

## THE DEGREE OF CONSUMER SATISFACTION WITH HOTEL SERVICES

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### Abstract

*The subject of research in this paper is the degree of consumer satisfaction with hotel services in Novi Sad, Serbia. The aim is to determine the extent to which their quality meets customer needs and preferences in order to apply these results to improve the quality of services. Methodology used in this research included a survey method, research of primary and secondary materials, statistical methods and synthetic, comparative, descriptive method. The research was conducted in hotels and B&B hotels in Novi Sad. For the purpose of this paper was conducted field research in the July-August 2011 and September-October 2012. The results obtained in this study indicate a high level of guest satisfaction with the most of services, but also the lower level than expected in terms of quality of food and drink. The research results can be used by hotel managers in order to improve and adapt hotel services to market needs, as well by students.*

**Key words:** *consumer satisfaction, hotel services, research.*

**JEL Classification:** *L80, L83.*

### INTRODUCTION

The success of the hotel business is directly linked to customer's satisfaction with hotel services. The consumer satisfaction is a business philosophy that seeks to create value for customers, provides and manages their expectations and demonstrates the ability to meet their needs. One of the most important elements for quality assurance in the hotel is the knowledge of the needs and desires of guests (Radosavljevic, 2007). Those who are able to quickly understand and meet the needs of users generate higher profits and better market position. Developing direct relationships and knowledge of the wants, needs and expectations of service users is provided by a high degree of certainty in terms of the shaping of quality hotel product. The

high quality of the hotel product is an essential tool for achieving guest satisfaction (Vukosav Ćurčić, 2009, pp.139-154). The main business objective is satisfied, and then the loyal customer who re-elected the same hotel, pays less attention to the price and transfers positive experiences to other potential guests. Measuring the degree of satisfaction of hotel services allows us to understand the strengths and weaknesses of the hotel product and then improve its performance. According to the authors (Kosar and Rašeta 2005) the degree of pleasure of the hotel guests can also be viewed through the levels of the attractive quality of hotel products that would, if it is reached, generate enthusiasm among guests, and thus ensure their loyalty.

Needs of the guests are changeable and they need to be constantly monitored in order to facilitate their analysis and ensure the effective management of change in the performance of the hotel product.

However, it is wrong to believe that they should have the best products in all aspects of product services. The real goal is to find criteria that will create diversity in relation to competition and ensure loyalty to certain groups.

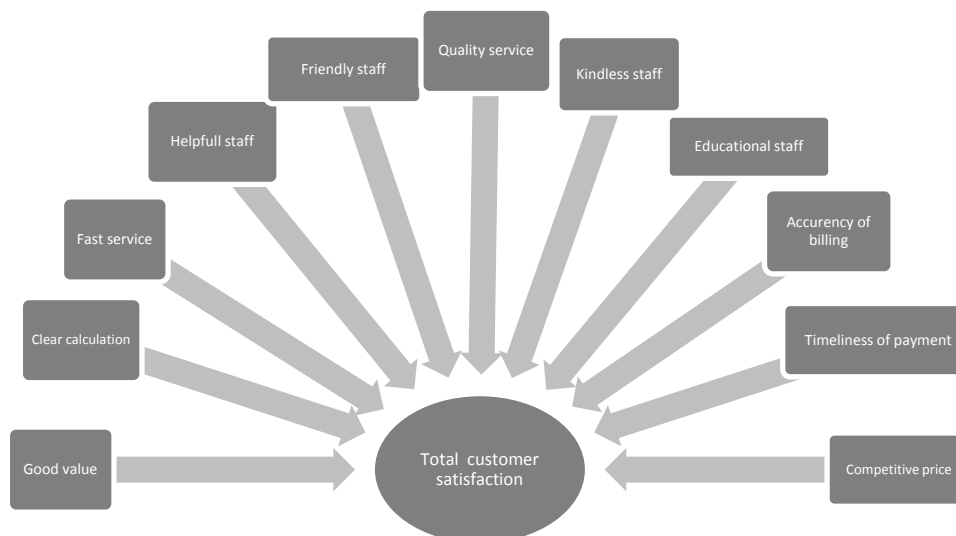
In this paper, after reviewing the literature on customer satisfaction, customer satisfaction with hotel services will be analyzed in hotels in Novi Sad, and based on that will be determined the level of satisfaction for each service in hotels. At the end of the survey results will be presented and the conclusion is based on the results.

