

## Standardization and Certification of Service in the Bulgarian Hotel Industry

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### Abstract

*The tourism market in recent decades has been characterised by an increasing number and diversity of accommodations. This global trend also applies to Bulgaria, where the tourism industry is well developed. Trends in tourism demand and the increased criteria of tourists require an increasingly diverse and quality hotel offering, as well as consideration of opportunities to create sustainable service standards oriented towards positive results and creating more loyal customers. This paper presents an analysis of the strengths, weaknesses, opportunities, and threats facing service in hotels. Its main objective is to explore the attitudes of entrepreneurs in the industry as well as the level of awareness of the need to apply new knowledge and skills to hotel service standardization and certification.*

*Keywords: tourism, hotel service, standardization, certification, quality, SWOT analysis*

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### Introduction

The application of high standards, regulations, and requirements through the introduction of various management systems and quality certification systems are all strategic approaches for the development of tourism enterprises and destinations. All of these ensure the integrity of the national tourism sector, guarantee the sustainability of tourism practices and impose long-term priorities. Regardless of how they are implemented, such systems require synchronisation and good coordination as well as the involvement of all stakeholders in the tourism sector.

In general, the various existing schemes for quality management, assessment, and certification in the field of tourism enable tourism businesses to control, maintain and optimize the desired level of service, as well as to improve the overall quality of the service they offer, including the development of high-quality tourism products and services in line with the requirements and expectations of consumers.

Customer satisfaction is related not only to the quality and comfort of the facilities but also to the provision of quality service and a wide and varied range of hotel services. Since the second half of the twentieth century, Bulgaria has built a significant hotel facilities with similar parameters and characteristics, according to the national requirements for the categorization of tourist facilities, but this is not enough to satisfy the requirements of today's tourists. It is no coincidence that the problems of providing quality hotel services and quality service are becoming more and more noticeable and periodically come to the fore of the hotel industry. For the service system in the hospitality industry to be effective, it must ensure that the right activities are carried out to provide quality services to customers and thus satisfy their needs and provide benefits to the hospitality organization (Lukanova, 2011).

This makes it necessary for more and more hotel operators to become aware of these deficits and focus their priorities on the implementation of quality standards in the hospitality industry and transform management into quality management.

Third-party certification schemes are attracting increasing interest in the hospitality industry. The acquisition of this type of certification is often discussed in the hospitality literature as an additional marketing or public relations tool to attract customers (Benavides-Chicón and Ortega, 2014). In the hospitality industry, ISO 9001 is the main global standard for quality management, a certifiable standard that is highly promoted in all types of industries and worldwide (Alonso-Almeida et al., 2013).

### 1. Purpose of the study

This paper aims to highlight a potential scenario for standardisation and certification of

service in hotels in Bulgaria. The low share of certified products and services offered in the hospitality industry determines the relevance of the issue being discussed. The introduction of uniform procedures, standards, and requirements makes it possible to increase the quality of service on the one hand, but on the other hand, it creates preconditions for limiting the individual approach to service and imposes requirements that not every establishment can meet. The SWOT analysis used clearly identifies all the environmental indicators so that entrepreneurs in the sector can make informed decisions to improve the quality of the services offered.

## **2. Research method**

To achieve the objectives of this paper, a SWOT analysis was used as a means to summarize the information and build on the knowledge and identify opportunities for standardization and certification of service in the Bulgarian hospitality industry. The data collected from ten in-depth interviews with managers of hotels of different price classes and categories, located in different geographical areas in Bulgaria, conducted in the period September - October 2022, were used. The respondents have years of experience in hotel management and have decision-making powers. Five of them were interviewed in person and the remaining five were interviewed online. The main purpose of the interview was to answer questions concerning the presence or absence of a quality management system, the desire or intention to obtain a certificate of compliance with a standard adopted in our country, the advantages and disadvantages of certification of service in the establishments and others concerning the overall process of quality management of the services offered.

The purpose of the talks held is to collect data and personal impressions to be used to prepare a detailed SWOT analysis

Considering the diversity of accommodation establishments in Bulgaria and the impossibility to unite all of them in a single analyzing tool, the author sees an opportunity to examine in detail the advantages and disadvantages of standardization and certification of service in the Bulgarian hospitality industry based on a specific category of establishments.

