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# IMPROVEMENT OF SERVICE QUALITY UNDER THE CONDITIONS OF INTENSIFICATION OF HOTEL OFFER SPECIALIZATION

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**Purpose.** To improve the quality of hotel services in the conditions of deepening of specialization of the hotel supply through analysis and study of influencing factors. **Methodology.** To estimate the level of quality of hotel services were used methods of expert estimates. We have used a composite index of quality of hotel services. This indicator is used in cases where we investigate the quality of services based on the individual quality indicators of changes in comparison with the base index. **Results.** We have considered the state of development of the hotel sector in Ukraine, as well as leading hotels of Kremenchuk. Particular attention was paid to the range of additional services, which makes it possible to organize the service of a hotel not on the basis of demand, and on the basis of the supply. **Originality.** The calculation of the integral index of competitiveness of the hotel enterprises is proposed, which takes account of their pricing policies and the composite index of the quality of services. **Practical value.** The additional list of possible hotel services is presented in order to find their optimal amount that does not influence their quality. References 9, tables 3.

**Key words:** hotels, quality, competitiveness, services, hotel offer, the quality index.

## ПІДВИЩЕННЯ ЯКОСТІ ПОСЛУГ В УМОВАХ ПОГЛИБЛЕННЯ СПЕЦІАЛІЗАЦІЇ ГОТЕЛЬНОЇ ПРОПОЗИЦІЇ

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У статті розглянуто стан розвитку готельного господарства України, а також провідних готелів м. Кременчука. Запропоновано визначення зведеного індексу якості готельних послуг на підставі зміни одиничних показників якості порівняно з базисним періодом. Урахувавши цінову політику готельних підприємств, запропоновано розрахунок інтегрального показника конкурентоспроможності. Наведено можливий перелік додаткових готельних послуг з метою пошуку їх оптимальної кількості, яка не вплине на рівень якості останніх.

Ключові слова: готелі, якість, конкурентоспроможність, послуги, готельна пропозиція, індекс якості.

PROBLEM STATEMENT. Modern conditions of swift and rapid development of environment make every state pay more attention to providing the population with a worthy level of life, in particular with such important component as rest. It is realization of this function that the activity of hotel business is directed to. To meet all the needs of tourists, holidaymakers, businessmen and other population groups the temporary accommodation is to provide comfort, high level of service, i.e. to create an atmosphere of hospitality. However, contemporary conditions the purposes of trips constantly extent and change, which generates basic characteristics of hotel services and requires improvement of their quality.

Both Ukrainian and foreign scientists such as S. Bailik, M. Boiko, R. Braimer, M. Malska, D. Meikenz, G, Munin, N. Kano, V. Karsekin, A. Parasuraman, T. Tkachenko et al studied the problems of hotel business improvement. However, modern tendencies of development of the hospitality field demonstrate that under the condition of intensification of hotel offer specialization the scientists

left a lot of problems concerning the quality of the main and additional services of the hotel business unattended.

The purpose of the paper consists in research of the problem of improvement of hotel services under the condition of intensification of hotel offer specialization.

EXPERIMENTAL **PART** AND RESULTS OBTAINED. Aiming at improvement of the quality and culture of customer services and also at competitiveness of hotel services at the world market, enterprises are to provide not only a high level of comfort but also a wide range of additional services. It is expedient to organize the hotel business not according to the demand principle but according to the supply principle. The diversity and range of additional services constantly extend. If previously there were up to ten services, now there are more than sixty (in German hotels of the highest category the number of additional services reaches nearly 300) [1].

For a long time Ukrainian hotels operated under the condition when demand exceeded supply whereas in the whole world, and now in Ukraine too, supply exceeds demand. With the beginning of market transformations and growth of inflation the situation in the hotel

business has changed much quicker than in many other industries: the seller's market has transformed into the buyer's market. The latter requires improvement of market approaches to provision of successful hotel business. As for 2015 (table 1) 4341 hotel business enterprises operated in Ukraine. Hotels and analogous accommodation facilities made 2478 units (57 %).

The number of hotel rooms in 2015 was 132500 and 4297200 people were accommodated [2].

Most guests (74,3%) chose hotels and analogous accommodation facilities. 11,5% of the accommodated people were foreigners [2].

