RESEARCH OF EXPECTED AND PERCEIVED SERVICE QUALITY IN HOTEL MANAGEMENT

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Abstract

The paper examines the concept and measurement of quality of service in the hotel sector. The ratings of guests' expectations and calculations of SERVQUAL gap (discrepancies between expectations and perceptions), has been the most reliable method in estimating the precise diagnosis of quality deficiency. The findings of questionnaire research aimed at measuring the service quality in spa hotels are presented in this paper. The research was conducted in hotels of the third category (three-star hotels) which are located in the most visited spa centers in Serbia: Vrnjačka banja, Niška banja, Soko banja and Mataruška banja, during the months of September - November 2009. Service quality was measured with a model based on SERVQUAL model. The results may be important for providers of hotel services and contribute to the advancement of business through the adjustment of the product needs of hotel guests.

Key words: *Service quality, Spa hotels, Satisfaction, SERVQUAL.*

JEL Classification: *M1, L83*

1. INTRODUCTION

Quality of a product (or service) may be observed as its features by means of which certain needs of customers are satisfied. Theory and practice of marketing introduce various approaches to quality rating of certain products and service that mainly depend on the subject of analysis of that complex problem. The fact is that consumers observe and rate the same product differently, based mainly on their own motives and attitudes. According to the fact, that consumer's attitude on the quality is a key issue of quality level; measurements must be based on field investigation of the consumer population. Taking into account the aforementioned, the main objective of this paper is to assess the expectations and perceptions of the guests staying in spa hotels, to calculate the discrepancy between the experienced and expected service quality and estimate which determiners are considered the most significant by the consumers.

Hotel that chose the application of quality concept as a key factor of success should experience the growth in the satisfaction of costumers (guests), i.e. successfully position on the market ad thus gain larger profit. However, trying to reach the high level of the quality of hotel services, hotel managers very often meet with problems of an adequate measuring of the service quality. Firstly, hotel managers do not know what their guests consider as important when evaluating the quality of hotel products and very often do not have reliable methods for determining the expectations and perception of hotel guests when the service quality is concerned (Blešić, Ivkov-Džigurski

et al, 2011). As a solution to this problem, many authors suggest different methods for measurement of service quality and customer satisfaction. Thus Nitin et al (2005) give detailed evaluation of 19 models of quality created in the period between 1984-2003. Although the research results did not lead us to one universally accepted model, the biggest support and the best complements were given to GAP model of quality and dimensions of quality presented in SERVQUAL model. Since it was introduced, SERVQUAL model has served as basis for quality measurement of hotel and tourist services in numerous researches. However, most researchers who deals with quality measurement modify and adapt this model to the service features in hotel and tourist industry.

2. CONCEPT OF SERVICE QUALITY

General definition of quality reads: "Quality is a measurement or indicator of scope, i.e. the term for usability of a product or service for meeting specific needs at a certain place and time, when the product or service is confirmed as goods through the process of exchange" (Injac, 1998, p.64). Gronross (1984), Parasuraman, Zeithaml and Berry (1985) and Johnston (1995) defined the service quality in terms of customer satisfaction, that is, the degree of fit between customers' expectations and perceptions of service (Gronroos,1984; Parasuraman et al, 1985; Johnston, 1995). Avelini-Holjevac gave an interesting definition of service quality in hotel industry: "Quality means achievement of estimated standards and their constant

maintenance, i.e. an ongoing process. High-class hotels render the highest standards and highest quality products and service, with the most extensive scope of expensive hotel service. Economy class hotels offer products and service of lower quality, with a limited scope of less expensive service" (Avelini-Holjevac 2002, p.63). In the introduction to his book "Quality is free" Crosby cited: "Quality is free. It is not a gift, but it is free. Money can pay for low quality items – all the procedures due to which the job fails to be well done for the first time. The quality is not only free, but it ensures profit in a respectable way. Every penny you did not spend on doing a wrong thing, doing something again or instead of well-done job will result in an extra half penny. Nowadays, when our business is insecure, it is unnecessary to employ numerous ways of increasing profit. If you focus on quality assurance, it is probable that your profit will increase proportionally to the value of 5 to 10% of your sales value. And that is a lot of money - for free" (Crosby, 1996, p.9). Definitely, product quality is an essential element of a product's competitive advantage at the market (Rocco, 1993).