The use of SWOT analysis is a good basis for future strategy formulation, its main purpose being to identify opportunities and threats in the external environment and strengths and weaknesses in the internal environment (Bozac, 2006). The data obtained from the analysis helps to understand the state of the market environment and make informed choices on appropriate methods to develop development strategies (Helms & Nixon, 2010). It is necessary to identify all factors affecting service processes to conduct an internal and external assessment (Bozac, 2006):

- An internal assessment looks at all aspects of the organization and looks at strategies and goals, staff, facilities, organizational structure, location, products, and services to identify the company's strengths as well as its weaknesses.
- The external assessment focuses on the economic, technological, social, political, legislative, environmental, ethical, and competitive environments to determine the opportunities and threats within which the company operates.

## **3. Literature review**

The need to monitor and analyze the quality of the hotel product at the institutional level emerged after World War II and is directly related to the emergence of hotel chains that introduced their quality level. This resulted in the emergence and spreading of a variety of systems for regulating and certifying hotel product quality (Dabeva et al., 2017).

The literature related to quality in tourism and leisure dates back to the early 1960s (Baker, D.A., Crompton, J.L., 2000) and attempts to answer the question of how to evaluate the quality of services received by tourists during their vacation, the quality of services provided by the travel agency, the quality of services in the hotel industry, etc.

The high level and sustained interest in this topic stem from the widespread belief that the basic managerial criterion of success should be defined in terms of satisfaction level (Bultena and

Klessig, 1969, LaPage, 1963).

According to Manders (Manders et al. 2016), there is a positive link between the level of satisfaction and the adoption of quality certification within a culture of innovation and improved company performance, regardless of sector, country, or size.

The literature review also reveals plenty of publications that confirm the positive impact of hotel certification on performance in the tourism market (Claver-Cortés et al., 2008). Some studies confirm that the most profitable hotels are those that are the first to become certified (Sharma, 2005; Dick et al., 2008). Other authors also find that positive certification outcomes are significant in pioneering companies (Benner and Veloso, 2008; Corredor and Goöi, 2011). This circumstance arises because the introduction of quality certification forces hotels to make a significant investment, which usually translates into improved performance.

On the other hand, the role of the human factor, in the quality of the labour force, is also of particular importance, since the staff of the tourism enterprise is directly involved and makes a significant contribution to the overall process of creation, realisation, and consumption of the tourism product (Neshkov, 2003).

Dabeva (Dabeva et al, 2013) defines the tourism product as a set of tourism resources, material, and human environment, the interaction of which results in the creation of an atmosphere in the tourist establishment. The structure of the tourism product shows that its realization is implemented through service, i.e. through the consumption of services by customers, which means the intertwining of production and service activities (Ilieva, 2019). In this context, the quality of the tourism product can be regarded as:

- satisfying customer requirements or exceeding customer expectations;
- a set of characteristics of the tourism product that meet stated or implied needs;
- the conformity of the product with clearly defined requirements (customer, regulatory, etc.)

From the definitions presented above, the main directions in which the possibilities for standardization and certification of service in hotels in Bulgaria can be analyzed can be derived:

- Procedures and actions, part of the service process, affect the facilities and the organization of work in individual establishments.
- Customer satisfaction with the quality of services and the process of their provision affects human resources in the company, their competence, and behaviour.

#### **4. Standardization**

As defined by the International Organization for Standardization (ISO), standards are the collected wisdom of people with expertise in their subject matter, knowledgeable about the needs of the organizations they represent - manufacturers, vendors, buyers, customers, trade associations, consumers, or regulators. The international standards developed by the organisation seek to answer the question "What is the best way to do this?".

ISO standards for the hospitality industry provide the requirements for a standardized management system that will maintain consistency in the delivery of quality products and services to customers. ISO standards for the hospitality industry are also very productive in meeting customer needs and expectations.

At its core, standardization is the activity of defining prescriptions for general and recurrent application, referring to actual or potential problems, through which optimal order is achieved in a given set of circumstances (Sandoff, 2005).

In Bulgaria, standardization of service delivery is voluntary. There is no evidence of the existence of established national standards of a mandatory nature. The implementation of high standards, regulations, and requirements, through the introduction of various management systems, and quality certification systems, are all strategic approaches for the development of tourism enterprises and destinations. All of these ensure the coherence of the national tourism product,

guarantee the sustainability of tourism practices and impose long-term priorities. Regardless of how they are implemented, such systems require synchronisation and good coordination, transparency, and the involvement of all stakeholders in the industry.

