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Hotel star ratings a standard for inconsistency, confusion

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When Ritz-Carlton was opening its hotel in downtown Denver last year, it touted the property as the city's first five-star hotel.

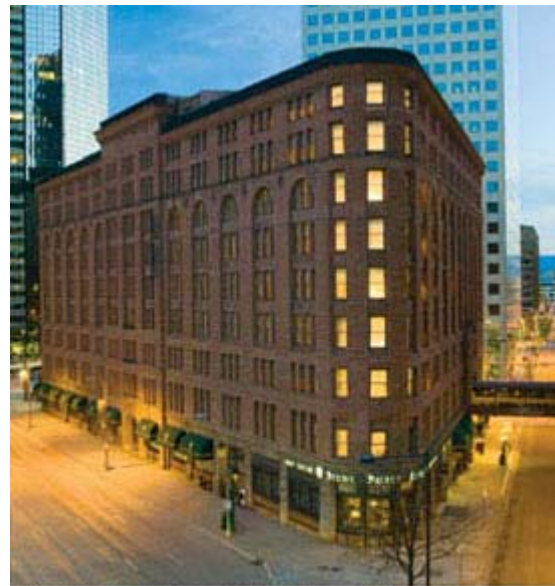
Says who?

According to Star Service ratings, the city has at least two other five-star properties: the JW Marriott in Cherry Creek and downtown's historical Brown Palace.

And that ranking service doesn't even give a fifth star to the brand's flagship Colorado property, the Ritz-Carlton Bachelor Gulch at the tony Beaver Creek ski area. (Star Service is owned by Northstar Travel Media, parent company of Travel Weekly.)

Mobil has since given both Colorado Ritz-Carltons three stars, which, if compared with the ratings of Star Service or many online travel agencies, means they rank lower than many Sheratons.

But if you believe Orbitz, both Colorado Ritz-Carltons get five stars, the same ranking as New York's Waldorf-Astoria and Peninsula hotels. On TripAdvisor, the downtown Ritz-Carlton gets a score of 4.7, AAA gives it four diamonds and Star Service gives it five stars.



The Brown Palace in downtown Denver, a five-star hotel according to Star Service.

Call it Star Wars, Starflation or "Star Fantasy," as Harry Nobles, a former head of AAA's diamond rating system, put it. It can also be just plain confusing, prompting debates over whether the whole rating system is becoming irrelevant, a victim of highly varying standards, evolving guest expectations and flat-out overload.

It also has sparked other debates: Should the industry adopt some sort of international rating standard that would supersede the ever-growing number of independent and consumer-generated Internet ranking sites? Is that even possible? Does a sixth tier need to be created to add new, ultra-luxury properties to what have traditionally been five-category ranking systems?

"A system that was originally created to set some standardized expectations for the hospitality industry and inform and educate the consumer has now mutated into one that does exactly the opposite," Rob Rush, president and CEO of the hospitality and leisure customer experience management consultancy LRA Worldwide, wrote recently in a newsletter.

"While Mobil will proffer its star system and AAA will offer the comfort of the diamonds, the truth of the matter is that it's the wild, wild West out there. Any property with an overeager public relations firm and an on-call, poolside perspiration valet can stake a claim to star-driven fabulousness."

Rush said it was time for the industry to appoint a "star czar" to oversee a panel that would set international standards for hotel rankings.

He admitted such an effort might be like "herding cats," but said the timing has never been better to make another attempt at getting control over who decides what constitutes hotel quality.

Miami travel agent Stacy Weigant, who directs the luxury division of Forest Travel Agency, said she would gladly defer to one reliable source on hotel rankings.

"If you know of a site, let me know," Weigant said. "I just do so much research. There is not one place to go. That's the problem."

When researching a property, Weigant said she usually starts in the Amadeus GDS.

"They classify luxury, first class or standard," she said. "But, of course, in the luxury category, there are a variety [of hotels] that I would never say in my life were luxury. Then when you go into the facts of the hotel in the GDS, they will tell if they are Mobil-rated or AAA-rated and what rating they are given."

Then, she said, she goes to sites such as Travel + Leisure and Conde Nast to see how they rank the property. She also visits TripAdvisor, not because she finds it particularly credible but because she knows her clients will read that site. But on TripAdvisor and other consumer-generated review sites, Weigant focuses only on the negative comments because she doesn't trust the independence of flatterers.

"I go to various sources, then I try to glean from all the sources what I think this hotel really is," she said.



The Peninsula in New York, which rates as a five-star property on Orbitz.

While Mobil and AAA have traditionally provided what are considered the most independent, strict, standards-based rating systems for hotels, they have focused their efforts on North America and the Caribbean.

Mobil recently expanded to Hong Kong and Macau and will venture into London this year. And Mobil Travel Guide CEO Shane O'Flaherty says the plan is to keep expanding around the globe.

But AAA says it has no plans to expand its reach, and Nobles, now a hotel ratings consultant, says he sees little future for an expansion of independent ratings, just because they are so expensive to conduct.

"I worked on a project a few years ago," he said. "I had a client in Thailand who wanted to do that in Asia. I thought it was a great idea, to give it some validity and authenticity. The problem is, how do you fund it? They've got to be objective, and to be objective you've got to pay your way."

