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MODELS FOR MEASURING SERVICES QUALITY AND CUSTOMER SATISFACTION IN HOTEL INDUSTRY

In the conditions of intense competition, creation and delivering of products and services which satisfy demands and requests of today's customers becomes paramount. Hotel companies, in order to satisfy needs, requests and demands of their guests, must find the answer to the question: Is the service provided to customers of the proper quality and are customers satisfied with the services? Quality of services is one of the most important initiators of customers' satisfaction, as well as their loyalty. Hence, hotel managers should know how to measure the quality of the services provided, as well as customers' satisfaction. The paper presents the models for measuring services quality in hotel industry, and the models for measuring satisfaction of customers at micro- and macrolevels.

Keywords: customer; quality of services; satisfaction; hotel industry.

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МОДЕЛІ ВИМІРЮВАННЯ ЯКОСТІ ПОСЛУГ ТА МІРИ ЗАДОВОЛЕНОСТІ КЛІЄНТІВ: ЗА ДАНИМИ ГОТЕЛЬНОГО БІЗНЕСУ

У статті показано, що в умовах посиленої конкуренції, створення та розповсюдження нових продуктів та послуг вимоги та запити сучасних клієнтів стають все більш суттєвим фактором. У даному контексті для готелів найбільш важливим питанням стає наступне: Чи є сервіс, що надається клієнтам, потрібної якості та чи задовольняє він його клієнтів? Якість сервісу визначає не тільки задоволеність клієнтів, але й їх лояльність. Тому керуючим менеджерам готелів необхідно знати, яким чином можна виміряти якість послуг та ступінь задоволеності клієнтів. Для цього у статті представлено моделі, за якими можна виміряти якість послуг в готельному бізнесі на мікро- та макрорівнях.

Ключові слова: клієнт; якість послуг; задоволеність; готельний бізнес.

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МОДЕЛИ ДЛЯ ИЗМЕРЕНИЯ КАЧЕСТВА УСЛУГ И СТЕПЕНИ УДОВЛЕТВОРЁННОСТИ КЛИЕНТОВ: ПО ДАННЫМ ОТЕЛЬНОГО БИЗНЕСА

В статье показано, что в условиях усиленной конкуренции, создания и распространения новых продуктов и услуг требования и запросы современных клиентов становятся всё более значимым фактором. В данном контексте для отелей наиболее важным вопросом становится следующий: Является ли сервис, предоставляемый клиентам, нужного качества и удовлетворяет ли он клиентов? Качество сервиса определяет не только удовлетворённость клиентов, но и их лояльность. Поэтому управляющим гостиницами необходимо знать, каким образом можно измерить качество услуг и степень удовлетворённости клиентов. Для этого в статье представлены модели, по которым можно измерить качество услуг в отельном бизнесе на микро- и макроуровне.

Ключевые слова: клиент; качество услуг; удовлетворенность; отельный бизнес.

Introduction. Increased competition in hotel industry has a great impact on customers, providing various choices, better value for money, and higher level of services.

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In cases of intense competition, the basic goal of hotel managers is the maintenance and increase of performances, that is profit growth. This goal could be achieved by providing services that would satisfy customers (i.e. hotel guests) with quality assurance.

Quality is most usually defined as the set of product's or service's attributes or characteristics, which have the ability to satisfy the expressed needs. Consumers evaluate quality of product or service comparing their expectations with performances of the supplied good or service. That is "quality of services means to satisfy or overcome expectations of consumers" (Gronroos, 1984). Therefore, quality is the capability of a hotel product or a service to fulfill or overcome expectations of hotel guests. Guests' satisfaction in hotel industry depends on the comparison of individual expectations and experience due to the use of hotel products and services. Expectations are the predictions of customers regarding the quality of services and they are the function of previous experience and prediction regarding the ability of a company to provide quality service in the future. Satisfaction of customers and their long-term retention is one of the most important tasks of management in service – providing companies. High level of consumer satisfaction is the basic lever for creation of long-term loyalty, stability of operations, growth and development of the company. Customer satisfaction is a very important goal and instrument in managing companies which face new challenges in the contemporary environment. Due to this, significance is given to the models measuring services' quality and customers satisfaction, which enable hotel management identify the most crucial components of hotel services and their impact on satisfaction.

Services quality in hotel the industry. Overview of the literature on quality could lead to the conclusion that research efforts focused on definition and measuring of tangible characteristics of products, while the quality of services was totally neglected. C. Gronroos (1990) accentuated that quality of product is traditionally related to technical specification of goods, and most definitions of quality are derived from manufacturing where quality control is given great importance. On the contrary, P. Crosby (1979) defines the quality of goods as "compliance with requirements"; J. Juran (1980) defined quality as "suitability for use", while D. Garvin (1983) measures quality by calculating the frequency of "internal" errors (observed before a product leaves a factory) and "external" errors (created after a product is installed). Definition of quality founded on the product could be appropriate for manufacturing sector, while it is not entirely usable for understanding the quality of services (Parasuraman et al., 1985).