In the hospitality industry, the following international standards developed by ISO apply to service (Table 1):

Table 1. Leading compliance standards

<b>ISO 9001:2015</b> <i>Quality management systems. Requirements.</i>	the leading standard for quality management systems and is the most widely used of its kind in the world. It outlines a framework and set of principles that hotel companies can use to manage their organisation in practice. As a result, you can get efficient employees, processes, and services.
<b>ISO 45001:2018</b> <i>Occupational health and safety management systems. Requirements with guidance for use</i>	occupational health and safety standard that protects workers and customers from accidents and illness. Certification to this standard creates a healthy environment by controlling factors that could harm people's physical and mental well-being.
<b>ISO 27001:2017</b> <i>Information technology. Security techniques. Information security management systems. Requirements.</i>	international standard for information security management systems. Its framework preserves the confidentiality and security of sensitive information and supports legal compliance and is compatible with other standards such as ISO 9001. Hospitality companies can use this standard to protect personal information such as employee and customer data. The General Data Protection Regulation (GDPR) is not covered by this standard.
<b>ISO 22000:2018</b> <i>Food safety management systems. Requirements for any organisation in the food chain</i>	a food safety standard that standardises food safety management requirements throughout the supply chain. This guideline provides a framework for the development, implementation, supervision, and innovation of food safety management systems. The aim is to set up a system that is more integrated and streamlined beyond legal requirements. It complements elements of HACCP and ISO 9001.
<b>ISO 22301:2020</b> <i>Security and resilience. Business continuity management systems. Requirements</i>	A business continuity management standard of business helps enterprises to prevent and respond to incidents that disrupt business. The aim is to help hospitality companies minimize damage and continue to operate normally.
<i>Collection of Standards for Accommodation and COVID-19 (ISO 22483 main standard)</i> – set up to help tourism organisations more easily and quickly adapt the services they offer to new customer health and safety requirements.	The basic standard presents general recommendations for all hotels in terms of quality service provision. The standard establishes quality requirements and recommendations for hotels in terms of staff, service, events, leisure activities, safety and security, housekeeping, cleanliness, supply management, guest satisfaction, etc.

### 5. Certification

Certification, in turn, is primarily the result of the process of introducing a standard. For this paper, it can be defined as the act of providing an official document to a tourist establishment

certifying a status or level of achievement.

Certification is a procedure carried out by an independent organisation to determine whether there is a reasonable degree of certainty that a correctly labeled product, process, or service meets certain standard procedures and requirements.

Confirmation of compliance is carried out through accreditation, again by an independent organisation, which also carries out the compliance control procedures for the specified duration of the certificate.

As stated above, in the Bulgarian hospitality industry decisions on standardisation and certification of service are taken by senior management and are not binding.

The objectives of voluntary quality certification systems are related, but not limited to:

- measuring and monitoring the level of quality offered over time through a set of pre-agreed indicators;
- presentation of good business practices and established quality standards;
- improving planning, management, performance evaluation, and analysis processes;
- raising consumer awareness of successful strategies in tourism enterprises and overall improvement of the quality offered;

Although voluntary, the opinions of experts and experienced consultants are united around the assertion that standards stimulate establishments to improve the quality of their services and help to highlight the best of them. Companies that have introduced a standard can expect an enhanced marketing effect due to the ease of communication with partners and end customers. Furthermore, standardised products, due to their higher quality, are usually sold at a higher price, which means that such products and services will have a higher 'added value'.

## **6. SWOT analysis**

The analysis is based on data obtained after interviewing representatives of the hotel business in Bulgaria. It should be clarified that the conclusions drawn based on the input information are to form a general idea of the attitudes of the representatives of the management teams only.

### ***Strengths***

- Improving the quality of the hotel service
- Attracting new customers
- Improved business performance and access to integrated management models that have a lasting impact on product quality and, in turn, increase the overall operational efficiency and competitiveness of tourism business units.
- Achieving competitive advantage
- Increase the credibility of the accommodation
- Reducing the likelihood of errors
- Achieving compliance with mandatory requirements
- Access to specialized training programs tailored to business needs
- Opportunity to become familiar with widely established management systems, processes, and tools concerning the long-term maintenance of a high-quality tourism product/service.
- Opportunity for quality training and qualification/re-qualification of staff involved in the process of providing high-quality products and services to tourism enterprises.
- High level of overall consumer satisfaction
- Ability to track and monitor specific customer expectations, opinions, intentions, and perceptions of quality in real time, including logging consumer complaints, suggestions, and recommendations
- High visibility of award-winning businesses in the eyes of consumers

- Increased visibility of individual business practices, advertising, and other marketing benefits (including improved commercial relations with suppliers, networking with business partners, attracting entrepreneurial interest, etc.).
- Attracting loyal/targeted customer segments and expanding the market reach of individual tourist enterprises, etc.