Definition of quality must be driven by customers' demands. Numerous quality definitions available in both domestic and foreign references comply with this attitude. Product quality is the feature that makes it appropriate for use. Moreover, quality is a complex set of features that define its level of appropriateness to the intended purpose. Quality stands for an integral unity of product features. Quality of a product is the measurement of its usefulness, i.e. appropriateness to meet the customers' demands (Kosar and Rašeta, 2005). Regardless the definition of quality, the only acceptable quality for the guests is the one that conforms to their expectations.

2.1. Gap model

In order to comprehend the service quality better, Parasuraman, Zeithaml and Berry developed Gap model of service quality. The model was first introduced in 1985 (Parasuraman et al, 1985). Its purpose was to analyse the source of problems in quality and to give support to management to simply understand the ways of improving the service quality. Key features of this model are recognized in emphasizing the errors in quality. The errors emerge between the guest and the service provider, regarding the perceptions and expectations. This model primarily demonstrates the process of the emergence of service quality (Ljubojević, 2004).

The basic gap is the Consumer gap, which emerges as the discrepancy between customer expectation regarding service and customers perception of the service delivery in the hotel. Customer gap is the outcome of one of 4 gaps of a service company, which emerge as certain discrepancies within the design and delivery phases of service to the consumers.

Five key discrepancies were identified (Parasuraman et al, 1985):

Gap 1 - the gap between customer expectations and management's perceptions of those expectations;

Gap 2 - the gap between management's perception of what the customer wants and specifications of service quality;

Gap 3 - the gap between service managerial quality specifications (quality, standards, forms of delivery) and the actual delivery of the service;

Gap 4 - the gap between service delivery and what the company promises to the customer through external communication. All four influence the total perception of service quality and customer satisfaction;

Gap 5 – Represents difference between customers' expectations regarding the service and their perception about the specific service. The last gap is the result of all the previous gaps.

2.2. SERVQUAL model

As result of the research conducted in companies which provide service (banking, telecommunication, insurance company, maintenance and repair of apparatuses), the authors of Gap model developed SERVQUAL model for measuring service quality (Parasuraman et al, 1985, 1988, 1991, 1991a, 1994).

Parasuraman et al (1985) within the original SERVQUAL model defined service quality using 10 determinants of quality: reliability, responsiveness, competence, credibility, access, courtesy, communication, assurance, empathy and tangibles. Parasuraman et al (1988) reduced those into the following five:

- *Tangibles* - Appearance of physical facilities, equipment, personnel, and communication materials;
- *Reliability* - Ability to perform the promised service dependably and accurately;
- *Responsiveness* - Willingness to help customers and provide prompt service;
- Assurance – Knowledge, courtesy and trustworthiness of the personnel;
- *Empathy* (understanding the customer) - Making the effort to know customers and their needs.

This set of five dimensions is further subdivided into 22 categories (Parasuraman et al, 1988):

Tangibles:

- Company has modern equipment;
- Company possesses visually attractive equipment and facilities;
- Appearance of staff;
- Visually appealing materials connected with service.

Reliability:
- Realization of assured service;
- Reliability in solving customer problems;
- delivering the appropriate service from the first visit onwards;
- Providing the promised service at the promised time;
- Insisting on zero defect policy;
- Willingness to help customers,
- Willingness of personnel to respond to customer n.

Responsiveness:
- Informing the customers about the time of service delivery;
- Prompt service delivery to customers.

