QUALITY MANAGEMENT SYSTEMS IN U.S. TOURISM SERVICES: MARKET MECHANISMS, DIGITAL REVIEWS AND INDUSTRY SELF-REGULATION

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Abstract. *This article examines the American model of quality management in tourism services as a conceptual institutional case rather than as an empirical measurement of business performance. The relevance of the study is determined by the fact that tourism quality is increasingly shaped not only by formal regulation, but also by market competition, reputational signals, independent ratings, digital reviews, customer experience tools, and professional self-regulation. The purpose of the article is to identify the main institutional components through which the American tourism and hospitality market supports service quality without relying primarily on a unified state-controlled classification system. The study is based on qualitative institutional analysis of secondary sources, including academic literature, official materials of rating systems, digital review platforms, and professional associations. The analysis was conducted according to five criteria: institutional actor, quality signal, mechanism of influence, type of accountability, and contribution to reducing information asymmetry. The results identify five key components of the American model: market competition, independent rating systems, digital reputation, customer experience management, and industry self-regulation. The article does not claim to prove the statistical effectiveness of these mechanisms; rather, it explains their functional role within a decentralized quality management environment. The findings may be useful for further comparative studies of tourism quality management systems, especially in economies where the balance between administrative regulation and market-based quality signals remains under development.*

Keywords: *tourism services, quality management, institutional analysis, American model, digital reputation, customer experience, rating systems, self-regulation.*

Introduction

Quality management in tourism services has become one of the central issues in contemporary tourism development. Tourism is not a single isolated transaction. It is a complex experience that includes searching for information, booking, arrival, accommodation, transport, excursions, communication with staff, problem-solving, and post-trip evaluation. A tourist rarely assesses these elements separately. In most cases, the quality of the whole journey is judged through the integrity of the experience.

This feature makes tourism services particularly sensitive to information asymmetry. Before consumption, tourists cannot fully evaluate the real quality of a hotel, a guided tour, a restaurant, or a destination service. They rely on signals: brand reputation, price, ratings, previous guest reviews, expert classifications, and recommendations. In this sense, Akerlof's theory of quality uncertainty is highly relevant to the tourism sector, since the consumer often faces uncertainty before making a purchase decision [1].

In international practice, two broad approaches to quality management in tourism can be distinguished. The first is an administrative-regulatory approach, in which the state establishes mandatory standards, classifications, licensing procedures, and inspection mechanisms. The second is a market-reputational approach, where quality is largely shaped by competition, consumer feedback, voluntary certification, industry standards, and digital reputation.

The United States represents one of the most illustrative examples of the second approach. This does not mean that the tourism and hospitality sector in the United States is unregulated. Public regulation remains significant in areas such as safety, sanitation, consumer protection, labor relations, taxation, and transport. However, the quality of service as a competitive attribute is not primarily determined by a unified state-controlled star classification system. Instead, it is influenced by market competition, independent rating systems, professional associations, digital platforms, and customer experience practices.

At the same time, the American case should not be interpreted as a complete alternative to public regulation. It is more accurate to view it as a mixed institutional arrangement, where the state regulates minimum legal and safety conditions, while the market, platforms, rating agencies, and professional associations generate additional quality signals. This distinction is important because service quality in tourism is not ensured by one institution alone; it emerges from the interaction of several mechanisms.

The purpose of this article is to analyze the institutional structure of the American model of quality management in tourism services and to identify its main components. The article addresses the following research question: how does the American model ensure service quality without relying primarily on direct administrative control over quality standards?

The article is designed as a conceptual institutional study. It does not include surveys, interviews, statistical modeling, or econometric testing. Its contribution lies in systematizing the institutional mechanisms of the American model and clarifying how each mechanism may contribute to reducing uncertainty, strengthening consumer trust, and creating incentives for service improvement.

Methods

The study is based on a qualitative institutional analysis. This method is appropriate because the American model of tourism service quality cannot be reduced to a single legal act or one centralized regulatory body. It is formed by the interaction of several institutions: businesses, consumers, rating agencies, digital platforms, professional associations, and public regulators.