#### ***Weaknesses***

- There is no confirmed impact of certification on sales, which makes operators reluctant to apply this management tool.
- Ignoring local, regional, and national service differences
- Low brand/quality awareness among consumers
- Lack of data to show that certification ensures price flexibility of services or increases occupancy of hotels
- General lack of understanding or interest in what certification means and its importance for tourism service management
- The plenty of checklists, lists, etc. that make it difficult for staff.
- After the voluntary act of certification, enterprises are more limited in their ability to make changes to processes - there are strict rules on how to document changes that serve to provide a degree of confidence (processes are implemented in the same way over time).
- High accreditation fees
- Lack of understanding and recognition of the importance of sustainability and its regulations. This is coupled with a lack of certification bodies generously sharing their criteria, their commitment, and their firm and unconditional loyalty to the regulations and their implementation.

#### ***Opportunities***

- Low share of certified products in the tourism market
- Inclusion of certification in the government's tourism development programme and strategy
- Role of certification in EU tourism policy
- Demand-side pressure on quality label services
- Increasing awareness among entrepreneurs
- Increasing demands from group customers or OTAs for confirmed quality standards
- No standardisation in the rural accommodation-based segment
- Opportunity to permanently reorient business management models to develop and provide high-quality tourism products and services and enhance the overall sustainability of tourism enterprises
- Ability to (target) identify the management systems and processes most directly linked to enhancing the overall sustainability of the tourism supply
- Optimisation of operational costs and increase in the economic efficiency of individual enterprises, based on reduction of energy, water, and other natural resource consumption, including overall improvements in the operational process, without negatively impacting the quality of products and services provided
- Ability to monitor the efficiency of operational processes and improve the quality of service provided
- The attraction of loyal customers and consumer segments, including expansion of the market reach of individual tourism enterprises, etc.

#### ***Threats***

- Multiple certificates will reduce recognition of their quality
- There is resistance to standardisation in groups of entrepreneurs

- Own standards in hotel chains
- No recognition of the economic benefits of following quality labels from certifying organizations.
- Perceived notion from experience that the investment required to provide evidence of certification has no return on that investment in terms of added income.
- Management may become complacent about the continued effectiveness of the certificate.
- Desire for independence in terms of service to be able to offer a customized approach.
- The label becomes a goal rather than a tool.
- The cost reduction resulting from certification will be tangible after an indefinite period of time
- The glut of consultancies that can 'guarantee' the success of a travel company by contracting their services creates a sense of loss of engagement and personalisation.
- The plenty of labels and certifying bodies could potentially have counterproductive effects when the customer sees this as false advertising rather than a 'walk in'. With this in mind, some tourists want to see real results firsthand and do not trust destination marketing and businesses as sustainable when it comes to labels and awards, stamps, and certificates.
- Inability to continuously monitor certified entities, which would ensure that their certification levels are monitored and maintained on an ongoing basis.

## **7. Conclusion**

The results obtained, the analyses, and the observations made highlight the usefulness of developing service quality standards in the Bulgarian hospitality industry. At present, although they are not properly evaluated, their development and implementation in the practice of enterprises in the tourism sector is a very important and necessary process. The importance of standards in tourism is revealed in several directions, namely ensuring reliability in business relations by testifying to partners a constant level of quality of tourism services and products. In essence, the vast majority of standards establish procedures and refer to management practices aimed at higher quality. In this sense, they support the setting up of a quality product without guaranteeing it entirely. This is particularly important for hotel operators, as the vast majority of services and products are non-material, where compliance with certain operating procedures allows for consistency and an increased level of competitiveness.

On the other hand, the existence of multiple overlapping systems requires reconciliation to clearly highlight the advantages so that hotel owners and managers can make informed choices. Increasing the credibility of certification consultancies will also contribute to adequate action to optimise service processes in the Bulgarian hospitality industry.

Hospitality is a competitive industry and this makes it difficult to modelling, but for every challenge, there is an opportunity. With a customer-oriented business model, an increase in the quality offered, the support of technology, and insight into national specificities and our typical hospitality, a sustainable and profitable hotel business can be created that has a leading place in the economy.

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