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ELEMENTS OF QUALITY OF LESURE HOTEL SERVICES: CUSTOMER PERSPECTIVE

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Abstract

The hotel sector has undergone significant changes in recent decades. Under the influence of strong competition, hotel services, which were homogeneous and designed for mass market, have become personalized. The modern literature in the field of tourism emphasizes that the adjustment of hotel services to narrower market segments of consumers is extremely important in order to have competitive offer. Under the changed market conditions, hotel companies focus an increasingly significant part of business efforts on understanding the needs and expectations of their service users to create the adequate offer.

Keywords: korisnici, usluge, preferencije, hotel, donošenje odluka, satisfakcija

1. Introduction

The hotel sector has undergone significant changes in recent decades. Under the influence of strong competition, hotel services, which were homogeneous and designed for mass market, have become personalized. The modern literature in the field of tourism emphasizes that the adjustment of hotel services to narrower market segments of consumers is extremely important in order to have competitive offer. Under the changed market conditions, hotel companies focus an increasingly significant part of business efforts on understanding the needs and expectations of their service users to create the adequate offer.

Satisfaction of customers (service users) presents a critical factor in business success of the hotel industry in modern tourist market. (Sohrabi et al., 2012, p. 96). Managing customer satisfaction is one of the main ways to improve market share and profitability of the hotel (Oh & Parks, 1997). Watson et al. (1992, p. 17) state that hotels can achieve competitive differentiation, improve business efficiency, increase customer loyalty, stimulate positive referrals and attract new

clients only by offering high quality services which are in accordance with preferences of service users, and which will enable positive satisfaction.

One of the main challenges in hotel management is to provide quality services to guests and improve their satisfaction. (Sohrabi et al., 2012, p. 96) Verma et al. (2003, p. 15) point out that the basic prerequisites to create high-quality services are successful management of service users satisfaction and analysis of consumer (user) preferences. Therefore, understanding customer preferences of hotel service attributes and incorporating conclusions in the design and strategy of providing services, is the basis for hotel's successful operation.

Preferences of hotel service users are especially important to understand the decision-making process on the selection of a particular hotel. The modern literature in this area emphasizes that the inadequate knowledge of service user preferences influencing decision-making is the basic problem of effective strategic planning of marketing activities in hotel business (Li et al., 2013, p. 322). The business practice highlights the problem of existence of multiple criteria in the decision-making process. As preferences differ, guests will differently evaluate the same hotel service in the decision-making process. Understanding how different attributes of hotel offer impact the decision-making process is important in the designing of offer and defining marketing activities of the hotel. The problem managers are also facing is the lack of knowledge on the profile of tourists they want to target.

2. Satisfaction of hotel service users and the need for analysis of preferences

The literature in marketing contains numerous definitions of customer satisfaction. One of the most commonly cited definitions defines customer satisfaction as an assessment of the degree of fulfillment of expectations (Oliver, 1981, p. 28). Expectations are defined as an ideal or desired state by the consumer before consumption and procurement of products (Teas, 1994, p. 134). Therefore, customer satisfaction is related to the degree of satisfaction after the purchase and use of products and services, which is directly affected by the formed expectations before purchase and use of products or services.

According to the definition, which is also often quoted in contemporary literature, customer satisfaction is the result of customer's perception of value received in the respective transaction and the expected value (Blanchard & Galloway, 1994, p. 21). Blanchard and Galloway point out that expectation of value is formed on the basis of quality of previously consumed products or services compared to the perceived quality of the same products offered by competitors.

Practice has shown that there is a positive correlation between business performances of companies and customer satisfaction (Watson et al., 1992; Oh

& Parks, 1997; Chi & Gursoy, 2009) and, therefore, managing satisfaction bears great importance in today's business environment. In modern organizations customer satisfaction has even replaced market share as a long-term measure of market and business success (Matanda et al., 2009). As consumers become more discerning, informed, educated and demanding over time with respect to product attributes, the requirement for companies to incorporate satisfaction management into all business processes arises as necessity.