### THE CONSUMER SATISFACTION

Despite many attempts to measure and explain customer satisfaction, consensus on its definition has not been achieved yet (Giese and Cote, 2000). User satisfaction is usually defined as a value assessment of certain products and services (Gundersen, Heide and Olsson, 1996, pp.72-81). It is the result of a process, which contradicts the results of expectations and perceptions before and after consuming the product (Oliver, 1980, pp.460-469). Oliver (1980, pp.460-469) further states that the level of satisfaction is the difference between the expected and the perceived

performance of the product, and that satisfaction occurs when a product or service is better than expected, and disappointment when the performance of the products or services are worse than expected. According to Blešić et al. (2009, pp.93-110) concepts such as expected value, perceived value and customer satisfaction should play a crucial role in management decisions, while short-term and financially oriented goals would be rejected.

Satisfaction can be determined by subjective (users' needs, emotional state) or objective factors (the characteristics of the product or service). Numerous studies have examined the characteristics of hotel products that customers say are important. For example, Atkinson (1988, pp.12-14) found that the purity, safety, "value for money" and friendly staff determine the degree of satisfaction of hotel guests. Others authors state that it is quick service, convenience of location, comfort, employees' behavior, timeliness. According to Choi and Chu (2001, pp.213-217) the quality of staff, quality of rooms and the value you get for a price are the top three factors in determining guest satisfaction. According to Hokanson (1995, p.16) there are battalions factors that affect customer satisfaction as shown in Figure 1.



**Figure 1. Factors that affect customer satisfaction**

Source: Adapted to Hokanson (The Deeper You Analyse, The More You Satisfy Customers, Marketing News, 1995).

Numerous studies show that customer satisfaction has a direct and indirect impact on business results. According to Hoyer and MacInnis (2001) satisfied customers are the foundation of any successful business due to customer satisfaction leads to repeat purchases, customer loyalty and positive brand advertising. According to Zairi (2000, pp.331-335), numerous studies dealing with user satisfaction carry similar

messages. Satisfied customers will likely share their experiences with other people, most likely with six to ten people (Ćurčić, 2010)<sup>1</sup>. Equally so, unsatisfied users will their bad experiences tell to dozens of people. Also, many users do not complain. Finally, if it is believed that dealing with customer satisfaction is expensive we should realize that finding new customers costs 25% more.

<sup>1</sup> On this base it was formed. "Rule 3-33" which reads: "For every three people who are prone to have positive opinion on your company, comes 33 persons who has negative " (Smith, 2002). The problem is that the dissatisfaction of consumers rapidly expanding and isn't addressed to the company or the responsible persons, but to close environment (friends, acquaintances and relatives) (Ćurčić, 2010).

However, achieving the satisfaction of the user does not guarantee the survival on the market. Bowen and Chen (2001, pp.213-217) suggest that it is not enough just to have a satisfied customer. It must be an extremely satisfied customer. This is why customer satisfaction has led to their loyalty. Thus, Bansal and Gupta (2001, pp. 3-25) suggest that building customer loyalty is no longer a choice, but the company's only way to build a sustainable competitive advantage. Also, by Djurić et al. (2004) the buyer who is just "happy" is often loyal just a little and enthusiastic customers are truly loyal. Likely to be, the chances that completely satisfied customer will go back to buy something before the customer who is satisfied to some extent are ten times higher. Business Strategy of the renowned companies aims to not only meet, but exceed the expectations of supply (Kosar and Rašeta, 2005). In this regard, the authors further state that this is possible only through achieving an attractive quality of the hotel product. User satisfaction with hotel services is directly related to the quality of hotel services.

