

## ABOUT HOTEL CLASSIFICATION SYSTEMS

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The matter of the classification of tourism accommodations is particularly difficult for at least two reasons:

- First of all, due to the large diversity of types of tourism accommodations, a diversity that is constantly increasing;
- Also, due to the large diversity of classification systems that are themselves embedded in highly different cultural and economic contexts.

I will therefore try to successively address four aspects of this matter:

1. The objectives and the general framework of classification
2. Systems for classification management
3. Classification criteria
4. Monitoring/enforcement

The first question that arises, of course, is: Why have a classification system? Or in other words, what are its objectives? I see at least five:

1. To inform consumers. This point is very important because, by definition, a hotel is far from the home of the tourist, and consumers cannot just go to the corner supermarket or the neighbourhood retailer to see and possibly try out their future purchase. Classification thus constitutes an indicator, a piece of information that should give confidence to the consumer before, during and after his stay.

2. The second objective is to have a standardized listing allowing intermediaries, which are the tour operators and travel agencies, to have a reference they can use when preparing their catalogues, when negotiating wholesale deals with a hotel chain, or when putting together a customized product.
3. The third objective is that of constituting an instrument for marketing and promotion. This would be useful, first of all, for the hotels, which by featuring how many stars they have will be able to promote their specific characteristics, and their additional services, based on the "certification platform" provided by their stars. It is also useful at the governmental level. You will note in this regard that practically all governments that are reforming their classification systems highlight their desire to bring the quality of their national tourism up to a higher level. In this way, the classification system itself can also become an element of promotion.
4. A fourth objective is to use the quality-measurement tool that is the classification system to provide the hotel profession with a coherent framework that makes it possible to evaluate in a consistent manner a sector that is characterized by the extreme diversity of accommodation units, the vast majority of which, in both number and volume, are managed by individual entrepreneurs or by enterprises with fewer than 10 employees.
5. Lastly, in certain countries, classification serves as a reference for the implementation of public policies, such as the granting of subsidies or certain tax breaks.

In this regard, in certain countries, classification is linked to objectives other than ensuring a level of quality. This has been the case in the past, for example, in Egypt regarding price controls or in France for VAT rate levels, or elsewhere, for the use of the "hotel" denomination.

Beyond these objectives, another aspect to consider is to determine if, in a given country, there exist classification systems for non-hotel tourism accommodations, and if so, whether the different systems are consistent with each other. Indeed, it is important to consider the fact that, more and more, a growing number of types of accommodation are competing with each other because the behaviour of customers is becoming more and more open. The same tourist/consumer can in

fact go from a 4-star hotel and then switch to a bush lodge, a guest house, a bed & breakfast or even certain camping sites or rent a holiday apartment. This point is important especially for ensuring fair competition among the different types of accommodation.

Lastly, we should think about the suitability or desirability of having classification systems that are identical or similar among different countries. There exist several examples of subregional cooperation on this subject, for example in Europe, led by HOTREC, in South-East Asia within the framework of ASEAN, in East Africa, or in West Africa within the framework of ECOWAS. For my part, I believe that this movement towards standardization at the subregional level should be encouraged because:

- It makes it possible to give consistency to the quality image of a subregion
- It makes it possible to meet a real demand of the market
- Lastly, it could allow exchanges and rapprochement between subregional systems

Going beyond this general framework, classification management systems should be examined very carefully because, with monitoring and enforcement, their characteristics have a major impact on the functioning (positive or negative) and the quality levels of classification. I feel that I should insist on this point because, in many cases, this aspect of things is neglected with most of the attention going only to the set of reference criteria, which on its own—that is to say without proper management and monitoring/enforcement—is incapable of guaranteeing the quality and effectiveness of a classification.

Among the many characteristics of classification management systems, I would like to highlight eight main considerations:

1. The obligatory or optional nature of the classification. This point is obviously essential because it will determine the level of participation of the profession. Furthermore, an obligatory system has a strong capacity to eliminate the "black sheep" of the profession. Its interventionist nature, which necessarily implies exercising public force in the regulation of a profession, is still often seen as not very compatible with the free operation

of markets.

2. The level of validity and of implementation. In the vast majority of cases the classification is national, that is to say, the reference criteria are national. However, two countries stand out due to the existence of regional/provincial systems: Spain and Italy. They have the serious drawback of being difficult to integrate into national branding policies which, as we are all aware, play an essential role in the area of promotion. I would also like to note that the Italian regions have recently agreed on a common platform of criteria in order to avoid overly large divergences.
3. The matter of the ownership of the system—simply put, who manages the classifications—is obviously a central issue. Grosso modo, there exist four forms:
  - a. The most extensively used are public systems managed by the government. This is the case of the Mediterranean countries, the African countries, numerous countries of Central Europe and some Asian countries. These have the advantage of involving the State as a guarantor of the quality of the system and as arbiter in the event of disputes within the profession, principally between chains and independent hoteliers. They nevertheless have the drawback of placing what is first and foremost a technical and economic tool in the hands of political area. This is not without consequences for the capacity of the systems to evolve, to renew themselves, to progress and to adapt to the market. One of the lessons that I have personally drawn from the reform of the French classification which I started when I was in charge of the French tourism administration is that political constraints eventually lead to public classifications having excessive resistance to change, which often borders on paralysis.
  - b. Private systems are basically managed by private enterprises that grant labels or "awards" according to criteria that they themselves establish. This is the case in the United States, in Ireland, in several Latin American countries, and for a number of years, this was the case in Egypt, which has since returned to a public system. These systems naturally have the advantages of flexibility and responsiveness. However, they have the serious drawback of establishing a commercial link between the managing entity of the system and the hotel subject to evaluation, and "irregularities" are, alas, too numerous and too frequent for us to be able to advocate this type of system without reservation.