Managing satisfaction is extremely important in the management of hotels. Research conducted by Oh (1999, p. 78) showed that those hotel facilities that operate successfully pay a significant attention to the quality of services in order to reach positive customer satisfaction. Oh also argues that it is necessary to design the product in accordance with the perceived (expected) value that the user expects to receive by consuming the product in order to ensure his/her satisfaction. Hotel facilities that ignore the category of the expected value can provide services that will result in lower levels of guest satisfaction and on these grounds generate negative satisfaction. By contrast, successful management of satisfaction of services users implies understanding users' expectations and preferences and creating offer accordingly. Hotel facilities that have the ability to quickly understand and meet expectations and preferences of customers can successfully manage satisfaction and thus provide good operating result (Dominici & Guzzo, 2010, p. 3). At the same time, numerous studies have shown that the costs of attracting new customers are greater than the costs of retaining the existing ones and that the imperative to successful operation implies increasing the level of customer satisfaction and customer loyalty through effective strategies and policies. Reichheld and Sasser (1990, p. 105) conducted a study based of which they concluded that if companies manage to retain only 5% of their existing customers, profitability would be increased in the range of 25-125%. This approach to business in particular may have significant positive effects on the hotel industry. In this sense, good relations with users of hotel services may lead to a multiple of positive effects in hotel operation, primarily in terms of greater commitment and attachment of users for hotel brand, positive referrals that will affect attracting new guests, as well as improving guest retention rate (Dominici & Guzzo, 2010, p. 3).

Ariffin and Maghzi (2012, p. 196-197) showed that expectations guests are having from the hotel are influenced by personal factors such as gender, purpose of arrival, nationality, culture and personal understanding of hospitality. Having examined, on the other hand, the impact of hotel factors on guests' expectations with regard to future service, it turned out that the only factor that can significantly affect the level of customer expectations is the category of the hotel. More specifically, guests staying at "five-star" hotels will have higher expectations with respect to hotel service than the guests staying at lower rated hotels. According to a study, the quality of hospitality can be defined as a factor that raises the level of guest satisfaction to such an extent that the guest will be

ready to make a re-purchase of the same hotel service, i.e. there will be a conversion into a satisfied loyal guest (Ariffin & Maghzi, 2012 p. 191).

Requirements relating to quality of products and services, as well as the need to harmonize them with the preferences, have become more than obvious in the over-all tourism industry (Lam & Zhang, 1999, p. 341). Managing satisfaction and understanding preferences and expectations of service users are key strategic tools for achieving hotel objectives. Hotels with good business results continue to increase investment in improving the quality of service and delivering value to customers (Kim et al., 2001, p. 272). In view of the fact that the tourism activity is characterized by a high degree of innovation in business processes and dynamics in preferences of service users, the pressure on hotel companies to constantly improve their operation and adapt offer to market demands is evident. Consequently, analysis of preferences and expectations in order to maintain a high level of customer satisfaction has become crucial for the survival, development and success in service industries such as tourism (Song et al., 2012).

3. Preferences of hotel service users in understanding of hotel selection decision-making process

Making a decision on the selection of destination and hotel facility is one of the most important decisions when choosing a travel. Understanding the decision making process is one of the basic prerequisites of successful strategic and operational planning of marketing activities in hotels (Rong et al., 2012, p. 739). Both in theory and in practice, efforts to identify key factors based on which customers make decisions on the choice of hotel facility are more and more present. Different hotels have different services in their offer. Likewise, attributes of same services vary. For example, the layout and size of rooms, equipment of hotel's wellness center, restaurant menu, garden appearance, etc. vary greatly, even if hotels are in the same category. Great number of authors analyzing behavior of hotel service users high-lights the importance of understanding critical factors for the selection of hotel accommodation (Merlo & João de Souza, 2011, p. 8410).