Quality of service is estimated according to its consumption where the degree of satisfaction is subjective (Sekulović, 2009). User satisfaction depends on how the provided service responded comparing to the expectations of the users. According to Kolter (2006) if the provided service does not reach the expectations of the consumer, the consumer is not satisfied. If the provided service is reached expectations, the customer is satisfied, and if it exceeds the expectations of the consumer is delighted.

#### MEASUREMENT OF CONSUMER SATISFACTION

Achieving and maintaining a competitive advantage in the marketplace depends primarily from the ability of service providers to anticipate and meet customer needs. In order to discover the desires and expectations of service users we use different methods. Customer satisfaction measurement is a starting point in planning further activities of the company. Thus, for example, it would be unfair to offer new services to consumers who are not satisfied with the services that were previously used, because first of all it is necessary to remove the previous problem to preserve the trust (Sekulović, 2009).

Measuring customer satisfaction aims to identify the needs and expectations of consumers, consumer impressions of service delivery, eventual failures, the effects of company's policies, the process of continuous quality improvement. However, they can all be summarized in one basic goal and that is to monitor the attitudes and perceptions of service users about the quality of the hotel product and the choice of an adequate system, which will provide feedback on the user experience.

Methods of measuring customer satisfaction can be direct, with active participation of the users, who are referred to the degree of their satisfaction or indirect, based on the use of certain indicators, which are used

to relate the method to operating results (sales, complaint analysis, customer retention index etc.).

#### RESEARCH METHODOLOGY

The best known and most used direct methods are: the Critical Incident Technique, Problem Detection System, Pims, Customer Satisfaction Survey, Kano model and Servqual method (Milisavljević, 2009).

Estimation of the guest satisfaction in hotels is important if we want to understand users' views of hotel services. Every customer has different expectations in terms of hotel services. In this analysis, we focused on the hotels and B&B hotels in Novi Sad, as representative objects for accommodation. We used the survey method which we distributed in Serbian and English at the hotel reception. Poll guaranteed anonymity to guests and hotels. The survey was conducted during July and August in 2011 and September and October 2012. The survey was participated by two examiners. Depending on the accommodation facilities at the hotel reception is divided proportional to the number of questionnaires.

The first part of the questionnaire included socio-demographic features of the respondents (country of origin, gender, age, education level, occupation and economic standard), while the second part refers to the main aspects related to the services that are available to guests (booking accuracy, timeliness reception, accommodation, quality and variety of food, hygiene, logoff, availability and kindness of the staff, etc.). Range of grades for the quality of services in the second part of the questionnaire ranged from 1 to 5 where grade 1 describes the service as "bad", grade 2 "not bad", grade 3 "good", grade 4 "very good" and grade 5 "excellent." There were distributed 458 questionnaires (258 in 2011 and 200 in 2012). The study included a population that has used the services in hotels at least one whole day. The sample included all hotel guests over 18 years, of both sexes, all levels of education, different nationalities and monthly salaries. Due to the lack of cooperation of hotel management and a small number of guests in hotels during the summer months, the number of completed questionnaires is 171 of which 150 is done correctly.

#### DESCRIPTION OF THE SAMPLES

The research was conducted in all restaurants in the hotel-type accommodation in Novi Sad. The total number of objects covered by the research is 20, of which 11 buildings include hotels, and Bed & Breakfast facilities include 9. Of 11 hotels two were categorized with five, one with four, five with three star hotel, one with two and two hotels with one star. Of the nine B&B hotel, three hotels are categorized with four, three and two stars. The research was conducted in the following facilities: Park, Leopold, Sajam, Novi Sad, Vojvodina, Center, Traveler, Elite, Alexander, Aurora, Stari

krovovi, Epicentar, Prezident, Gymnas, Master, Beautique Hotel Arta, Panorama, Zenit, Rimski and Mediteraneo.

