = 0.296), which means that generally higher customer ratings hotels had higher room prices. The relationship was moderate, but the results indicate that service quality (customer ratings) influences the pricing decisions of hotels. This relationship is as expected as the market value of better rated hotels is higher. Table 3 shows the correlation between the hotel rating and the hotel price. Figure 3 shows the relationship between hotel ratings and Hotel prices.

Table 3. Pearson Correlation Between Hotel Rating and Hotel Price

Variables	Correlation coefficient (r)
Hotel Rating vs. Hotel Price	0.296

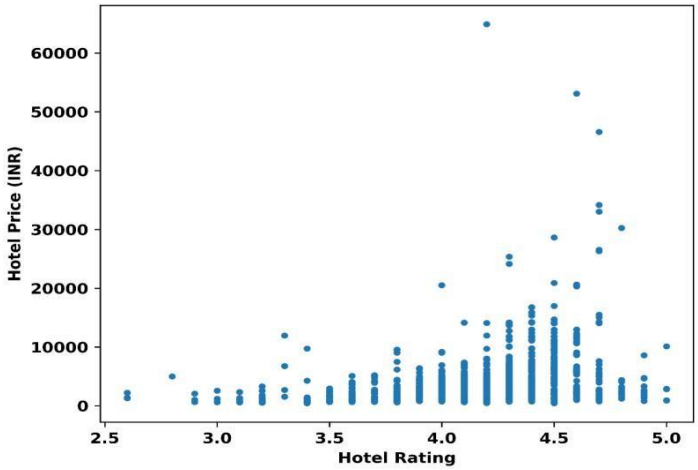


Figure 3. Scatter Plot of Hotel Rating and Hotel Price

3.4 Comparison of Hotel Prices Across Locations

The average hotel rate by city revealed that there were significant differences between the cities. Premium tourism and metropolitan destinations such as Kashmir (₹13,401.46), Goa (₹9,575.50), Mumbai (₹8,748.29), Jaipur (₹8,092.91), and Kumarakom (₹8,048.13) recorded the highest average hotel prices in the dataset. This suggests that the location has a significant influence on the pricing of hotel rooms, which can vary depending on the demand for tourism, the popularity of the destination, and the characteristics of the local market. The average hotel prices are compared among cities in Table 4.

Table 4. Cities with the Highest Average Hotel Prices

City	Mean Hotel Price (₹)
Kashmir	13,401.46
Goa	9,575.50
Mumbai	8,748.29
Jaipur	8,092.91
Kumarakom	8,048.13

In conclusion, the findings indicate that hotel rates are significantly different in the Indian hospitality market. Results from the descriptive statistics showed that there was a great difference between the price in each room, and results of correlation showed that price of hotel and ratings of hotel had positive correlation. Additionally, based on geographical comparison, all the premium tourism destinations and major metropolitan cities reported higher average hotel prices than the other regions, which also confirmed the significance of geographical locations in hotel pricing.

4. Discussion

Secondary data were used in the present study, and the data were obtained from the hotels in 51 cities in India to analyse the pricing patterns in the Indian hotel industry. Results showed that there was significant heterogeneity among hotel prices by location, suggesting that geographic properties are still very important factors for pricing. The average room prices for premium tourism destinations and the metropolitan cities were significantly higher than the average room prices at smaller destinations, which is due to the difference in tourism demand, the attractiveness of the destination, accessibility, and market positioning. The results confirm those of earlier studies showing the strong impact of spatial attributes and market situations on hotel pricing structures. Hotels that are in the areas where tourism is significant and competition is high tend to follow the differentiated pricing approach to maximize revenue and adjust to the

demand situation in their area (Akin & Balcıoğlu, 2026; Shrivastava & Rathore, 2026).

The study also revealed a positive correlation between hotel ratings and room rates, indicating that hotel guests are ready to pay high rates for hotels with high ratings and value. This discovery corroborates the notion that pricing decisions must consider not only operational costs but also customer value perceptions and service quality. This aligns with earlier research on the hospitality sector, where studies have indicated that effective pricing strategies, like the ones mentioned, can help retain guests, enhance their value perceptions and sustain long-term competitiveness in hotel markets (Trebicka et al., 2023; Singh et al., 2026). Thus, hotel managers need to set the prices based on the improvement of the hotel quality and customer expectations to improve its market position.

Space differentials in prices found in this study also highlight the spatial dimension in the accommodation sector. Generally, the more successful tourist destinations in terms of economic activity, developed tourism infrastructure and tourist demand were characterized by higher room prices than less successful destinations. The results corroborate the evidence that spatial recovery trends, market competitiveness, and platform-based lodging ecosystems are linked to hotel performance and price dynamics within regions (Wang et al., 2025; Napierała & Tomczyk, 2026). Hence, pricing should not be done based on internal hotel conditions only but external geographical, market conditions that influence the demand should also be considered.