Having reviewed literature in detail it may be noted that central part in nearly all studies having dealt with the analysis of factors influencing decision-making on the choice of hotel facilities is taken by customer preferences and expectations (Sammons et al., 1999; Gu & Ryan, 2008; Khoo, Lattimore & Prayag, 2015). Some authors point out that despite a large number of papers, which incorporate analysis of preferences of hotel service users in the decision-making context, there are still many open issues and a need for additional analyses (Ariffin & Maghzi 2012, p. 191). Ariffin and Maghzi substantiate the stated conclusion by the fact that in con-temporary literature there has been relatively

little attention paid to examining relation between consumer expectations on the one hand and their demographic and personal characteristics on the other.

Preferences when making decisions on the choice of hotel facility are heavily influenced by the purpose of the journey (McCleary et al., 1993, p. 42) as well as by the origin of passengers (Reisinger & Turner, 1997, p. 139). Having used the exploratory analysis, Gilbert and Tsao (2000, p. 51) sought to indicate the existence of significant disparities in service users' preferences that have arisen as a result of cultural differences. The research has shown that in the process of selection of a hotel facility guests from China take much more into account the price and brand of the hotel, while guests from West Europe countries put far greater emphasis on the quality of service and "value for money". Chu and Choi (2000, p. 375) conducted analysis based on the comparison of importance of various attributes in the decision-making process in order to determine the difference between tourists traveling for pleasure and those traveling for work. Based on the analysis they identified twenty-six factors which are grouped into six major groups based on which both types of passengers decide when choosing the hotel facility. It has been shown that both types of passengers have the same preferences in the case of all six groups of factors. Choi and Chu (2001, p. 277) conducted another study that was focused on the analysis of preferences in selection of the hotel facility. Having applied factor analysis in their study they identified seven factors that have influenced the selection intentions of guests: quality of professional staff, room features, infrastructural connection of the hotel, business infrastructure within the hotel, value for money, safety and auxiliary facilities at the hotel. The technique of multiple regression analysis used indicated that the quality of professional staff, room features and value for money are three factors with the most significant influence on selection of the hotel and retention intentions. By using descriptive statistics and independent t-test, Tsai et al. (2011, p. 266) compared the preferences of tourists from China and other tourists who visited Hong Kong with reference to the most important factors they take into account when choosing a hotel. The results pointed to the fact that tourists from China are far more demanding in terms of attributes that a hotel should have, compared to other tourists staying at hotels throughout Hong Kong. A study by Tanford et al. (2012, p. 319) dealt with research of factors that influenced the decision-making on the choice of hotel for two segments of users - (1) segment of customers who have purchased "all inclusive" services and (2) segment of customers who have used a limited number of hotel services. The main difference observed was that the price was the most important factor in decision-making of guests not using full hotel service, while for the second category of mentioned guests, in addition to price, the factor of value guests were receiving from the "all inclusive" service was very important.

Based on qualitative research of preferences of hotel service users in the hotel selection process, Lockyer (2005, p. 487) identified four key factors - hotel location, price, contents at the hotel and tidiness. According to the study carried out by Stringam et al. (2010, p. 81), the basic criteria when choosing a hotel

facility are location, room size, staff, buildings and food quality. While researching the relationship between staff and guests, they came to a conclusion that reliability and professionalism were the two factors that influence the most on the customer satisfaction.

Based on the above mentioned, it is clear that preferences of users with regards to hotel services are very different, and their research is necessary in order to form an adequate offer.

4. Conclusion

Critical success factors in the highly competitive hotel market are knowledge on preferences of hotel service users and the possibility to differentiate in relation to competitors. Knowing the preferences is important to understand the decision-making process on the choice of hotel accommodation. Success in managing satisfaction of hotel service users and designing competitive offer will be guaranteed in case of good knowledge of customer preferences, their valuing of various hotel services, as well as the willingness to allocate funds for certain services (Roman & Martin 2016, 488).

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