Assurance:
- Personnel who instil confidence;
- Customers feel secure in their dealings with the company;
- Courtesy of the personnel;
- Knowledge of personnel to answer the customer questions.

Empathy (understanding):
- Giving individual attention to customers;
- Giving personal attention to customers;
- The personnel focuses on customers' interests;
- The personnel understand specific needs of their customers.
- Operating hours are convenient to customers.

Those categories establish a framework for a questionnaire used as measurement instrument. SERVQUAL methodology insists on two sets of 22 questions, where the respondents are given the first set of 22 questions prior to service delivery by which their expectations are measured. Then the respondents are given the second set of 22 questions to measure their experience, perception (attitudes) of consumers about the delivered service. Most widely used instrument for measuring perception is seven-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (7).

The data obtained from all questionnaires are statistically processed, analysed and the quantified results from the questionnaires define the level of service quality. The results obtained and partial results by categories and groups of quality components are useful for defining certain correction activities to be performed in order to advance the efficiency of service in a company (Kancir, 2006). SERVQUAL offers a basic framework through expectation and perception, comprising the statements for all five determinants of service quality. There is also possibility for companies to adjust this framework to serve their specific needs for investigation.

SERVQUAL model became the model with the most widespread application in the process of the measurement of service quality. However, the model as well meets criticism when observed form conceptual and methodological aspect (Buttle, 1996; Asubonteng et al, 1996). Despite this criticism, the model served as a base for a number of researches of the quality on the service activities.

This model has been applied in researches of service quality in the following sectors: medicine (Carman, 1990; Vinagre and Neves, 2008; Mostafa, 2005); banking (Chi Cui et al, 2003; Newman, 2001; Jabnoun and Khalifa, 2005); traffic (Prayag, 2007; Cavana et al, 2007); insurance (Tsoukatos and Rand, 2006); trade (Gagliano and Hathcote, 1994) and other service providing companies

When we take into consideration research of service quality in the sector of tourism and hotel management, most authors modify SERVQUAL model adapting it to the specific needs of these two fields. Ekinci et al (1998) tested SERVQUAL model based on the research carried out in the Turkish sea coast hotels. Their model is based on tangible and intangible determinants of quality. Getty and Thompson developed a scale called LODGQUAL (from lodging quality) for measuring quality of hotel accommodation (Getty and Thompson, 1994). Soriano (2002) conducted the research on service quality in restaurants in Spain, where he evaluated: quality of food, quality of service, quality of ambience and price/quality ratio. Stevens et al (1995), basing it on SERVQUAL model, developed a model called DINESERV, which consists of 29 questions, arranged according to 5 determinants of quality in SERVQUAL model. Snoj and Mumel carried out the research on service quality in spas in Slovenia in 1991 and 1999. The authors wrote 23 questions arranged in 5 determinants of SERVQUAL model (Snoj and Mumel, 2002).

2.3. Customers' satisfaction in hospitality

It is hard to achieve balanced quality of a hotel product, since its creation and its concurrent realization involve more than one "producer". Thus, the problem of its quality should be observed regarding certain components, i.e. customer satisfaction, expressed by the concordance level between the expected and experienced (Kosar and Rašeta, 2005).

According to the fact that service is less tangible than a product, the major portion of service quality is found within the delivery. However, customers' expectations play an important role, since the expectations concerning service significantly differ from those referring to products. Moreover, customers' expectations vary according to the service type. The importance of customers' expectations highlights the fact that product quality represents its ranking according to established standards. When consumers assess product or service quality, it is performed according to internal standards, actually the

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expected quality of service. Therefore, the expectations are internal standards upon which the consumer ranks the quality of delivered service (Ljubojević, 2004).

The level of customers' expectations differs from case to case. If a guest stays in a certain hotel, with high level of its personnel courtesy and low prices but the interior or ambience fail to match the expected level, the guest expectations will form according to the case.