■ 18-25 ■ 26-35 ■ 36-45 ■ 46-65 ■ over 65

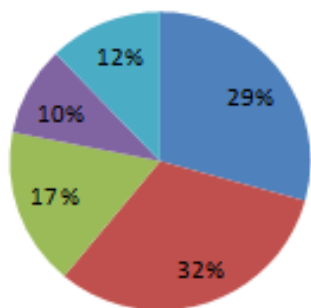


Figure 2. Age structure

On the basis of the data 55% of the total number of the guests are foreigners most of whom came from Austria, Germany, Australia, Canada, Italy and the UK. According to the gender structure of the respondents in the sample were 57% male and 43% female. On the Chart 2, it can be seen that the majority of these respondents 31.7% are between 26 and 35 years old, and practically the same group of respondents by number are between 18 and 25 years of age, with a total share of 29.3%. The least number of respondents is in the oldest age group between 56 and 65 years, accounting for 9.7% and those older than 65, present in the sample with 12.2%. Educational structures of the respondents is shown in Chart 3, which shows that even 46.2% of the respondents have finished college, 22.6% high school, 18.2% higher school, 11% master's or doctoral degree and 2% respondents have completed primary school. The largest number of respondents makes the active population that is represented with 66.5%, followed by students with 20.4%, 6.1% pensioners, students and business owners to be 3.5%. The number of respondents who did not want to talk about the income level is 48.5%, while 18.6% of respondents have up to 300 euros monthly income, 17.8% more than 900 euros monthly income, between 300 and 600 euros monthly income is 11.6 % of respondents and 3.5% between 600 and 900 euros.

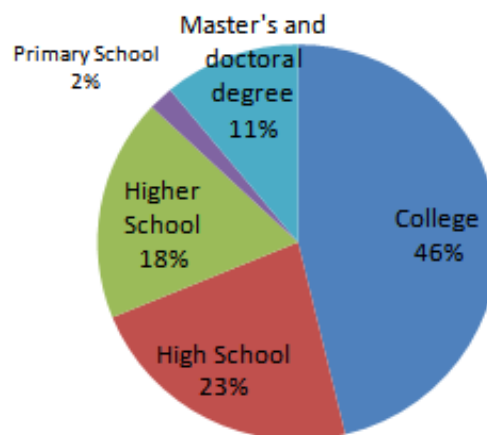


Figure 3. Educational structure

RESEARCH RESULTS

Research results related to the quality of hotel services are divided into five main units formed on the basis of time and unfolding of services: services a guest checks into a hotel, the quality of rooms, quality of staff, food and beverage service and guest checking out with the overall grade given value for money. Average scores of service are shown in Tables 1, 2, 3, 4 and 5.

Table 1. Questions about the quality of check-in service

	Questions	Average value
1.	Accuracy of reservation	4,9435
2.	Timeliness and efficiency of check-in service	4,6839

Services of a guest checks into a hotel that included the accuracy and timeliness of the reservation and the efficiency of admission were evaluated with 84.7% of respondents as excellent, with 9.4% as a very good score, with 2.9% of subjects with good grades and 3% respondents with poor mark. This group of services together with services, check out guests valued the highest grades (Table 1).

Table 2. Questions about the quality of rooms

	Questions	Average value
1.	Clean and comfort room	4,7550
2.	Appropriate room furniture	4,6819
3.	Beds comfort	4,4158
4.	Cooling / heating room	4,4511
5.	Hygiene in the rooms	4,6293

Analysis of the results of questionnaires related to the set of questions that are related to the quality of the equipment in the rooms and the quality of hygiene in the rooms shows that 70% of respondents rated the service as excellent, 18,7% as very good grades, 7,3% as good, 2,5% rated "not bad" and 1,5% gave poor mark. Since the poll was conducted during the summer months guests paid special attention to the district

cooling rooms that are in this group of services evaluated with the lowest grade (Table 2).

