Designing a Domestic Model for Classification and Grading Hotels in Iran

Amir Mohsen Madani
PhD candidate
Department of Cultural Management and Planning
Faculty member at Science and Research Branch
Islamic Azad University
Tehran, Iran.

Mohsen Ghadami, PhD
Faculty member at Science and Research Branch
Islamic Azad University
Tehran, Iran.

Ali Asghar Sarafizadeh, PhD
Faculty member at Central Tehran Branch
Islamic Azad University
Tehran, Iran.

Abstract

This research aims to present a domestic model for classifying and grading hotels in Iran. It deals with the factors affecting hotel classification and grading and in this respect, the role of service quality as a main affecting factor is reviewed. After introducing the hotel classification system and grading standards in the world, the domestic model for classifying and grading hotels in the country is presented as the analytical model of the research.
The research findings showed that such factors as management style, features of human capital, hotel services, location and structure and all their components can affecting directly and positively the hotel classification and grading in the country.

Keywords: hotel, hotel classification, hotel grading

Introduction

One of the most important factors for the visitors of a country is the quality of the hotels in that country. The quality of hotel services offered during visitors stay at a hotel directly and significantly affects the GNP share of the country dedicated to tourism industry. As a part of WTO assisted Tourism Development Master Plan, Iran has a 20-year tourism program according to which it aims to gain 1.5 percent of the world's total tourist arrivals, receiving a number of 20 million international tourists each year. In order to reach this ideal goal, the government has intended to renovate the hotels owned by the state. Still, lack of a well-trained hotel staff and management team has prevented the quality of the hotel cervices to grow high. Many visitors in Iran return to their home countries unsatisfied with the services offered by the hotels.

According to Faché (2000), one of the most important developments in the tourism industry is the growing attention to service quality from the customer's perspective. The key to sustainable competitive advantage in today's competitive environment lies in delivering high-quality service which results in satisfied customers (Shemwell et al., 1998). Indeed, as service quality is positively related to customer retention and customer loyalty, it has a direct effect on company profits (Baker and Crompton, 2000; Zeithmal and Bitner, 2000) and therefore it can be a determining factor in hotel classification and grading. This research deals with the factors affecting hotel classification and grading and it aims to present a domestic model for classifying hotels in Iran.

Service Quality

Service quality has been defined as a gap between the customer's expectations of a service and the customer's perceptions of the service received (Parasuraman et al.,1985). The consumer satisfaction literature views these expectations as predictions about what is likely to happen during an impending transaction, whereas the service quality literature views them as desires or wants expressed by the consumer (Kandampully, 2002).

To date, "there is no universal, parsimonious, or all-encompassing definition or model of service quality" (Reeves & Bednard, 1994, p. 436). Grönroos (1984) defines service quality as "the outcome of an evaluation process where the consumer compares his expectations with the service he perceived he has received" (p. 37).

Definitions of quality have included: a) satisfying or delighting the customer or exceeding expectations; b) product of service features that satisfy stated or implied needs; c) conformance to clearly specified requirements; and d) fitness for use, whereby the product meets the customers' needs and is free of deficiencies (Chelladurai & Chang, 2000).

Service quality is an abstract concept, and in operationalizing it, Parasuraman, Zeithaml and Berry (1988) have identified five dimensions of service quality. They are Tangibles (appearance of physical facilities, personnel and materials), Reliability (dependable and accurate performance), Responsiveness (willingness to help customers and the promptness of service), Assurance (knowledge and courtesy of employees) and Empathy (caring and individualized attention to customers). Although existing literature has shown the effects of service quality on revisit intentions, few, if any, have examined the impacts of each service quality dimensions on revisit intentions. Examining the impact of each service quality dimension on tourists. Revisit intentions not only allows management of nature-based tourism businesses and organizations to identify their strengths and weaknesses, but also help them focus their limited resources on those service attributes that affect tourists' revisit intentions the most[1].

Hotel Classification Systems

The grouping together of hotels providing a given range of services and facilities is an inexact science. The distinction between availability and quality is often blurred. Early hotels and inns were little more than an available bed and something barely palatable to eat. The emergence of tourism in the latter half of the 19th century brought with it an improvement of the standards of the early inns. Some pressure was placed on these facilities to offer some minimum standards where the consumer was able to identify a property with specific amenities. The rating system emerged out of efforts by the Automobile and cycling clubs in Europe, who in their tour books displayed hotels, which they recommended to their membership, based on the guaranteed facilities which these hotels/inns offered. This led to the establishment of rating systems such as the Automobile Association (AA) and its American counterpart the (AAA) and the Michellin tyre company's – Michellin Red Guide and other mobile guides.