Table 1 – Dynamics	of development	of hotel business	in Ukraine	e in 2011–2015

Year	]	Number of col	lective	Number of rooms, thousands			Number of accommodated people,		
	ac	commodation	facilities				thousands		
	total	inch	uding	total	inch	uding	total	inclu	ıding
		hotels and	specialized		hotels and	specialized		hotels and	specialized
			accommodati		analogous	accommodati		analogous	accommodati
		accommodati			accommodati			accommodation	on facilities
		on facilities			on facilities			facilities	
2011	5882	3162	2720	567,3	154,2	413,1	7426,9	4656,8	2770,1
2012	6041	3144	2897	583,4	162,8	420,6	7887,4	4983,9	2903,5
2013	6411	3582	2829	586,6	179,1	407,5	8303,1	5467,8	2835,3
2014 <sup>1</sup>	4572	2644	1928	406,0	135,5	270,5	5423,9	3814,2	1609,7
2015 <sup>1</sup>	4341	2478	1863	402,6	132,5	270,1	5779,9	4297,2	1482,7

1 - Without taking into account the temporarily occupied territory of the Autonomous Republic of Crimea, the city of Sevastopol and a part of the anti-terroristic operation area

Basing on the data given in table 1, one can come to a conclusion that consolidation of hotels and analogous accommodation facilities has taken place during the recent five years, and sharp drop of indices values in 2014 is related to economic and political instability and financial crisis in the country.

If dynamics of development of hotel business in Ukraine is compared with such activity in European countries, it can be seen that the values of the given indices are several times lower. Obviously, tourists' flows in Europe and Ukraine are very different and coefficients of hotels occupancy are also different. These indices are greatly influenced by hotel services quality that does not always completely meet consumer's requirements [3].

However, the rate of development of hotel business is insufficient and does not completely meet the world tendencies of its development. It is caused by problems existing at the enterprise level; they are related to the necessity for improvement of the service quality, increase of the level of hotel services, generation of an active mechanism of quality control. Solution of these problems will promote more efficient use of resource potential and acquisition of competitive advantages of Ukrainian enterprises at domestic and international markets.

Private apartments and mini-hotels are rather serious competitors of big hotels as they provide consumers with a full range of basic and additional services at a considerably lower price. Specific weight of such enterprises made almost 59% in 2014. Tough competition can be withstood only by hotels that can provide their clients with high-quality service at reasonable process [3].

Thus, it can be stated that hotel business enterprises require improvement via increase of the quality of their services. Consumer's perception of hotel services is not always objective and depends on his/her individual approaches (specific features of his/her education, age, cultural traditions, idea of comfort, habits, physiological characteristics of the organism, etc.). It is not always easy to assess the quality of the hotel service taking into account all the above mentioned features of the consumer, so, a composite index of quality of hotel services is proposed in the presented research. This index is used in the cases when the service quality is analyzed on the basis of variation of particular quality indices in comparison with the basic index.

The formula of calculation of the composite index of quality of hotel services is of the form:

$$IQ_c = \sum_{i=1}^{n} K_i \cdot Q_{rind} , \qquad (1)$$

where K – a coefficient of weight of individual indices of the hotel services quality;  $K_{36}$  – a composite index of quality of hotel services;  $Q_{in0}$  – a relative individual index of the quality of different types of hotel services.

The relative individual index of the quality of different types of services presented in table 2 is calculated by formula:

$$Q_{rind} = \frac{q_1}{q_0}, \qquad (2)$$

where  $q_1$  – level of the quality of services provided during the reporting period, points;  $q_0$  – level of the quality of services provided during the basic period, points.

The level of hotel services quality is assessed on the basis of experts' decisions according to a 100-point scale. The guests of the hotels, hotel business managers, representatives of standardization and certification organizations were the experts. A general expert assessment of every individual index of hotel services was performed by way of processing questionnaires and finding the arithmetic mean (table 2).

Table 2 - Characteristics of the quality of services of hotel enterprises in the city of Kremenchug