With the rise of digital technology and online platforms, the pricing of hotel industry has undergone another revolution. Giving consumers access to information on hotel prices and ratings has become a pivotal aspect of competition, as they turn to online travel agencies and platforms for comparisons (Vaheed & Sahney, 2026). Hotel managers can therefore not ignore the need to align pricing with digital marketing, customer engagement and online reputation management. Past research indicates that adequate digital marketing strategies, social media activity, and online customer sentiment have a significant impact on hotel visibility, booking behaviour, and the perceived value (Dewi et al., 2024; Sari et al., 2022). Today's findings have confirmed the need to offer competitive pricing and have a solid digital presence to attract and keep customers in a more and more technology-driven market.

The study also reveals the important managerial implications for the Indian hospitality industry. Hotels are also using innovative pricing models, operational resilience, and adaptive business models to stay competitive in the face of disruptions brought about by the COVID-19 pandemic (Xu et al., 2025). With market intelligence, hotels can use strategic pricing to better meet

customer preferences and trends in the tourism market. The importance of organizational resilience, crisis management skills, and understanding tourists' behavioural response for sustainable recovery and long-term business performance has been also highlighted in previous research (Barbhuiya & Chatterjee, 2023; Majumdar, 2022). Therefore, it is important for hotel management to always be on the watch for market conditions and to modify the pricing strategies as per the demand and competition.

This study has several limitations. The analysis was based on a cross-sectional secondary dataset which lacked any notion of seasonality, demand, customer booking behaviour and promotions, which could all impact on hotel pricing. Moreover, the data set would correspond to the listing price of the hotels, not the price at which the hotel transaction occurs (Kang et al., 2026; Klimantiris Jr., 2026; Lo et al., 2025).

Future research will be extended to include a longitudinal data set as well as dynamic pricing information and customer behavioural variables for a further understanding of pricing mechanisms. Moreover, new studies indicate that sustainability, financial risk management and employer branding are becoming more key factors in hotel competitiveness and consumer preferences. The incorporation of these dimensions in future research on pricing can provide a more extensive understanding of the entire process of strategic decision-making in the hospitality industry.

5. Conclusion

This study explored pricing trends in the Indian hotel sector from a secondary data perspective of 1,101 hotels in 51 Indian cities. Results showed that there was a high degree of variation between the prices at different hotels, and geographical factors were found to play a significant role in pricing. Overall, hotels in tourist destinations and large cities tended to have higher room rates, reflecting the impact of destination appeal and market demand on the price of rooms. Additionally, the study found a positive correlation between hotel rating and room price, indicating that higher customer ratings can lead to higher room prices due to the perceived service quality and customer value of the hotels. Results showed that location, service quality and hotel attributes affect hotel prices, and not any determinant alone. The results in this paper are valuable for hotel managers to formulate competitive pricing strategies and for tourism stakeholders to gain insights into regional differences in pricing in the Indian hospitality sector. The study also underscores the importance of secondary data analysis for analysing pricing trends at a wide range of destinations. It however lacks the consideration of other variables like

seasonal demand, occupancy rates, promotional offers and customer booking behaviour which would be important in a study of hotel pricing behaviour. Future research would benefit from the inclusion of dynamic pricing data, longitudinal analysis and more market indicators to better understand hotel pricing strategies. This kind of research will help in better revenue management and sustainability decisions in the fast-changing Indian hospitality sector.

References

1. Akin, G., & Balcioğlu, Y. S. (2026). Platform-mediated price stratification in urban tourism markets: evidence from five European capital cities. International Journal of Tourism Cities, 1-18.
2. Alex, A. M. (2023). Google Indian Hotel Data 2023 [Data set]. Kaggle. https://www.kaggle.com/datasets/alvinmanojalex/google-indian-hotel-data
3. Alves, C. A., Costa, B. K., & Silva, F. R. (2026). Pricing Objectives and Pricing Strategies of the Hospitality Industry in Tourism Destination at Emerging Markets. Journal of Quality Assurance in Hospitality & Tourism, 1-20.
4. Ansari, A. I., Singh, A., & Singh, V. (2023). The impact of differential pricing on perceived service quality and guest satisfaction: An empirical study of mid-scale hotels in India. Turyzm, 33(2), 121-132.
5. Arzaghi, M., Genc, I. H., & Naik, S. (2023). Clustering and hotel room prices in Dubai. Tourism Economics, 29(1), 116-136.
6. Aziabah, S. A., & Attakora-Amaniampong, E. (2022). Examining the determinants of location attributes and their effect on hotel pricing in the period of the covid-19 pandemic in an emerging market. African Journal of Hospitality and Tourism Management, 3(2), 23-39.
7. Barbhuiya, M. R., & Chatterjee, D. (2023). Just survive or thrive? Effect of psychological and organizational resilience on adoption of innovative strategies by hospitality sector post COVID-19. Tourism Planning & Development, 20(2), 188-211.
8. Dewi, D. M. P., Pratiwi, I. A. P. W., Dewi, N. P. A. P., Wijaya, G. W. A., & Ariana, I. P. N. T. (2024). Marketing Adaptation Strategy of The One Legian Hotel To Changes in Demographics of Indian Tourist Visits. Jurnal Manajemen Pelayanan Hotel, 8(2), 164-176.
9. Dubé, J., Lapointe, A., Martel, V., Placide, M. B., & Torres Ospino, I. V. (2026). Hotel room pricing and economic benefit for local economies: Evidence from Canada. Tourism Review, 81(1), 562-588.
10. Faizal, S., Sankar, J. P., Menon, N., Abdalla, R., & Pattali, S. (2024). Factors influencing hotel decision-making through digital platforms in South Asia. Cogent Social Sciences, 10(1), 2407933.
11. Gao, J. (2025). Optimizing hotel revenue management through dynamic pricing algorithms and data analysis. Journal of Computational Methods in Sciences and