After World War II, National Tourist Boards began to consider some form of hotel registration/classification system. There was some difficulty in doing so. By 1970 only five European countries had national classification systems, by 1980 this number increased to 22 European countries and 60 countries worldwide. The criteria applied by the classification systems were, and still are not uniformed. There were various meanings attached to registration, classification and grading (Research Department of the Caribbean Tourism Organization,2002). In the following section the grading standards are introduced.

International Grading Standards

The Second Edition of the Grading Standards formulated by the Botswana Bureau of Standards consists of the following parts, under the general title Hotel and Related Establishments - Grading Requirements;

- Part 1: Fully serviced hotels - Specification: an accommodation establishment that provides breakfast, lunch, dinner and personal service, for the convenience of the guests.
- Part 2: Selected hotel - Specification: an accommodation establishment that provides breakfast, multipurpose public facilities and selected personal services.
- Part 3: Domestic guest house - Specification: an accommodation establishment, operating from a private property, that provides breakfast, that has an option with regard to the provision of lunch and dinner and of which the public areas can be shared by the host and the guests.
- Part 4: Commercial guest house - Specification: an accommodation establishment, operating from a private property, that provides breakfast, that has an option with regard to the provision of lunch and dinner and of which the public areas are for the exclusive use of the guests.

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[1]

http://fama2.us.es:8080/turismo/turismonet1/economia%20del%20turismo/calidad%20y%20turismo/SERVICE%20QUALITY%20DIMENSIONS%20AFFECTING%20NATURE%20TOURISTS%20INTENTIONS%20TO%20REVISIT.PDF

- Part 5: Self - catering establishment - Specification: an accommodation establishment that provides the facilities and equipment necessary for guests to prepare their own meals.
- Part 6: Game lodge and camp - Specification: an accommodation establishment which primarily utilizes outdoor activities to sell exclusive packages for guests to visit natural or historical locations. The lodge and its facilities are usually for the exclusive use of resident guests.

These standards outline the criteria by which the establishments are to be assigned different grades and class/categories. The standards are reviewed after every five years through a Botswana Bureau of Standards established Technical Committee which consists mainly of industry members (Botswana Tourism Board, 2006).

Research Goals

Main Goal

Reaching a domestic model to classify and grade hotels in Iran

Sub-Goals

1. Identifying existing models in the world for classifying and grading hotels
2. Identifying components of existing models in the world for classifying and grading hotels
3. Identifying the importance of components of existing models in the world based on the norms in the country
4. Designing a domestic model to classify and grad hotels in Iran

Research Hypothesis

As the research is seeking to introduce a model to classify and grade hotels in the country, there is no need to pose a hypothesis.