Quality as the market term means production and provision of services which completely satisfy demands, wishes and expectations of consumers (Radosavljevic, 2009). Service could be defined as the benefit which one side offers to another and which is essentially intangible and does not result in ownership over something. Its production could, but should not be related to physically tangible good (Palmer, 2001). Services are usually described as the unity of 4 attributes: intangibility, heterogeneity, inseparability and impermanence (transience). In hotel industry, there are additional attributes, like imprecise standards and changeable demand which complicate the task of defining, supply and measurement of service quality. Specificity of hotel product is reflected in inseparability and complexity of service itself and physical product. This specificity could be observed in two ways: service is related to a hotel facility and could not be realized itself (reception service, services of maid, waiter

etc.) but is related also to products with material shape (preparation of food and serving it). According to that the hotel product is the group of tangible and intangible attributes which satisfy needs and wishes of hotel guests. Hotel companies could define policy of product quality, as well as rules and procedures on their products standardization (food in restaurant, furniture in rooms etc.), while many aspects of service quality could not be standardized. Quality of services, like "friendly relation towards guest", "assistance and usefulness of hotel staff" and "kindness" most probably would be interpreted by various guests differently and are estimated subjectively. Besides, demand for services in hotel industry is characterized by unevenness that is more intense in a certain period of day or year, like in case of registering and checking out or during vacations, which influences to a great extent the consistency of services quality (Mei et al., 1999).

Superior quality of services enables company's differentiation in competition, acquiring and maintenance of competitive advantage and increased efficiency (Mei et al., 1999; Kandampully and Suhartanto, 2000; Gounaris et al., 2003). Benefits from service quality involve increase of customer satisfaction, increase in retention of buyers, word of mouth, decrease of employees fluctuations, decrease of operation costs, increase of market share, increase of profitability, and operations improvement (Gounaris et al., 2003; Kang and James, 2004). Regarding quality of services in hotels, A. Mattila and C. Enz (2002) consider that emotional factors which could be measured immediately after providing a service to a guest clearly demonstrate their emotions are important predictors in evaluation of services. Research demonstrated that two indicators which are used for estimation of hotels influence the future behavior, and these are: word of mouth and intention of a guest to return to this hotel. This study emphasizes that customer satisfaction mediates between quality of service and future behavior. For example, satisfaction (caused by quality of room or service) or frustration (caused by poor service) could influence customer talks about hotel positively or negatively (Ladhari, 2009).

Models for measuring services quality in the hotel industry. In literature there are numerous models for measuring services' quality. Although these models could be used in all service industries, specificity of hotel business demonstrated the need and necessity for creation of special models for measuring quality of services in hotels. A. Parasuraman, V. Zeithaml and L. Berry (1985; 1988) presented the model, that initially had 10 dimensions of services quality: tangibles, reliability, responsiveness, understanding customers, access, communication, credibility, security, competence and courtesy, and later they reduced the model to 5 dimensions: tangibles, reliability, responsiveness, assurance and empathy. This model is known as SERVQUAL (SERVicesQUALity model). The SERVQUAL instrument was originally designed to assess the difference between quality expectations and perceived service along the 5 dimensions. As these gaps are bigger, there is bigger difference between expectations of customers and their perception of quality of a delivered service.

The most famous alternative to SERVQUAL model is SERVPERF (SERVicesPERFORMANCE Model) proposed by J. Cronin and S. Taylor (1992). While SERVQUAL model measures the quality for service basing on the comparison between expectation and perception, for SERVPERF model expectations are not relevant, but the estimation of service quality is equal to customer satisfaction.

Theoretically, SERVPERF was superior to SERVQUAL, and J. Cronin and S. Taylor (1994) argued that SERVPERF measure should explain more of the variance in the overall measure of service quality than SERVQUAL instrument.

LODGQUAL (LODGingQUALity Model) has been regarded as a specific application for the hotel industry. This model is based on SERVQUAL and is used for estimation of service quality in lodging industry (Getty & Thompson, 1994). J. Getty and K. Thompson (1994) designed the LODGQUAL instrument from customer perceptions of the SERVQUAL measure, but also considered the dimensions of tangibles, reliability and "contact", which included attributes associated with response capacity, safety and empathy.

Based on SERVQUAL model, B. Knutson et al. (1990), developed LODGSERV (LODGingSERVices Model). This model was developed for measuring the quality of services in hotel industry. The authors defined 5 dimensions of services' quality: reliability, safety, compassion, tangibility and empathy.