For the purposes of this article, qualitative institutional analysis is understood as a structured interpretation of the roles, functions, and interactions of institutions that influence service quality in tourism. The analysis focuses not on measuring the statistical impact of each institution, but on identifying how institutional mechanisms operate as quality signals, incentives, and accountability channels.

The research uses secondary sources, including academic literature on information asymmetry and service quality, official materials of rating systems such as AAA Diamond Rating and Forbes Travel Guide, publicly available information from digital review platforms such as Tripadvisor, Booking.com, and Google Business Profile, and industry materials of professional organizations, including the American Hotel & Lodging Association, the U.S. Travel Association, and the American Society of Travel Advisors.

The sources were selected according to four criteria. First, the source had to be directly related to tourism, hospitality, service quality, customer reviews, rating systems, or professional self-regulation. Second, preference was given to official or primary sources, such as platform methodology pages, rating system guidelines, and professional association materials. Third, the source had to be publicly accessible and verifiable. Fourth, the source had to represent an institutional actor or mechanism that plays a visible role in the American tourism and hospitality market. Promotional texts without methodological relevance, informal blog posts, and unverifiable secondary summaries were not used as core sources.

The analysis was conducted in four stages. At the first stage, the institutional actors involved in tourism service quality were identified: public regulators, businesses, rating agencies, digital platforms, professional associations, and consumers. At the second stage, these actors were grouped according to their dominant function in quality management. At the third stage, each group was analyzed according to five criteria: (1) the type of institution; (2) the quality signal produced by the institution; (3) the mechanism through which the institution influences business behavior; (4) the form of accountability created by the institution; and (5) the way in which the institution reduces information asymmetry for tourists. At the fourth stage, the results were interpreted in relation to the broader logic of market-reputational quality management.

Table 1. Analytical criteria used for institutional analysis

Criterion	Analytical meaning of the study
Institutional actor	The organization, platform, association, or market participant influencing service quality
Quality signal	The information that helps consumers judge quality before or after consumption
Mechanism of influence	The way the institution affects business behavior or consumer choice
Accountability channel	The form of pressure or responsibility created for service providers
Reduction of information asymmetry	The extent to which the institution makes quality more visible and comparable for consumers

The study has several limitations. It does not provide quantitative measurement of the impact of ratings or reviews on hotel performance. It also does not claim that the United States has a single homogeneous model across all states and market segments. Tourism and hospitality practices vary by state, destination, company size, and type of service. Nevertheless, the American case provides a useful framework for understanding how quality can be managed through market and reputational mechanisms.

Because the study is based on secondary sources, its findings should be interpreted as conceptual and analytical rather than empirical in the narrow statistical sense. The article does not prove that a specific platform, rating, or association directly improves service quality. Instead, it explains how these mechanisms function within the institutional environment of the American tourism sector. Further research may test these relationships empirically through surveys, expert interviews, platform data, or performance indicators.

Results

Market competition as a quality driver

The first defining feature of the American model is the role of market competition. In this system, quality is not maintained only because a business must comply with a formal standard. It is maintained because poor service affects customer satisfaction, online visibility, reputation, and future revenue. The relationship is direct: dissatisfied customers leave negative feedback, negative feedback reduces trust, and reduced trust weakens market position.

This market logic is especially visible in the hospitality sector. Hotels, restaurants, travel agencies, and tourism service providers compete not only by price and location, but also by perceived reliability, responsiveness, cleanliness, staff behavior, and overall guest experience. In other words, quality becomes an economic asset. It is no longer merely a technical requirement; it is part of competitive strategy.

From the perspective of institutional analysis, competition performs two functions. First, it creates incentives for service providers to improve quality in order to maintain demand. Second, it increases the importance of visible quality signals, because consumers need information to compare alternatives. In this model, competition is effective only when the market offers a real choice and when consumers have access to reliable information.

