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## ***“On hotel review providers and the hospitality industry”***

### **HOTREC\* working paper**

The hotel industry in Europe welcomes the Internet trend towards more interaction and more direct involvement of consumers in relation to its offer of services (keyword “web 2.0” or “travel 2.0”). In particular, hotel review providers allow travellers reading about the experiences of a large number of other hotel guests before making their own reservations. These providers add new dimensions to the transparency of the offer and allow for a more comprehensive hotel search, according to individual needs.

For the hotel industry also, the advantages of such sites outweigh the risks involved. Such sites allow hotels:

- to present their offer in a consumer-friendly environment;
- to better occupy market niches;
- to carry out, on the basis of these “online guest comment books”, analysis of their weak spots; and
- to use these evaluations for benchmarking guests’ satisfaction.

Hotel associations in Europe are fully convinced that the well-established “stars” will succeed in remaining the driving systems even in this new competitive environment and will not vanish over the internet. On the contrary, within the ocean of subjective opinions, the official hotel classification schemes – because of their structures, their transparency and the regular adaptation of their criteria to the guests’ expectations – will remain the systems of reference.

In order to ensure that hotel reviews are also beneficial to the business of offering rooms, site providers and the hotel industry should collaborate as equal partners. In the end, such collaboration is the only solution to ensure a win-win situation for all parties involved.

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\* HOTREC represents the hotel, restaurant and café industry at European level. It counts 1.7 million businesses, with almost 92% of them being micro enterprises employing less than 10 people. The micro and small enterprises (having less than 50 employees) represent more than 99,5% of businesses and make up some 62% of value added. The industry provides some 9,5 million jobs in the EU alone. HOTREC brings together 40 National Associations representing the interest of the industry in 24 different European countries.

HOTREC is therefore proposing 10 principles to facilitate the protection of sites against manipulation and unfair evaluations. These principles should also favour the further qualitative development of existing providers.

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## *10 principles relating to hotel review providers*

### **1. Editorial control**

Guest reviews should only be published after verification by qualified editorial staff of the authenticity and reliability of the entry.

### **2. Prevention of manipulation**

- 2.1 Site providers should ensure that reviews of a hotel are provided only by guests who have actually stayed in the hotel.
- 2.2 Guests should indicate their date of stay in the hotel.
- 2.3 The number of ratings in relation to the number of hotel rooms should be a factor in the calculation of any ranking.
- 2.4 The review site should indicate the source of input of individual reviews if they are originally stemming from a third party's website in order to give guests and hoteliers the possibility to trace back the review.
- 2.5 Information displayed on review sites should be truthful and not biased impurely towards the user in order to divert him to third parties booking channels.

### **3. Quality assurance**

- 3.1 Site providers should ensure that hotel contact coordinates, basic content data, availability or rates figures shown on their sites are displayed accurately.
- 3.2 Reviews should only refer to the hotel facilities that are actually offered by the hotel. For example, an evaluation of the "gastronomic" performance of a hotel offering breakfast only should not influence the rating of this hotel.
- 3.3 The hotel guest should be led to comment exclusively upon the services and offers he/she actually took advantage of during his/her stay in the hotel. For example, a guest not using the spa facilities or the restaurant of a hotel should refrain from posting a review on these hotel facilities.
- 3.4 Review sites should provide the user with evaluation criteria, which are
  - relevant;
  - with appropriate levels of detail;
  - commensurate with the characteristics of the hotel; and
  - open for additional questions on request by the hotel.
- 3.5 The user should be given the opportunity to express the evaluation not only via ratings, but also via "open" texts.

**4. Anonymity**

Reviews should not be anonymous to the site provider, through whose intermediation the hotelier should have the possibility to react. The site provider should reconfirm e-mail addresses used by guests and exclude temporary e-mail addresses.

**5. Minimum number of reviews**

5.1 Sites should only display reviews when the number of reviews for a specific hotel is meaningful in relation to the number of rooms.

5.2 In order to avoid a “chicken-and-egg problem” during the construction phase of a review site, its provider should take particular care in supervising the individual reviews until a critical number is reached.

**6. Business relations**

For the sake of independent choices and transparency for consumers and hoteliers, hotel review providers should communicate the basics of sources of their revenues.

**7. Right of reply**

In case a review is posted (positive or negative), sites should automatically inform the hotel about it (e.g. by an e-mail “alert” system) and offer the hotel the chance to react. Such a procedure will allow the hotel to assess and manage guest complaints actively and promptly. When available, use should also be made of the official ombudspersons for the hotel industry and their mediation services.

**8. Legal certainty**

Reviews should be truthful and based on the personal experiences of their authors. Hoteliers have a legal right of protection against defamatory criticisms. False factual statements should be removed from sites in a quick and non-bureaucratic manner.

**9. Up-to-date data**

Sites should only display current reviews. After a maximum of two years, reviews should no longer influence the rating and should be deleted automatically.

**10. Official star classification**

10.1 In order to increase transparency for consumers, hotel review providers should always supply information about the official star classification of hotels in accordance with the system in place in the country(ies) concerned, including a link to the applicable classification criteria and specify when they use their own classification system..

10.2 Review sites should check star levels of establishments at least yearly together with the official classification providers. Review sites are invited also to include reference to quality schemes.

10.3 Under no circumstances should star symbols be used for reviews, so as to avoid any confusion with official hotel classifications.

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