A. Mei et al. (1999) researched the quality of hotels services in Australia and developed a new scale for measuring quality of service named HOLSERV, based on 3 dimensions: employees, material components and reliability. HOLSERV was a shorter, more user/friendly instrument than SERVQUAL. A. Mei et al. (1999) recommended that hotel managers should supplement the HOLSERV measure with additional qualitative research.

J. Getty and R. Getty (2003) researched the quality of services in hotel industry in the USA and developed a new five-level scale named Lodging Quality Index (LQI) covering the dimensions: tangibility, reliability, compassion, trust and communication.

Besides these models it is important to demonstrate the researches of some authors which showed additional components of services' quality in hotel management. So, in the research conducted by T. Juwaheer (2004), were identified 9 components of services' quality like: reliability, assurance, empathy, extra room amenities, staff communication, room attractiveness and décor factors, staff outlook and accuracy, food and service, hotel surroundings and environmental factors. C. Albacete-Saes et al. (2007) identified 5 dimensions of service quality in rural accommodation: personal response, complementary offer, tourist relations, tangible elements and empathy.

Mutual for all defined models is that each component of service's quality is estimated by a certain number of questions/assertions. That is, within each component of quality there are several questions or assertions estimated by customers (examinees). Therefore, component "tangibility" can be estimated by claims like: hotel is clean; employees have clean and orderly uniforms; bed in the room is comfortable etc, on the seven-degree Likert scale where 1 demonstrates total disagreement with the claim, while 7 demonstrates the absolute agreement.

Customer satisfaction in the hotel industry. Satisfaction of customers is the most efficient source of market communication, because customers which are satisfied with product or service probably will spread their good experiences to others. On the other hand, if one is not satisfied, he/she will transfer this negative experience regarding products or services. Customer satisfaction depends on the experiences in use of the product or services and is often the end outcome of all the activities conducted in the process of buying and consuming. Customer satisfaction is the total estimation of overall experience due to the use of goods or services in time (Omar et al., 2013).

With customer satisfaction are related 3 interdependent concepts (Javalgi et al., 2006). The first concept is related to customer's expectations from a product or a service. The second concept is related to fulfillment of customer's expectations, while the third one compares the delivered value with previous expectation. If previous customer's expectations are fulfilled, the result is satisfied customer. On the contrary, if previous expectations are not fulfilled, the result is customer's non satisfaction. Expectations are founded on previous experiences in purchasing, opinion of friends and associates, information from marketing experts and competitors. Marketing experts must be careful defining the level of expectation. If they define too low level of expectations they could satisfy those who purchase, but they will not attract enough new clients. On the contrary, if they establish too high expectations, customers could be disappointed (Kotler et al., 2010). "Holiday Inn" had the campaign named "No surprises", which promised excellent service and lodging without troubles. Nevertheless, guests had many troubles during their residence in hotels and clients became even more dissatisfied, which made "Holiday Inn" interrupt this campaign.

Guests satisfaction in hotel industry depends on the comparison derived from the use of hotel products and services and individual expectations. Expectations could be described as variable internal standards which depend on many factors, including needs, goals, direct or indirect experiences with the same or similar products and services from other hotels. Unlike material products or pure services, experiences of the use of hotel products and services represent their mix. Satisfaction in hotel industry represents the sum of total satisfaction, created as the result of experience with the use of individual elements or attributes of all the products and services in the hotel. Nevertheless, there is no single opinion among marketing experts regarding the classification of elements of service in hotels. Rauland et al. (1985) suggest that hotel services are a harmonious mix of 3 elements: material product in narrow sense (hotel room), behavior and attitudes of employees responsible for serving guests and surroundings (buildings, arrangement in equipping, lights etc.). Czepiel et al. (1985), on the other hand, suggest that satisfaction with services is the function of satisfaction of two independent elements: functional element and the element of delivery. In order to prove the independency of these two elements, the authors claim that hotel guests are fully capable to provide answer for each of these two elements: "service was excellent, but the bed was hard" or vice versa. Davis and Stone (1985) defined two elements of service meeting: direct and indirect service. For example, direct service could be the process of registering and checking-out in hotels, while indirect services involve parking, public phone etc. (Pizam and Ellis, 1999).

Models for measuring customers' satisfaction. In measuring customers satisfaction researches face numerous problems. The reason that satisfaction represents subjective perception of customer regarding the quality of products and services. Moreover, measuring satisfaction involves the expectations of customers on the quality of products and services (Marinkovic, 2012). Satisfaction comprises cognitive and emotional variables. Cognitive variables involve expectations, product's performances, self-satisfaction, willingness to pay. Problems in measuring satisfaction are the definitions of emotional variables (Fraering and Minor, 2013).