Research Method

This research is applicatory in terms of purpose and descriptive in terms of method. Also, as it tries to offer a domestic model to classify and grade hotels in the country and identify the importance of factors and components affecting the classification and grading of hotels, library method has been chosen initially and then two types of questionnaires have been prepared to collect data and information and then analyzing them, to reach the research goals.
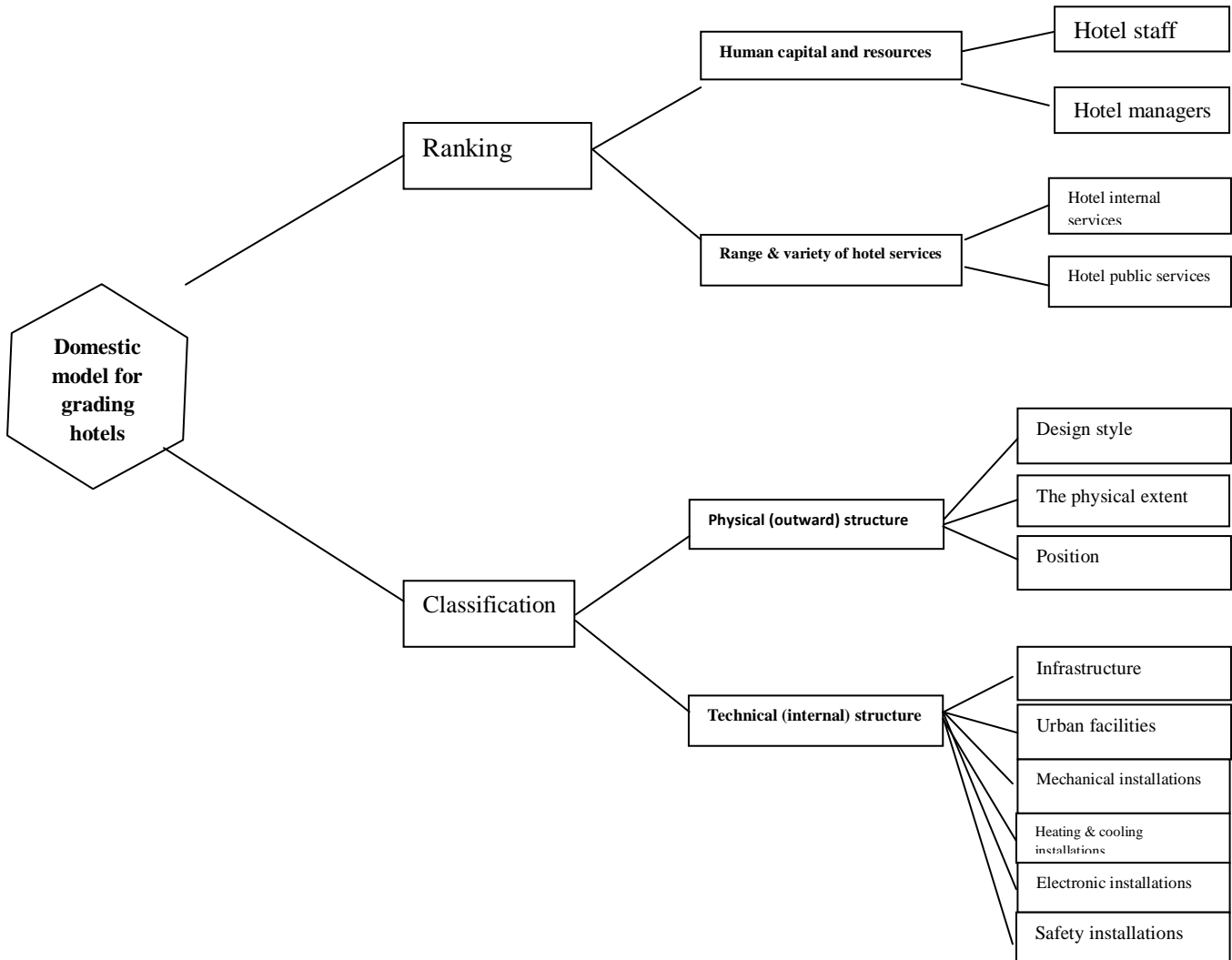
Research Model

Figure 1: A domestic Model for Grading Hotels in Iran

Conclusion

It is well clear that for a hotel to be successful in attracting tourist to stay in and even re-visit a location, the service it offers has to be reasonably satisfying. Satisfaction is most commonly described in terms of the disconfirmation approach, viewed as the variation between a customer's pre-purchase expectations and post-purchase perceptions of the actual service performed (Oliver, 1980; O'Neill, 2001). Depending upon the complexity of the service, Oliver (1993) claims that a customer can experience both negative and positive affective reactions (p. 420). Satisfaction is dependent upon the customer's subjective perception and evaluation of service performance rather than the organization's objective standards of quality (Greenwell et al., 2002a). Service providers who meet or exceed expectations are more likely to have satisfied customers (Rust, Zahorik, & Keiningham, 1995).

The general thought is that satisfaction mediates the relationship between perceived service quality and firm performance (Babikas, Bienstock, & Van Scotter, 2004; Cronin, Brady, & Hult, 2000; Fornell, 1992; Gotlieb et al., 1994).

This research deals with the factors affecting hotel classification and grading and it aims to present a domestic model for classifying hotels in Iran.

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The research findings showed that such factors as management style, features of human capital, hotel services, location and structure with all their components illustrated in figure 1 are affecting directly and positively the hotel classification and grading in the country.

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