



OFFICE OF TOURISM STANDARDS AND REGULATION
Internal Memorandum Circular No. 2015 - 02

PHILIPPINE STAR RATING SYSTEM'S ANTICIPATED QUESTIONS

In preparation for the official publication of the star rating results of the audited hotels, resorts and apartment hotels using the new star rating system of classification, the Office of Tourism Standards and Regulation deemed it appropriate to provide everyone in Accreditation the fundamentals and necessary background information on the star rating system.

Ensuring that all project stakeholders are fully equipped and informed on the transition of the classification system, attached is the list of anticipated questions.

For guidance and reference.

06 July 2015

A handwritten signature in blue ink, appearing to read "Atty. Maria Victoria V. Jasmin".

ATTY. MARIA VICTORIA V. JASMIN
Undersecretary

Tourism Regulation, Coordination and Resource Generation

PHILIPPINES STAR RATING SYSTEM

Anticipated Questions (AQs)

1. When did DOT change to the star rating system?

The Department of Tourism released the new star rating system in June 2012. It was published in the Official Gazette and national dailies, Philippine Daily Inquirer and Philippine Star. It was then implemented in the last quarter of 2013.

2. Who developed the star rating system?

From 2011 to 2012, the Office of Tourism Standards and Regulations of the DOT, with the assistance from the German Technical Cooperation (GIZ), conducted a series of consultation workshops with tourism stakeholders in key destinations around the country to gather insights & suggestions on the new system. The draft of National Accommodation Standards for Hotels, Resorts & Apartment Hotels was prepared by an international consultant, Mr. Geoff Penrose, former Executive Director of Qualmark, who was hired by GIZ. Qualmark is New Zealand tourism's official quality assurance organization that provides a trusted guide to quality travel experiences.

3. What is the difference of the star rating system from the old system?

The new accommodation standards is a point system rating based not only on inventory and availability, but also evaluates condition and quality of a specific facility, as well as service. It adapts a world-class rating system based on international best practice, which now allows standardized rating system across the hotels, resorts and apartment hotels and will be delivered in a language that is easily understood and appreciated by the foreign market.

The DOT star rating system for hotels & resorts is divided into seven (7) dimensions : Arrival & Departure, Public Areas, Bedrooms, Bathrooms, Food & Beverage, Amenities and Business Practices. A hotel assessment, for example, has 177 indicators across all dimensions.

The old accommodation system, on the other hand, is based on a checklist/inventory-type of system based only on the existence and/or absence of facilities & services offered by the establishments.

4. Why did DOT change to star rating system?

The Star Rating system is an internationally accepted classification. The Philippines is the only nation in Asia that does not use a similar Star Rating system in classifying hotels. Through this change, we are now speaking the same language as that of the other countries in the region.

The new Star Rating system encourages and adds value to DOT-accredited/rated hotels and resorts. It is set to drive the tourism industry players to level up their game to ensure that their facilities, accommodation, and services cater to the needs and expectations of the market.

5. What are the advantages / benefits of the star rating?

The Star Rating system gives consistency in classification. It helps businesses/property owners to be the best they can be as they are guided by specific criteria/set of standards to upgrade/improve and maintain their facilities. It also aids the establishments keep pace with customer and industry trends. Star-rated enterprises tend to be more competitive and can easily market themselves.

With the Star Rating system, we are now speaking the same language when it comes to hotel / resort classifications. This means, guests can better understand and appreciate what Philippine hotels and resorts offer. The Star Rating system also influences guests' choice because of its widespread awareness and global recognition. It complements other sources of information like personal recommendation and website/social media reviews. Plus, the system provides assurance to guests on what to expect from the property's facilities and services.

6. How will the ratings of social media platforms like TripAdvisor be different from DOT's star rating system?

What we aim to achieve for the star rating system is to establish an official, transparent and more objective rating system. Through the new star ratings system, we now have a more scientific rating that is based on national standards, which sets the criteria for hotels, resorts, and apartment hotels.

Social media platforms like TripAdvisor, for example is a more personal type of rating system. It is based on one's perception based on their own experience. Although it is a good tool also to use for one's personal preference, this type of rating system is more biased and subjective, which may differ from one individual to another.

7. Who conducts the assessment and gives the final rating? How does the Department select the Third Party Assessors (TPAs)?

The Department of Tourism (DOT) hires Third Party Assessors (TPAs) to conduct the assessment. TPAs are private individuals or industry professionals who have expertise and exposure in the tourism industry and/or quality audits. They were selected based on their experience and expertise in the industry, integrity, eye for details, ability to communicate, and make firm decisions. DOT invites industry professionals through newspaper & online ads then shortlisted applicants undergo a panel interview.

Assessment findings go through an initial review by the DOT regional office then a review committee at the DOT Office of Tourism Standards and Regulations conducts another evaluation of the assessment findings/reports and releases the final rating upon approval of the Undersecretary, TRCRG.