**Table 3. Questions about the quality of staff**

	Questions	Average value
1.	The kindness and helpfulness of the staff on the reception desk	4,7889
2.	Speed of service, courtesy and friendliness of staff	4,6945
3.	Availability of staff	4,4682
4.	Communication in a foreign language with staff	4,5684
5.	Availability management in solving problems	4,5589

The quality of staff is at 79.2% of guests rated as excellent, 17.8% of respondents rated very good grades, 2.1% rated good grades and 0.9% rated poor mark, which indicates that the quality of the staff is highly valued. Effectiveness and quality of staff in the city type of hotel comes to the fore, which can sometimes make up for some other minor flaw in the property (Ćurčić, 2001).

The grade of management access in solving problems can be seen as arbitrary or average score obtained by the respondents on the basis of a general impression because all the respondents rated the service, without having the direct contact with the management (Table 3).

**Table 4. Questions about the quality of food and beverage services**

	Questions	Average value
1.	Quality of food	4,2054
2.	Food diversity	4,1989
3.	Quality of drinks	4,3961
4.	Drinks diversity	4,4057
5.	Serving speed and friendly F&B staff	4,6012

With the lowest assessments evaluated the quality and the diversity of food and beverage as follows: 57.3% of the group's services as excellent assessment, 29.5% very good grade, good grade 9.1%, 2.4% gave not so bad score and 1.7% of respondents gave a bad score. Given that a number of hotels (Bed & Breakfast) includes only bed and breakfast, and tourists, especially in city hotels, used mainly the bed and breakfast, we cannot talk about comprehensive evaluation of quality food and beverage services (Table 4). However, this fact should be kept in mind when speaking of Serbia as a destination of the rich and top quality cuisine.

**Table 5. Questions about quality of check-out service**

	Quality	Average value
1.	Timeliness and accuracy of the service check-out process	4,7854
2.	Completeness and accuracy of accounts	4,7346
3.	Value for money	4,3511

A guest checking out of the hotel service, and the overall value of the consideration received for the given money are rated as excellent by 78.2% of respondents, with a very good grade in 19.1% of subjects and with a poor grade in 2.7% of subjects. (Table 5).

Overall interior, exterior, hygiene in public areas and the availability of other facilities is at 4,4452. The percentage of respondents who rated the service as excellent is 67.6%. As very good grade these services are rated at 19.2%, a good grade 8.5%, not too bad 3.5% and bad grade at 1.2% of respondents.

#### LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

As in all the researches, in this there are also few restrictions on who should be screened. First, the research was conducted during the summer months when hotels attendance in Novi Sad was considerably less than, for example, during the spring and fall. This has resulted in a lower number of respondents guests. Second, the questionnaires were printed in Serbian and English, which limited the guests of other nationalities to respond, or to understand the questions good, which could affect the accuracy. These obstacles could have been avoided by earlier informing about overbooking and geographical origin at the hotel management. Third, the lack of cooperation of hotel management regarding the acceptance of the questionnaires has resulted that in some hotels guests were involved in small numbers in the research.

#### CONCLUSION

Measuring customer satisfaction is a form of market research. Continuous measurement of satisfaction is necessary to evaluate and improve the existing range, and in order to ensure market position. Preservation of existing service users, reaching or overcoming their demands is much more profitable than winning new ones. Achieving the desired level of customer satisfaction enables the origination of loyal customers.

Depending on the degree of fulfillment of desires and expectations, hotel service users can feel completely dissatisfaction, pleasure or delight. If a minimum degree of fulfillment of their expectations is not achieved, the customer will feel dissatisfaction, and if the features and high quality services exceeded his expectations, the users will feel the excitement.

With simplification, the results of socio-demographic characteristics indicate that the average guest at the hotel in Novi Sad is a foreigner, a man 35 years old, college graduate and employed. With the analysis of socio-demographic characteristics, individually at each hotel, there would be more precise data which would contribute to a more detailed market segmentation, and hence quality service.

The analysis of the research results indicates a high degree of pleasure among the users of hotel services in hotels in Novi Sad. Based on the obtained results all types of hotel services are highly rated, with the

services of reception and check guests rated as the best, and the services of the quality and variety of food and drinks rated as the lowest.

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