Inappropriate ambience will cause with certain guests to decide not to stay in the hotel, but other guests, who are also aware of the modest interior, will decide to stay in the hotel since they expect courteous personnel and lower prices. That hotel meets minimum tolerable expectations to attract guests. However, for other profiles of guests, the level of expectations is higher since low price and courteous personnel cannot render compensation for inappropriate ambience (Veljković, 2006).

Every guest creates its expected service value individually. The right parameter for success of service or a product is achieved once the perception meets expectations in terms of value. The confirmation of expectations is observed through the gap, i.e. the deviation which appeared between the guests' expectations and delivered service. If their expectations meet the perception that means the guests are "satisfied'. When the perception outweighs the expectations, the guests are "delighted". In case, the expectations are higher then the perception, it is assumed that the guests are "dissatisfied" (Ćosić, 2006).

3. METHODOLOGY

Based on the detailed analysis of the mentioned models, authors firstly made the list of 28 hotel attributes. The list of items was then sent to academic staff of the Department of Geography, Tourism and Hotel Management, University of Novi Sad, for comments. Members of the group were asked to rate each of the 28 hotel attributes on a 5-point Likert scale ranging from 5 - *extremely important* to 1 - *extremely unimportant*. 24 attributes were selected after analyzing the comments and advice provided by employees at the Department.

The questionnaire used in this research consists of three parts. The first part of questionnaire consisted of 24 hotel attributes, for which guests were asked to indicate the perceived importance of the attributes when they choose a hotel, while the second part consisted of a serial of 24 questions whose aim was to examine their perceptions of actual hotel performance during their hotel stay. Attributes were measured a five-point Likert type scale ranging from 1, least important to 5, most important, in the Importance part, and from 1, strongly disagree, to 5, strongly agree, in the Performance part. The third part of the questionnaire included respondent demographic information.

4. DESCRIPTION OF A RESEARCH SAMPLE

The research was conducted in hotels of the third category (three-star hotels) which are located in the most visited spa centers in Serbia: Vrnjačka banja, Niška banja, Soko banja and Mataruška banja, during the months of September - November 2009. The above mentioned spa centers record 65% of visits and 54% overnight stays of the total number of visits and overnight stays in all spa centers in Serbia in 2009 (Statistical Office of the Republic of Serbia, 2010). Five researchers conducted the survey. In total, 500 questionnaires were distributed and 295 (59%) usable questionnaires were obtained. The average time spent for filling out the questionnaire was 10 minutes.

Table 1 - Demographic information of tourists (n = 295)

Variables	Sample size	Percentage
Age		
20-29	15	5,1
30-39	77	26,1
40-49	79	26,8
50-59	56	19,0
60-69	34	11,5
70+	34	11,5
Gender		
Male	130	44,1
Female	165	55,9
Education		
Elementary school	11	3,7
High school	123	41,7
College	83	28,1
University	78	26,4
Place of residence		
Serbia	264	89,5
Republika Srpska	9	3,1
Montenegro	15	5,1
Bosnia and Herzegovina	4	1,4
FYR Macedonia	3	1,0

Source: Done by authors based on SPSS data analysis 13.0

The sample included 130 (44.1%) males and 165 (55.9%) females among the respondents. The main age group was 40 - 49 and represented 26.8% of the respondents. The next biggest age group was 30 - 39 which represents 26.1% of the total number of respondents. Most of the respondents (41.7%) finished secondary school. Most of the respondents come from Serbia (89.5%), followed by Montenegro (5.1%), Republika Srpska (3.1%), Bosnia and Herzegovina (1.4%) and FYR Macedonia (1%). When the variable occupation is concerned, the majority of respondents are either (44.4%) or pensioners (25.1%).

Data collected by surveying of hotel guests are stored in SPSS database and further analysis were carried out using the Statistical Package for Social Science, SPSS, (Statistical Package for social Science), version 13.0.