AAA's inspections, he noted, are paid for by its 50 million members, who sign up primarily for the association's road services. Mobil's are funded through the sales of its travel guides.

"That demographic is dying out," Nobles said. "Their children and grandchildren are not using the tour book. At some point in the future -- probably not in my lifetime, probably not in yours -- the ratings as we know them now will not exist. There will be ratings, but they will be paid for by the industry."

That's a key reason why Rush says the industry needs to establish its own global ratings criteria. But some sort of validation and oversight process is required to ensure that the hotel ratings are more credible than those found on many of today's Internet sites, he said.

"Today, they simply say, 'Tell me what you think you are,' " he said. "That's a model that leaves a lot to be desired."

Throughout much of the rest of the world, however, that's how the hotel rating game works; hotels either grade themselves or they are graded by country-specific criteria, which varies widely from country to country.

"There's a lot of confusion," O'Flaherty said. "The Chinese Hotel Association does their own ratings. They have a five-star Howard Johnson in China."

New rating system or old, some also contend the new level of ultra-luxury hotels, from the self-proclaimed seven-star Burj al Arab in Dubai to the new Capella resorts, have created the need for a sixth tier.

Not surprisingly, Horst Schulze, Capella's founder, is among those pushing for the new tier. While he refuses to call his new hotels six-star resorts (and he forbids his managers from making such claims), the Capella website starts with the phrase "A new star has risen ..."

"I would never call myself six-star, but I am certainly better than any five," Schulze said.

The problem with the traditional rating systems, he said, is that the idea of luxury has changed dramatically.

"If you look at some of the hotels that are now in the five-star category, they were created 25 to 30 years ago," Schulze said. "Luxury has changed. And so how do you do that? You either take away the five-star rating or the five-diamond rating or you create another rating. In my judgment, it is very clear that there are a lot of hotels that are past the period to what is today a five-star hotel, and there are other hotels that are far superior. ... So it is clear that something has to be done with the current rating system. It is very confusing."

Officials with Mobil and AAA, however, are adamant that another tier is not needed, because they revamp the standards within their different categories to adjust to changes in hotel services and amenities and guest expectations. And they are not afraid to remove or downgrade properties.

"We have been asked many, many times, both by the press and by the hotel industry, to consider a sixth star, but that's not in the cards for us," O'Flaherty said. "Today there are only 44 five-star hotels [in the Mobil rankings], so there is no reason for a sixth."

Michael Petrone, who heads the diamond rating system for AAA, agreed, saying that less than 0.33% of the 31,000 hotels rated by AAA last year got five diamonds.

"We review our criteria every so many years," Petrone said. "We just recently completed our review. It had been about six years. We take a snapshot of the industry, and we divide it into five tiers. As luxury becomes more dynamic, we look at these features and say our fifth diamond is the ultimate in luxury. That's how we capture the changes without adding a level."

Petrone said that while luxury has definitely changed, some of the biggest changes are in other categories.

"What we are really seeing is the middle market taking the biggest impact," he said. "Luxury amenities and services are being pushed down into the three-diamond level. It's becoming harder and harder to differentiate between what is a four- and five-diamond."

Still, Schulze and others say those rigid guidelines don't take into account the most important part of luxury.

"I had a Ritz-Carlton that clearly was a five-star, but it was connected to an office building next door so it didn't get the ranking," said Schulze, a co-founder of the Ritz-Carlton Hotel Company. It was kind of silly. ... This had nothing to do with the guest experience but was someone's idea created as part of the ratings criteria."

Schulze said the ultimate tier of luxury, which he strives to achieve at Capella, isn't measured with a list that emphasizes the marble in the bathroom. Capella resorts, he said, are a new dimension of hotel that cannot be compared with traditional five-star properties.



The Burj al Arab in Dubai, a self-proclaimed seven-star property.

"It's not that it is more luxurious, that there are more chandeliers," Schulze said. "It is centered around the experience, service, activities. It's about a sense of place."

When a guest makes a reservation at Capella, he said, a personal assistant calls the guest to check on everything from diet requests to preferred activities. That personal assistant picks the guest up at the airport and is there to make sure his or her needs are met.

"We custom tailor the experience for every guest," he said. "You couldn't do that in a traditional hotel. That's why we have no more than 100 rooms. We do anything you want as long as it's legal and ethical. There are no rules around our needs. All the rules are what the customer wants. It's not just how often the marble is cut around the edges. It's all geared toward experience. If you want to eat dinner at 3 o'clock [in the morning] in the restaurant, then it's open for you."

Petrone, however, argues that adding a tier would only exacerbate the current ratings overload.

"We know that AAA members understand and appreciate that a five-level system is relevant," he said. "We also know that there is great confusion among travelers because of the various rating systems. It just seems obvious that adding another level into the luxury category would promote more confusion."

As a travel agent, Weigant agrees.

"I think having a six-star rating may only add more confusion," she said. "If there were steadfast parameters that properties had to specifically fit into, to be a true luxury, six-star product, then it would be helpful. I am afraid that, again, everyone's concept of what constitutes four, five and six stars is different, so it will just further blur the categories."