c. Associations of hotel professionals manage the classification systems in several countries such as Germany or Switzerland. In Austria, this is done by the chambers of commerce. This solution presents many advantages, notably, that fact that it keeps to the purely technical and professional functions of classification. However, it can only function properly if two conditions are met:

- There needs to be a high level of collective conscientiousness and individual discipline within the profession. Without these qualities, this form of management could have a tendency to sink to the lowest common denominator.

- Secondly, there must be a satisfactory way to resolve possible divergences of interest between hotel chains and independent hotels that keeps in mind the long-term interests of the profession.

d. Lastly, there are mixed systems. I am thinking here of the United Kingdom, where the management involves automobile clubs, the regional governments and the national authority. For my part, I think that in places where associative systems cannot be put into place, it would be desirable to associate the profession, the public authorities and, as the case may be, travellers or their representatives.

4. The duration of the validity of the classification is also an important point to consider. For example, I know that some systems award stars without any time limit: one can imagine the effectiveness of such system and the lack of updating it leads to.

5. Another point is the process of assessment for new hotels. Some countries award provisional stars on the sole basis of the hotel's blueprints. In this case, the provisional assessment system must obviously be coherent with the definitive one.

6. The cost of the assessment is also a sensitive question since, in a lot of countries, it's supported by public budgets, but with a quality level which is not always irreproachable.

7. The design processes for the set of criteria are very diverse depending on the countries and, as said above, the ownership and management of the system. Even in the case of a system that is managed by the government, it should associate closely the hoteliers and their representatives and, also, take into account the market, either by involving travel agents and tour operators or by conducting surveys on customers' wishes. Another aspect is the process for updating a set of

criteria since, very frequently, the absence of partial or progressive updates leads to sets of criteria being frozen for too long a time. It leads frequently to the persistence of out-dated criteria (the French system required, until last year, the presence of a phone box in the lobby) or the failure to introduce new criteria which are already being demanded by the market (I'm thinking, for example, of Internet access).

8. Last point: how to publicize the classification? It's indeed important to communicate on the stars and the managers of the system should promote it, for example through a website.

Now, coming to the criteria, let me raise seven points:

1. The number of classes: the classification encompasses generally 5 classes but some private systems have fewer and some others have more, up to 7 stars in the Middle East for example. In my opinion, this point could be standardized at a global level.

2. The general definition of the said classes could also be standardized since the meaning of the different star ratings is very different from one country to another one, especially concerning 4- and 5-star hotels

3. The number of criteria is also a very frequent debated issue. Grosso modo, a good system must try to reach a balance between:

- On one hand, the necessity of having a broad and complete assessment of a hotel. It must indeed cover a rather large scope.
- On the other hand, the necessity to have a simple, comprehensive and ergonomic assessment system.

This question is likely one of the most debated when designing or reforming a set of criteria.

4. Another much debated issue is the balance between physical and intangible indicators. Without entering into this very sensitive question, I'd say that:

- The first ones are easy to measure, traditional and their results are not easy to dispute.
- Intangible indicators, which are mostly related to the quality of service, fit much more with the present demand of clients and are more difficult to assess. I'd add

that these criteria are generally badly assessed by civil servants and much better by private experts.

5. Should a set of hotel classification criteria take into account the customers' opinion? The question is rather recent and appeared mainly with the growing importance of hotel assessment websites like TripAdvisor. At least one system, the South African one, has already integrated the client's opinion into its set of criteria. This approach obviously requires certain ethical conditions and precautions but it seems to be a possible trend for the near future.

6. The scope of the assessment is a key question. Behind the factors of quality which are directly perceived by the clients (lobby, reception, concierge, rooms, breakfast, room service, etc.) the set of criteria can also include other specific matter such as: hygiene, security of the building, or sustainability of the general management. Some systems include them, while others consider, for example, that building security falls under the scope of compulsory requirements and cannot be included in a classification system. The same can be said for hygiene or staff premises. In some countries, the sustainability of the general management is assessed in the framework of a separate label. I'm not sure it can be addressed separately in the future.

7. Concerning the treatment of the criteria, two things have to be examined:

- The possible weighting of the indicators, according to the importance the designer gives to such and such criteria.
- The distribution between compulsory criteria and optional ones. For example, the system of Quebec (Canada) encompasses only optional criteria. I'm not sure this kind of system could avoid certain distortions in the assessment of hotels.

Coming to the subject of control, first of all I'd say it's likely the main weak point of a lot of classification systems. It's indeed not useful to build a good or even sophisticated set of criteria if it's not properly implemented, namely if the control is either weak, or not professional, or even not monitored. In this respect, the control of the controllers and their training are essential... but this is much easier said than done!

For four years now, we have been leading an innovative joint action with the government of Egypt and the Egyptian Hotels Association in order to improve the qualification and the professionalism of the Egyptian controllers. This project includes joint assessment of hotels and the next phase will lead us to make mystery guest visits to control the quality of the controls.