5. RESULTS

The hotel attribute importance data were factor analyzed using the principal component method and varimax rotation procedure in order to extract the sub-dimensions of those hotel attributes. In this study, all factors with eigenvalue greater than 1 and with factor loadings more then 0,5 were retained. The results of the factor analysis, which suggested a seven - factor solution ("assurance", "food and amenities", "empathy", "tangibility", "entertainment, recreation and wellness facilities", "responsibility", "reliability") included 24 hotel attributes and explained 74,10 % of the variance. The Kaiser – Meyer – Olkin (KMO) overall measure of sampling adequacy was 0,71 which was middling (Kaiser, 1974) and Bartlett's test of sphericity was significant ($p = 0,000$). The results showed that the Cronbach's α coefficients of the seven factors ranged from 0,76 to 0,96 (Table 3). This demonstrates that the scales of the formal questionnaire have considerable reliability (Nunnally, 1978).

Table 2 presents average grades (arithmetical means) of questions which are connected to expectations and perception of guests and standard deviation. Values of arithmetical means on scales of *expectations* are *from* 3.81 to 4.97. The lowest arithmetical means is the closest to grade 4 while the highest arithmetical means is the closest to grade 5. Based on these data, it can be concluded that expectations of the guests who were staying at the spas were the research was conducted are relatively high. Standard deviation, which shows average level of deviation of particular grades from arithmetical means, has the value 1 only at one question. At other question its value is between 0.18 and 0.93.

Arithmetical means of perception is from 2.48 to 4.87. The lowest grade was given to the question of wellness & spa programmes in a hotel. SERVQUAL gap (difference between perceived service and expected service) is very high at this question (-1.67). The best grade was given to politeness of the working staff for which SERVQUAL gap is positive and is 0.04. Standard deviaton at 6 questions is above 1, has the value on 1 in one question, while in other questions these values are between 0.36 do 0.98.

Table 2 - Mean ratings of expectations and perceptions of selection hotel attributes

Factors	Items	Expectations		Perceptions	
		Mean	Std. Dev.	Mean	Std. Dev.
Assurance	Friendliness of the employees	4,83	0,36	4,87	0,36
	Professionalism of the employees	4,80	0,40	4,61	0,57
	Personal and material safety of guests	4,81	0,39	4,76	0,58
Food and amenities	Quality of hotel food and beverages	4,95	0,23	4,19	0,91
	Choice of food and beverages	4,82	0,39	4,13	0,93
	Restaurant amenities	4,96	0,21	4,08	1,03
	Room amenities	4,97	0,18	3,71	1,18
Empathy	Individual care of guests	3,87	0,93	4,19	0,77
	Honest and empathic treatment of guests	3,81	1,00	4,18	0,78
	Understanding of specific guests' needs	3,97	0,85	4,17	0,77
Tangibility	Hotel location	4,69	0,51	4,64	0,63
	Hotel exterior	4,52	0,60	3,87	0,86
	Hotel interior	4,78	0,45	3,43	1,02
	Leaflets, brochures, menus, wine cards	4,72	0,50	3,28	0,90
	Appearance of the employees	4,90	0,30	4,34	0,85
Entertainment, recreation and wellness facilities	Entertainment facilities	4,40	0,69	3,09	1,08
	Recreation facilities	4,45	0,63	3,47	1,09
	Wellness facilities	4,51	0,61	2,84	1,29
Responsibility	Readiness of the employees to help guests	4,79	0,41	4,57	0,59
	Readiness of the employees to provide guests with answers	4,78	0,41	4,59	0,54
	Timeliness of the hotel staff	4,78	0,42	4,41	0,61
Reliability	Offering of services in a promised manner of time	4,75	0,51	4,38	1,00
	Offering of previously arranged services from the first meeting and onwards	4,68	0,52	4,38	0,98
	Offering services without mistakes	4,86	0,40	4,47	0,97

Source: Done by authors based on SPSS data analysis 13.0

Table 3 - Mean ratings, SERVQUAL gap and Cronbach's α coefficients of the extraced factors