Significance of measuring customers satisfaction is in the fact that the level of satisfaction to a great extent influences the intentions and future behavior of cus-

tomers. The level of customers' satisfaction is not the goal itself, but an important step towards creation of loyal customers. Satisfaction and loyalty are the key links in the chain of profit creation. But, customer satisfaction is not a necessary precondition for loyalty. According to F. Kotler et al. (2010), there are several reasons why more satisfied guests should not become loyal guests. First, some passengers do not return to the area where they were previously situated. Some guest could think that hotel in a resort where he/she lodged is excellent, but does not plan to vacate in the same destination. Second, some clients like to try various hotels when they return to the same destination. Although they are satisfied with the previous hotel, they change it in order to gather new experiences. Third, some clients observe the price and look for the best offer.

The goal of measuring customer's satisfaction is to express in objective way quantitatively their subjective perceptions. The methodology approach to measuring satisfaction in service activities depends on whether it is conducted on micro- or macrolevels (Veljkovic, 2009). Measuring satisfaction on the microlevel is carried out by companies to determine how products or services influence satisfaction of their customers. Measuring is performed according to the results obtained in the researches conducted usually by techniques of interviewing and in some cases by focus groups. Continual following of satisfaction could be the significant indicator to the company how it succeeded to achieve its primary goal (profitable satisfaction of customers' requests and demands) and to be marker where and how to develop long-term relationship with (key) customers (Veljkovic and Marinkovic, 2010).

Some authors stress 4 ways of measuring customer satisfaction on the microlevel, which are: 1) measuring of all the attributes of products and services with the assistance of structured questionnaire; 2) definition of specific deviations of each attribute of product or service from customers' expectations; 3) establishment of customers' priority; 4) definition of satisfaction for various customers (Duff & Lumping, 2000; Maricic et al., 2012).

Measuring the rating of all product and services attributes means determining all attributes of products and services with which customer defines rating by estimating it on the scale (for example, from 1 to 5). In case of hotels, the attributes of products and service could be: ambience in the hall, efficiency of registering, cleanness of rooms, staff serviceability, quality of food in the restaurant, availability of sports and recreation facilities etc. Determination of specific deviations of each attribute of product or service from customers expectations means the evaluation of product's or service's attributes positively or negatively. The result defines which elements of product's or service's attributes positively affect satisfaction, and which negatively. Determining customer's priority means the definition which element is the most important for consumers, which are moderately important, and which are almost insignificant. Elements as seen by customers as the most important have the biggest influence on their satisfaction. Determination of satisfaction for various customers starts from the fact that customer's satisfaction is an individual category and it varies for each separate customer having in mind demographical, economical and psychological characteristics of customers. Measuring is the division of customers into segments by certain characteristics like gender, age, education, income etc. Therefore, we could measure satisfaction among various segments and focus efforts on the

improvement towards defined market segments. For measuring satisfaction on the macrolevel for this purpose wider application have the indices of customers' satisfaction, like: SverigeKundbarometer (Sweden), ACSI (the USA) and ECSI (European).

Conclusion. The concept of quality of service and satisfaction of customers is of utmost importance for operating of market-oriented companies. Needs and wishes of customers are in the focus of all business activities for service companies, and also for hotel companies. Satisfying various needs and demands of customers is the prerequisite of their loyalty and readiness to pay higher price or to recommend that hotel to their friends and acquaints.

Specificity of hotel product is reflected in inseparability and complexity of service itself and physical product. That is, hotel product represents group of tangible and intangible attributes which satisfy needs and wishes of hotel guests. Quality of services represents one of the most important factors which influence satisfaction and loyalty of customers. Hotel companies could define their policy of product's quality, as well as rules and procedures for standardization of their products, while many aspects of services' quality could not be standardized. Quality of services, like "friendly relationship with the guest", "assistance and usefulness of the staff in the hotel" and "kindness" will be interpreted by various guests differently. Benefits from service quality include the increase in customer's satisfaction, increase of customers' retention, word of mouth, and decrease of fluctuations in employment, decrease of operational costs, increase of market share, increase of profitability and improvement of business. Therefore, hotel management should know how to measure the quality of services provided. Moreover, hotel management could establish the level of services currently provided, and possibilities for improvement in certain aspects of supply. For that purpose they can use some models measuring the quality of services like: SERVQUAL, LODGSERV, LODGQUAL, HOLSERV, SERVPERF and Lodging Quality Index.

It is generally accepted that there is a positive correlation between the quality of service and customers satisfaction. That is, quality of material and non-material components of hotel product affects guests satisfaction, as well as future behavior of customers and their loyalty. Satisfaction of guests in hotel industry depends on the comparison of experience derived from the use of hotel products and services and individual expectations. High level of customer's satisfaction is the result of coordination of preferences and expectations of customers with the value which they obtain by using hotel products and service. The goal of measuring customer's satisfaction is to express objectively and quantitatively their subjective perceptions. Usage of various models for measuring satisfaction of customers, management of hotel companies could establish the level of satisfaction of their guests, as well as the possibility and directions for its improvement.

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