		Hotel "	Hotel "Dniprovski Zori"	Zori"		Ho	Hotel "Kremin"			Hotel	Hotel "Yevropeiskyi"	yi"
Types of hotel services to be	Quality level,	ality level,	Weight coefficient i	Weight Relative coefficient individual index	Quality level,	level,	Weight coefficient	Relative individual index	Qualit	Quality level, points	Weight coefficient	Weight Relative
lealized	2014	2015		of services quality	2014	2015			2014	2015		of services quality
Accommodation in rooms of a certain category	65	09	6,4	0,92	99	69	0,4	1,06	75	79	0,4	1,05
2. Catering	65	71	0,3	1,09	45	48	0,3	1,07	73	80	0,3	1,10
3. Additional services:	ı	ı	0,3	-	1	ı	6,0	-	ī		6,0	ı
3.1 Electronic mail, telephone, fax	77	79	0,021	1,03	59	69	0,021	1,17	87	06	0,021	1,03
3.2 Ordering services of guides- interpreters	35	34	0,019	76,0	37	39	0,019	1,05	77	70	0,019	0,91
3.3 Delivery into the room	71	73	0,025	1,03	75	74	0,025	66'0	85	06	0,025	1,06
3.4 Organization of sale of tickets to all types of transport	76	66	0,025	1,02	81	84	0,025	1,04	26	100	0,025	1,03
3.5 Ordering automobiles	95	96	0,02	1,01	26	95	0,02	86'0	77	08	0,02	1,04
3.6 Car rental	99	58	0,024	1,04	99	70	0,024	1,06	81	68	0,024	1,10
3.7 Reservation restaurants in the city	87	68	0,018	1,02	81	70	0,018	0,86	84	86	0,018	1,02
3.9 Purchase and delivery of flowers	77	80	0,018	1,04	80	75	0,018	0,94	71	09	0,018	0,85
3.10 Sale of souvenirs, post-cards and other printed matter	58	99	0,015	1,12	92	84	0,015	1,11	69	87	0,015	1,26
3.11 Clothes repair and ironing	62	70	0,022	1,13	72	89	0,022	0,94	80	70	0,022	0,88
3.12 Use of the sauna	70	61	0,022	0,87	70	78	0,022	1,11	70	85	0,022	1,21
3. 13 Hairdressers services	08	88	0,022	1,10	80	88	0,022	1,10	80	06	0,022	1,13
3.14 Lease of a conference hall	98	92	0,027	1,07	75	80	0,027	1,07	81	06	0,027	1,11
3.15 Parking services	79	87	0,022	1,10	80	87	0,022	1,09	79	08	0,022	1,01
Composite index of quality of hotel services	77,33	80,13	ĭ	1,01	75,93	78,53	ı	1,06	84,4	88,4	ı	1,064
Price index	512	571	ï	1,11	525	969		1,13	969	643	-	1,07
Integral index of hotel services competitiveness	1	1	ĭ	0,91	1	ı	ı	0,94	ı			66,0

Hotel "Kremin" Room category Hotel "Dniprovski Zori" Hotel "Yevropeiskyi" 2014 2015 2014 2015 2014 2015 945-995 Suite 650 702 850-900  $770^{*}$ 850\* Semi-suite 600 660 500-550 590-640 570<sup>\*</sup> 600\* Standard 500 550 450 500 450° 480 250-350 300-450 250 300 Economy class

Table 3 – Cost of the hotel enterprises services in the city of Kremenchug in 2014-2015 (UAH)

Apart from the composite index of quality, table 2 can be used to determine the value of the individual level of hotel services quality, which makes it possible to assess the change of the level of the quality of certain services. Values that are lower than one certify decrease of the services quality and values higher than one confirm its increase. For example, the quality of clothes repair and ironing in hotel "Dniprovski Zori" in 2015 increased by 13 %, and in hotel "Kremin" it decreased by 6 %.

However, the composite index of quality cannot completely assess attractiveness of the hotel enterprise for a consumer without taking into consideration the price of the room. Table 3 includes the cost of hotel enterprises services in the city of Kremenchuk [4-6]. It is also necessary to take into account the hotel business enterprises price policy that greatly influences the choice of the place of temporary accommodation. Using the data in this table it is possible to determine the price index (analogously to the relative quality index) for two years and put this information down into table 2. Thus, it can be stated that the cost of the rooms in hotel enterprises in Kremenchuk increased from 7 to 13% in 2015 as compared with 2014. Hotel "Kremin" had the maximum growth, hotel "Yevropeiskyi" – the minimum one.

This index will considerably influence the integral index of hotel services competitiveness; it is determined by formula:

$$IC_c = \frac{Q_{r ind}}{I_p}, \tag{3}$$

where  $I_p$  – index of the hotel room cost.

Analyzing the data in tables 2-3 it is possible to say that the image of a hotel depends on the quality of basic and additional services. Integral index of hotel services competitiveness -0.99 - demonstrates that hotel "Yevropeiskyi" occupies the most profitable place – hotel "Kremin" is the second -0.94, hotel "Dniprovski Zori" is the third -0.91.

Most hotels in the city of Kremenchug provide complete services. Apart from obligatory services (accommodation and catering) these hotels provide a whole complex of various additional services giving them competitive advantages.

The services of accommodation, catering and additional services in hotels are mutually added and

perceived by the clients as a whole complex. At the same time, the difference between the special and the additional hotel product is not always obvious. Services that are a special product at one market can be an additional product at another market. The experience of operation of famous hotel enterprises certifies that development of a complex hotel product is to be accompanied by a thorough study of basic tendencies and decisive characteristics of the hotel services consumer market. A complex hotel product, apart from the basic, special and additional ones, includes such elements and quality characteristics that create the hotel enterprise general image expressed in the general servicing atmosphere, offer form, tolerance in communication of the service personnel, professional characteristics. Only the general atmosphere of the hotel product offer can become a decisive factor in clients' choice of the hotel product [7].