Engineering, 25(2), 1200-1209.

12. Han, W., & Bai, B. (2022). Pricing research in hospitality and tourism and marketing literature: a systematic review and research agenda. International Journal of Contemporary Hospitality Management, 34(5), 1717-1738.

13. Hikmawati, N. K., Ramdhani, Y., & Wartika, W. (2024). Exploring ADR trends: A data mining approach to hotel room pricing, cancellations, and EDA. Journal of Applied Data Sciences, 5(1), 189-202.

14. Joshi, A. B., & Budke, A. S. (2023). A study on consumer buying behaviour patterns of hospitality industry in India. Rabindra Bharati Patrika, 26, 145-155.

15. Kang, W., Kiaw, P. A., & Yong, S. M. (2026). Eco-conscious choices: age-driven green trust and purchasing patterns in the hospitality sector. Tourism and hospitality management, 33(1), I-XVII.

16. Klimantiris Jr, C. N. (2026). Financial Investment and Risk Management in the Hotel Industry: The Impact of the Forex Market on Hotel Performance.

17. Lo, A., Huang, Z., Buhalis, D., Thomas, N., & Pang, J. M. (2025). Marketing the employer brand in hospitality: a content analysis of hotel corporate and career websites. Journal of Travel & Tourism Marketing, 42(9), 1153-1168.

18. Majumdar, R. (2022). Crisis management and strategies for the future: evidences from the pandemic hit on Indian hotel sector. International Journal of Indian Culture and Business Management, 26(4), 521-537.

19. MUNNALURI, V. K. (2022). Dynamic pricing in the hospitality industry in the presence of data scarcity.

20. Napierała, T., & Tomczyk, A. T. (2026). New face of platform capitalism in lodging industry: Who and where adopts platform-led loyalty tools?. Tourism Economics, 32(4), 879-903.

21. Sari, R. P., Putra, F. K. K., Maemunah, I., & Dianawati, N. (2022). The use of Twitter in social media marketing: Evidence from hotels in Asia. APMBA (Asia Pacific Management and Business Application), 11(1), 59-74.

22. Sharma, A. K., & Sharma, R. (2025). Navigating the Online Travel Landscape: Factors Influencing Tourists' Choice of OTAs in Delhi and NCR Region in India. Revista Turismo & Desenvolvimento (RT&D)/Journal of Tourism & Development, (48), 203.

23. Shrivastava, P., & Rathore, A. (2026). Evaluating the Effects of Dynamic Pricing on Tourist Preferences in the Indian Tourism Sector: A Study from Rajasthan. In Advancement in Engineering and Science (pp. 312-315). CRC Press.

24. Singh, B. (2025). Case study on implementing AI for dynamic pricing in the hospitality industry. Decoding AI: Practical Implementations for Business Operations.

25. Singh, S., Yadav, A., Paliwal, M., Kumar, A., Sk, P., & Chamola, P. (2026). How Perceived Value Bridge between Price Perception and Tourist Retention? A Cross-Cultural Pricing Strategies Grounded on Attribution Theory. Journal of Quality Assurance in Hospitality & Tourism, 1-20.

26. Trebicka, B., Tartaraj, A., & Harizi, A. (2023). Analyzing the relationship between pricing strategy and customer retention in hotels: A study in Albania. F1000Research, 12, 690.

27. Vaheed, B., & Sahney, S. (2026). Clicks, comments, and concerns: Decoding sentiments and ratings in OTA reviews. Loisir et Société/Society and Leisure, 1-24.

28. Valenzuela-Ortiz, A., Chica-Olmo, J., & Castaneda, J. A. (2025). Location factors and agglomeration economies in the hotel industry: The case of Spain. European Journal of Management and Business Economics, 34(1), 1-22.

29. Wang, G., Maghsoodi Tilaki, M. J., & Rahim, A. A. (2025). Exploring Spatial Dynamics: Analyzing Hotels' Recovery Performance Amid the COVID-19 Crisis. Applied Spatial Analysis and Policy, 18(2), 67.

30. Xu, W., Yu, C., Zhang, C., Liu, Y., Zhang, H., & Li, M. (2025). Recovery of hotels from the crises: evidence from tourists' emotional changes by deep learning sentiment analysis. Asia Pacific Journal of Tourism Research, 30(5), 537-552.