At the same time, market competition alone cannot ensure quality in all circumstances. It works effectively only when consumers have real alternatives and access to reliable information. If competition is weak or information is distorted, market discipline becomes less effective. This is why the American model depends not only on competition itself, but also on institutions that make quality visible to consumers.

Independent rating systems

The second component of the American model is the use of independent rating systems. The AAA Diamond Rating system is one of the best-known examples. It evaluates lodging properties according to specific approval requirements and rating guidelines, including physical attributes, service elements, comfort, and overall guest experience [2]. Forbes Travel Guide provides another influential rating system, based on independent inspections and detailed criteria for hotels, restaurants, spas, and ocean cruise ships [3].

These ratings function as reputational institutions. They are voluntary in nature, but they have significant market value. A high rating can support premium positioning, strengthen consumer confidence, and distinguish a property from competitors. In this sense, independent ratings partly perform functions similar to those of formal classification systems, but through a market-based rather than purely administrative mechanism.

Their importance lies not only in evaluation, but also in signaling. For the consumer, a rating reduces uncertainty. For the business, it creates an incentive to invest in service quality. For the market, it establishes a hierarchy of reputation that influences demand and pricing.

Within the analytical framework of this study, AAA and Forbes Travel Guide are interpreted as expert-based quality signal institutions. Their institutional role differs from user-generated platforms: they do not primarily aggregate mass consumer opinion, but translate expert assessment into a recognizable market signal. However, the present study does not measure the financial effect of these ratings on occupancy, price, or profitability. Such measurement would require separate quantitative research.

Digital reviews and platform-based reputation

The third and increasingly important component of the American model is digital reputation. Online platforms have fundamentally changed how tourists evaluate quality. Before booking a hotel

or choosing a service, tourists often examine reviews, ratings, photos, response behavior, and recent guest experiences.

Tripadvisor, for example, states that its Popularity Ranking is based on the quality, recency, quantity, and consistency of user reviews over time [4]. Booking.com uses guest review scores and applies a weighted review system in which more recent reviews may have a stronger influence on the overall score [5]. Google Business Profile allows verified businesses to reply to customer reviews and report reviews that violate platform policies [6].

These platforms create a continuous feedback environment. Unlike traditional inspections, which are periodic, digital reviews operate almost in real time. A business is evaluated not once every few years, but after each customer interaction. This changes the logic of quality management. Service providers must maintain quality consistently, because every guest can become a public evaluator.

Digital reviews also reduce information asymmetry. Tourists are no longer dependent only on advertising, official descriptions, or formal categories. They can compare the experience of previous consumers. For businesses, this creates both opportunities and risks. A strong digital reputation can attract demand, while unmanaged negative feedback can damage market position.

However, platform-based reputation is not without problems. Fake reviews, emotional judgments, rating manipulation, and unfair competitive behavior may distort consumer perception. Therefore, the American model increasingly depends on platform moderation, verified business profiles, review policies, and mechanisms for responding to reputational conflicts.

The institutional role of digital platforms is therefore ambivalent. On the one hand, they democratize quality assessment by allowing consumers to publish their experiences. On the other hand, they transfer part of the power over visibility and reputation to platform algorithms. This means that digital reputation is not a neutral reflection of service quality; it is a mediated form of market information. For this reason, the article treats digital platforms as reputational infrastructure rather than as direct empirical proof of service quality.

Customer experience management

The fourth component of the American model is customer experience management. In contemporary tourism and hospitality, service quality is no longer limited to the physical condition of a hotel room, the accuracy of a booking, or the politeness of staff. It includes the entire customer journey: search, reservation, arrival, stay, service recovery, loyalty, and post-visit communication.

For this reason, customer experience metrics have become widely used in service industries. Net Promoter Score measures the willingness of customers to recommend a company or service to others [7]. Customer Satisfaction Score is commonly used to evaluate satisfaction with a specific service encounter [8]. Customer Effort Score measures how easy or difficult it was for a customer to solve a problem or complete an interaction [9].