Thus, hotel enterprises try to win the competition by provision of more various services of better quality to their clients due to intensification of specialization of hotel offer. One of the basic faults of contemporary hotel business consists in excessive offer of many-bed rooms; it is to be improved by increasing the share of single and double rooms. At the same time, hotels should have a certain number of three- and four-bed rooms to meet the demand of guests who would like to stay with their families or groups [8].

One should not relate introduction of efficient hotel business only to big hotels in the center of the city. A considerable part of hotel services consumers would like to stay at small hotels not only in the center but also in quiet district remote from the center. Taking into account the wish of many consumers to stay as close to the necessary place as possible, the strategy of providing a complex of distributed small hotels can be considered no less prospective than concentration of the activity in one big hotel.

As there appeared a category of consumers who want to stay not in hotel rooms but in separate private apartments, it is expedient for hotels to expand activities to offering such apartments, their maintaining, cleaning, payment to owners, etc. Offer of such apartments decreases the demand for hotel rooms, but it is necessary because if hotels do not do it, a free market niche will be occupied by the competitors.

<sup>\* -</sup> the cost of the room does not include breakfast

It is expedient for hotels to organize work with regular customers (both with enterprises and separate clients). Such clients could count on certain additional services or discounts. Improvement of the procedure of booking rooms requires proper attention, as even under modern conditions of insufficient occupancy of hotels the guests will more often choose hotels in which a room of the required cost and quality will be guaranteed in advance. An important factor of hotels competitiveness consists in creation of the proper safety of staying; it is required by a considerable part of the consumers, especially rich ones and guests from abroad. Importance of this factor will grow further [9].

Personnel of hotels should take seriously the respectful and balanced attitude to the guests and follow the principle "The client is always right". The guests regard misunderstanding of the personnel as an essential reason to resort to services of another hotel next time. People of medium age and people with a high level of solvency are most inclined to conflicts.

The results of the research revealed that a typical negative characteristic of additional hotel services consists in decrease of their quality along with growth of volumes of provided services. Hotel business organizers must know about this tendency and take relevant measures against it. It was found out that a low level of the quality of services at hotel business enterprises is mostly caused by absence of certified quality systems.

CONCLUSIONS. The results of the calculation make it is possible to state that the growth of the level of quality of particular types of hotel enterprises services in the city of Kremenchuk resulted in cumulative growth of general quality of enterprise operation in 2014-2015 from 1 to 6,4 % (table 2), which indicates low efficiency of implemented measures and expediency of further search for ways of improvement

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- of hotel services competitiveness including the following ones:
- 1. Improvement of the state of the enterprise inventory via decrease of the level of equipment obsolescence and also provision of more ergonomic design of the premises and use of equipment.
- 2. Expanding the range of additional services and their orientation to "our customer". However, it should be taken into account that with growth of scales of additional services their quality is lower on average. This tendency can be explained by the fact that when a new type of services is organized, the initiators are to prove the efficiency and necessity of this service, to gain a certain reputation, which draws increased attention to the service itself. Later the organizers become less attentive, performers' enthusiasm and initiative decline, due to which a certain deterioration of quality can be seen. Obviously, hotel business managers are to pay attention to this negative tendency and take relevant measures to preserve the initial quality of services.
- 3. Acquisition of more advanced technologies of hotel automation is a rather prospective way of improvement of the general level of the enterprise operation efficiency, but absence of required personnel, technical and technological equipment threaten the effectiveness of financing this line of activity improvement, so, improvement of the quality of the enterprise management system becomes more significant, it must be attained mostly via increase of managerial personnel professionalism and not due to studying the schemes of organization of services provision process.
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# ПОВЫШЕНИЕ КАЧЕСТВА УСЛУГ В УСЛОВИЯХ УГЛУБЛЕНИЯ СПЕЦИАЛИЗАЦИИ ГОСТИНИЧНОГО ПРЕДЛОЖЕНИЯ

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В статье рассмотрено современное состояние и развитие гостиничного хозяйства Украины, а также ведущих гостиниц г. Кременчуга. Предложено определение комплексного индекса качества гостиничных услуг на основании изменения единичных показателей качества по сравнению с базисным периодом. Учитывая ценовую политику гостиничных предприятий, предложен расчет их интегрального показателя конкурентоспособности. Предложен возможный перечень дополнительных гостиничных услуг с целью поиска их оптимального количества, которое не повлияет на уровень качества последних.

**Ключевые слова:** гостиницы, качество, конкурентоспособность, услуги, гостиничное предложение, индекс качества.

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