8. Are the TPAs equipped to assess based on international standards?

The TPAs are experts in the industry. They were selected by DOT based on their experience and expertise. Individually, they have years of training and understanding to help move tourism forward. After being selected by the DOT, the TPAs undergo rigorous trainings, conducted by DOT and local and foreign experts, on the new accommodation standards, the assessment process, guidelines, and exposure to quality assurance. Part of their training is to ensure they are able to detach themselves from their current work/position and face every assessment as a DOT-TPA/industry expert.

Apart from the trainings, the assessors also have a manual that guides them and safeguards that assessment follows the international standards. It also serves as their benchmarking tool when they conduct their assessment.

9. How long will the TPA hold their designation/position? When are they replaced?

The TPAs are engaged on a project basis, which follows the duration of the assessment period. Depending on the performance of the assessor/s, DOT may or may not engage again the assessors for the next round of assessment.

10. What happens when a hotel, resort or apartment hotel did not meet the points needed to be star rated or fell short in achieving its desired star classification?

If the establishment was not able to comply with the missed requirements, like for example, the PWD (person with disability) room requirement, the enterprise will be given a maximum of one (1) year from the time it has received its Assessment Notice to rectify its deficiencies.

However, if the situation is a non-compliance with the desired classification, the enterprise will be classified to a lower grade depending on its minimum requirements. The establishment may request for a re-audit after rectification of its deficiencies for its desired classification. This may allow the establishment to reach or upgrade their desired classification.

11. How much will a hotel, resort, or apartment hotel pay to be star rated?

For the pilot implementation, the DOT subsidized the costs inherent to the assessment (travel costs of TPAs and honorarium fees). At present, the establishment only pays the accreditation fee corresponding to its current (old) classification, e.g. P2200 for deluxe hotel.

12. What happens if a hotel is not star rated or does not want to be classified/accredited?

Under the RA 9593, accreditation of accommodation is mandatory, however, its full implementation is still slow. The DOT through its regional offices continues to work with the LGU in fast tracking and for the full implementation of the mandatory requirement.

13. Why is the rating of one property lower than the other establishment when it has the same facilities and services?

The ratings will be unique for every establishment. Every establishment has its own kind of facility design, theme and offerings. The quality and the condition of a facility as well as its service are also taken into consideration during the assessment process, which may vary from one hotel to another. The highest point that may be given for a specific indicator is 10 points and the lowest is 2 points.

14. Why is there the same set of standards for both urban and rural areas?

The objective of coming up with star rating classification is to establish a consistent system of classification to guarantee that, for example, a one star hotel in a rural area shall have the same facilities and amenities standard as a one star hotel in the urban area. We have to keep in mind that we are now leveling up our system to make Philippine tourism at par with our neighboring countries, hence we are implementing a world-class rating system that is based on international standards and with language being consistent across the country, and globally.

15. How does the Department ensure that properties are properly informed prior the announcement of the star rating?

The Department has issued a Notice of Assessments to the audited properties informing them of the points garnered upon assessment, its equivalent star rating, as well as missed mandatory and minimum requirements, if any. It also specifies the allowable period within which the property may comply with the missed requirements.

If the establishment has no contest on the result of the assessment shared with them, the rating can be considered final. However, the establishment needs to wait until DOT releases the official announcement before they can actually use the assessment result.

16. Why is there a delay in releasing the results of the first run of assessments?

DOT is introducing a new system that will help the country's tourism to become more competitive and help push it forward. That is why, DOT is carefully reviewing and continuously examining its every step before the system can be finalized / institutionalized. The Department wants to ensure that all results of the assessments are carefully reviewed for each of the property.

17. What happens to those that have been assessed and are happy or have accepted the results?

The assessment results that have been shared with them can be regarded as final. They just have to wait for the official public announcement to be released by DOT.

18. Since the assessment is done every 2 years and given that the official release of the results are late, what will happen to the establishments that have been assessed and will already mark its 2nd year after the first assessment?

The 2-year period until the next assessment will start after DOT releases the official announcement. Therefore, the rating received by an establishment will be its official rating for 2 years, after the official announcement.

19. What about other accommodation facilities like tourist inns, bed and breakfast, homestays, etc? Will they be rated as well?

The DOT is being assisted by an ADB-CIDA consultant/hotel quality assurance expert in the development of the "Mabuhay Accommodation Standards" which will cover the minimum standard requirements in the operations of a tourist inn, pension house, motorist hotel, bed and breakfast, homestay and vacation home. Mabuhay is used as a general term for this accommodation category. In the service industry, Mabuhay is more than a welcome greeting. It is an invitation for one to experience the genuine warmth of Filipino hospitality which is best experienced in one's home or accommodation.

Consultation-workshops are being conducted with industry stakeholders and the final standards are expected to be published in 2016.