Factors	Expectations (E)		Perceptions (P)		SERVQUAL gap = P-E	Cronbach's α
	Mean	Rang	Mean	Rang		
F1 - Assurance	4,82	2	4,75	1	-0,07	0,96
F2 - Food and amenities	4,92	1	4,03	5	-0,89	0,78
F3 - Empathy	3,88	7	4,37	4	0,49	0,92
F4 - Tangibility	4,72	5	3,91	6	-0,81	0,76
F5 - Entertainment facilities, recreation and wellness	4,45	6	3,13	7	-1,32	0,84
F6 - Responsibility	4,79	3	4,52	2	-0,27	0,85
F7 - Reliability	4,76	4	4,40	3	-0,36	0,77
Total SERVQUAL gap	4,62		4,16		-0,46	

Source: Done by authors based on SPSS data analysis 13.0

If we rank the quality factors the highest expectations are connected to the factor "Food and facilities", then factors "Assurance","Responsibility" and "Reliability". Taking into consideration small absolute difference of the arithmetical means, it can be concluded that the above mentioned factors of quality are of almost equal importance to the surveyed guests. Grades for quality perception are the highest for the first factor "Assurance", then for "Responsibility" and "Reliability". The difference between perceived and expected quality of service is negative in all factors except the factor "Empathy". Positive gap at this factor is the result of low expectations (3.88). Total SERVQUAL gap is negative and its value is – 0.46.

ANOVA examined whether between dependent variables (issues of expectations and perceptions) and independent variables (age structure of respondents) there was statistically significant correlation. Results of variant analysis ANOVA for the scale of expectations show that there is statistically significant difference in expectations of the questions in all 4 factors. If F-test proved that there were statistically significant differences between expectations and perceptions of the quality of hotel guests, for further adoption of conclusions, it was important to determine between which groups of guests there were statistically significant differences.The software package SPSS offered a number of different post-hoc tests (LSD, Sidak, Duncan, Bonferroni, Dunnett, Scheffe, etc.). In this research Scheffe's post-hoc test was used, as one of the most rigorous and most often applied (Petz, 1981).

Table 4 - Analysis of variance ANOVA according to the age structure of respondents for the domain of expectations

Factors	Means						F-value
	age group 1 20 - 29	age group 2 30 - 39	age group 3 40 - 49	age group 4 50 - 59	age group 5 60 – 69	age group 6 70 ≥	
F1	4,79	4,90	4,85	4,76	4,82	4,68	2,164
F2	4,93	4,94	4,91	4,90	4,92	4,95	0,310
F3	3,89	3,48	3,53	4,10	4,62	4,53	20,783*
F4	4,75	4,84	4,66	4,67	4,70	4,69	2,823***
F5	4,44	4,63	4,49	4,43	4,30	4,17	4,215**
F6	4,71	4,83	4,75	4,71	4,79	4,91	1,785
F7	4,36	4,84	4,73	4,73	4,78	4,90	5,072*

*$p < 0,001$; **$p < 0,01$; ***$p < 0,05$; Source: Done by authors based on SPSS data analysis 13.0*

Table 5 - Analysis of variance ANOVA according to the age structure of respondents for the domain of perceptions

Factors	Means						F-value
	age group 1 20 - 29	age group 2 30 - 39	age group 3 40 - 49	age group 4 50 - 59	age group 5 60 – 69	age group 6 70 ≥	
F1	4,93	4,71	4,62	4,73	4,82	4,99	5,102*
F2	4,28	3,69	3,87	4,10	4,36	4,63	8,207*
F3	4,62	4,30	4,07	4,42	4,63	4,76	10,867*
F4	4,11	3,62	3,81	3,97	4,16	4,37	8,579*
F5	3,42	2,90	2,87	2,96	3,66	3,89	10,644*
F6	4,69	4,32	4,38	4,64	4,68	4,90	12,009*
F7	4,31	4,03	4,28	4,60	4,74	4,92	6,865*