These tools transform quality management from a control function into a learning function. Businesses use customer feedback not only to detect defects, but also to adjust service standards, train staff, improve communication, and personalize the guest experience. This approach is especially important in tourism, where emotional perception and subjective satisfaction strongly influence repeat visits and recommendations.

In the American model, customer experience management acts as an internal managerial mechanism that complements external reputation systems. Ratings and reviews make quality visible to the market, while customer experience tools help firms interpret feedback and convert it into operational decisions. This distinction is important: digital reviews show what customers publicly

say, whereas customer experience management helps businesses understand why customers evaluate the service in a particular way and what should be improved.

At the same time, the use of NPS, CSAT, and CES does not automatically guarantee service improvement. These indicators become meaningful only when firms have the managerial capacity to collect, interpret, and act on feedback. Therefore, they should be viewed as tools of organizational learning rather than as independent proof of service quality.

Industry self-regulation

The fifth component of the American model is industry self-regulation. Professional associations play an important role in shaping standards of conduct, ethical principles, training initiatives, and policy positions. Organizations such as the American Hotel & Lodging Association, the U.S. Travel Association, and the American Society of Travel Advisors contribute to the institutional environment of the tourism and hospitality sector [10; 11; 12].

Industry self-regulation does not replace public regulation. Rather, it complements it. The state remains responsible for legal and safety frameworks, while professional associations support quality culture, professional identity, ethical conduct, and sectoral coordination. This distribution of functions is one of the distinctive features of the American model.

The effectiveness of self-regulation depends on the maturity of the industry. It requires strong associations, active business participation, reputational accountability, and trust between market actors. Where these conditions exist, professional organizations can become important mechanisms for maintaining service standards without excessive administrative intervention.

In institutional terms, self-regulation works through professional norms rather than legal compulsion. Its influence is softer than state regulation, but it may be important for shaping expectations about responsible business behavior, staff training, advocacy, and ethical service provision. In this sense, professional associations contribute to the quality environment indirectly: they do not inspect every service encounter, but they help define what responsible industry conduct should look like.

Summary of institutional components

The results of the analysis can be summarized in Table 2. The table does not present statistical evidence of effectiveness. It systematizes the institutional functions identified through qualitative analysis of secondary sources.

Table 2. Institutional components of the American model of quality management in tourism services

Component	Main quality signal	Mechanism of influence	Accountability channel	Main limitation
Market competition	Price, reputation, repeat demand, customer choice	Businesses improve service to maintain demand and market position	Loss of customers and revenue	Weak if consumers lack alternatives or reliable information
Independent ratings	Expert-based quality assessment	Ratings create market differentiation	Reputational prestige or loss of status	Does not cover all businesses and does not measure every

		and consumer trust		service interaction
Digital reviews	User-generated ratings, comments, feedbacks	Platforms make service experience publicly visible	Public reputation and platform visibility	Risk of fake reviews, emotional bias, algorithmic dependence
Customer experience management	NPS, CSAT, CES and other feedback indicators	Firms use feedback to improve internal processes	Managerial learning and service recovery	Useful only if firms act on the data
Industry self-regulation	Professional norms, association standards, training, codes of conduct	Associations shape expectations and quality culture	Professional reputation and peer expectations	Depends on industry maturity and voluntary participation

Discussion

The American model of quality management in tourism services can be interpreted as a decentralized system of reputational control. It does not rely on a single central authority that defines and monitors all aspects of service quality. Instead, quality emerges from the interaction of several mechanisms: competition, independent ratings, digital reviews, customer experience measurement, professional associations, and public regulation of safety and legal compliance.

The results of this conceptual analysis suggest that the American model is not "unregulated," but differently regulated. Formal public regulation remains important for minimum legal, sanitary, safety, and consumer protection requirements. However, the competitive quality of tourism services is strongly influenced by non-state and quasi-market institutions. These institutions do not impose quality in the same way as administrative standards; they make quality visible, comparable, and reputationally consequential.