$p < 0,001$, Source: Done by authors based on SPSS data analysis 13.0

Results of Scheffe's post-hoc test show us that guests' expectations are significantly different within the third factor "Empathy". Younger respondees expect less than the ones who are more than 51 years old. Within factors 4 and 5 the results of post-hoc test point out that guests who belong to the age group 30-39 expect more than those who belong to the age group 40-49 (for factor 4) and the age group over 70 (for factor 5). Respondees who belong to the youngest age group expect statistically less from the factor "reliability" when we compare them to other guests.

The results of one-way analysis of variance of the domain perceptions, indicated that in relation to level of significance $p<0.001$, there were significant differences between age groups in all factors. The results of Scheffe's post-hoc test show that the respondees who belong to the age group over 70 give statistically higher grades than younger respondees. Similar data was the result of the research conducted by Heung and Lam (2003) in hotels in Hong Kongu. According to the results of this research consumers who belong to the age group under 45 complain more frequently about quality of hotel service than older respondees. Tendency to file complaints appears in 91% of respondees who are younger than 45 (Heung and Lam, 2003).

The results obtained by the analysis of variant ANOVA in this work could be rather useful to hotel managers, especially to create a market segment. Different segments of consumers require different treatment. Specific socio-demographical characteristics of consumers could influence the decision making process when chosing a service company and influences the level of satisfaction while using a certain service.

6. CONCLUSIONS

The results of the research showed that guests are not generally satisfied with hotel services. Their expectations were higher than their perceptions of quality services in all factors, except the factor of "empathy", where the positive value of the gap is the result of low expectations. Total SERVQUAL gap is negative and amounts – 0,46. Below this average is the average value determined for the SERVQUAL gaps: "entertainment, recreation and wellness facilities" (-1,32), "tangibility" (-0,81) and "food and amenities" (-0,89). So, the burning issue in providing the quality services in the spa hotels, is inadequate organization and infrastructure facilities and lack of additional hotel content (entertainment and recreation and spa & wellness facilities).

The task of hotel companies under such conditions is to implement new business strategy that would bring not only short-term profit, but also ensure repeated guests and achieve long-term business success. The realization of goals is perceived through the application of the principle – to render service that complies with guests' needs and demands.

In order to minimise the gap between the guests' expectations and their perceptions of actual service delivered, the managers and personnel in the hotel have to ensure that every contact with guests results in positive experience for the guests. First, it is necessary to define quality standards that are transparent and measurable. Those appear as procedural quality dimensions, including timeliness, accommodation to meet the guests' needs and properly controlled coordination; and as social dimensions, including positive attitude, solving current problems, giving individual attention to guest, etc. Within this context, it should:

- Continuously monitor changes in consumer demands and develop different recovering strategies when errors in the service delivery does happen;
- Conduct intensive investment policiy for innovations, expansion and revitalization of spa offer;
- Focus offer to foreign individual guests;
- Intensify the development of new programs and encourage foreign investments in the construction of aqua parks and wellness centers;
- Maintain traditional healing methods and medical treatments, with the opening of programs for the healthy people, such as recreation, relaxation and prevention;
- Stimulate cooperation of spas in the area of market research, promotions and product placement;
- Put the emphasis on recruiting, education, training and motivation of employees.

Prior to any planning, it is necessary to establish company's current position. It is achieved by objective assessment of the level and quality of service delivered in the hotel. The results of this and similar researches may contribute to estimation of current level of service quality and support in planning aimed at correcting current deficiencies.

Development of hotel industry depends on further permanent application of total quality management, the approach applied within the whole organization aiming at continuous quality advancement for all organizational processes, products and service. The approach to management within an organization is targeted at quality, based upon participation of all members, aimed at long-term success by satisfying the customers' needs and for the benefit of all members of the organization and society.

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