It would be methodologically inaccurate, however, to claim that the American model is effective in all contexts or that it automatically produces higher service quality. The present article does not provide empirical evidence on the causal relationship between ratings, reviews, and business performance. Therefore, the conclusions should be interpreted as institutional and explanatory rather than statistical. The analysis shows how the model is structured and why it can create incentives for quality improvement, but it does not measure the size of these effects.

At the same time, the American model should not be idealized. It depends on several institutional preconditions. First, consumers must have access to reliable information. Second, competition must be sufficiently developed. Third, digital platforms must provide mechanisms for review authenticity and dispute resolution. Fourth, businesses must have the managerial capacity to use feedback productively. Fifth, legal institutions must be able to protect both consumers and businesses from fraudulent or unfair practices.

Another important issue is the growing power of digital platforms. While platforms make quality more transparent, they also create dependence on algorithms and user-generated content. A

business may be strongly affected by review dynamics that it cannot fully control. This raises new questions about fairness, verification, and the governance of digital reputation.

The possibility of applying elements of the American model in other countries, especially in developing economies, requires careful methodological caution. Market-reputational mechanisms can function only when several conditions exist: a sufficient number of competing service providers, consumer access to digital information, trust in review systems, managerial readiness to work with feedback, and legal mechanisms against fraud and unfair competition. Without these conditions, simple imitation of American-style rating or review systems may produce limited results.

For developing tourism markets, the American model may therefore be useful not as a ready-made institutional template, but as an analytical reference point. It shows how quality management can be supported by reputational incentives, consumer feedback, and professional self-regulation. However, the degree to which these mechanisms can be transferred depends on the maturity of the market, the digital literacy of consumers, the capacity of businesses, and the reliability of supporting institutions.

From a research perspective, the findings of this article should be treated as a basis for further empirical work. Future studies may examine, for example, how online review scores influence hotel occupancy, whether independent ratings affect pricing strategies, how businesses respond to negative feedback, or how professional associations influence service standards in specific tourism segments. Such studies would allow the conceptual model proposed here to be tested with quantitative or mixed methods.

The American model therefore demonstrates not the disappearance of regulation, but the transformation of regulation. Quality is no longer managed only through formal inspection and administrative classification. It is increasingly managed through visibility, trust, customer voice, professional norms, and market consequences. This is perhaps the most important lesson of the American experience.

Conclusion

This article has analyzed the American model of quality management in tourism services as a conceptual institutional case. The study identified five main components of the model: market competition, independent rating systems, digital reviews and platform-based reputation, customer experience management, and industry self-regulation. Together, these components form a decentralized quality environment in which service providers face reputational and market incentives to improve customer experience.

The main conclusion is that the American model does not replace regulation with the market; rather, it redistributes quality management functions among several actors. Public authorities continue to regulate safety, sanitation, consumer protection, taxation, and other mandatory areas. At the same time, independent ratings, digital platforms, consumer feedback, professional associations, and internal customer experience systems influence how service quality is perceived, compared, and improved.

The study also shows that the strength of this model lies in its ability to reduce information asymmetry. Tourists cannot fully know service quality before consumption, but ratings, reviews, expert assessments, and brand reputation help them make more informed decisions. For businesses, these same mechanisms create reputational pressure and encourage continuous improvement.

However, the conclusions of the article are limited by its conceptual and secondary-source design. The study does not measure the statistical impact of ratings, reviews, or customer experience

metrics on business performance. It also does not claim that the American model is universally applicable. Its transfer to other countries would require attention to market competition, digital infrastructure, consumer trust, platform governance, and the institutional maturity of the tourism sector.

Therefore, the American model should be understood not as a universal solution, but as a valuable example of how quality management in tourism can be organized through the interaction of market incentives, reputational mechanisms, professional norms, and public regulation. This interpretation may serve as a foundation for further empirical and comparative research on tourism service quality management systems.

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