

INTANGIBLE COMPONENTS OF SERVICE QUALITY AS A FACTOR OF CUSTOMER SATISFACTION IN THE HOTEL INDUSTRY

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Abstract:

Hotel services are not easy to define and measure. The reason for that is a large number of factors that affect their quality. Most often in the professional literature, these factors can be divided into tangible and intangible components of service quality. While the tangible quality components are determined by the spatial, construction and technical-technological characteristics of the hotel facility and most researchers and practitioners believe that in modern business conditions it is not suitable for building hotel competitiveness, intangible components of quality include knowledge, skills and competencies of employees, as well as the service process in the hotel and those are the key factor in competitiveness in the hotel industry. The aim of this paper is to identify the key factors of the intangible components of service quality, quantify their importance and implication on customer satisfaction in the hotel industry in Serbia.

Keywords:

hotel services, intangible components, customer satisfaction, hotel industry in Serbia.

INTRODUCTION

One of the strategies of service companies, including hotel companies, is related to the delivery of high-quality products and services. This concept is the basis of many empirical studies, which accept the fact that the quality of products and services has positive implications on consumer satisfaction, and thus on organizational performance and competitive advantage. The growth of competition in the hotel industry has a great impact on the users of hotel services, providing them with a variety of choices, better value for money and a higher level of service. In conditions of intense competition, the main goal of hotel managers is to maintain and increase the performance of the company. This goal can be achieved by providing services that will satisfy the hotel guest. The specificity of hotel service is reflected in the integrity of tangible and intangible attributes that satisfy the needs and wishes of guests. This fact indicates the complexity and importance of hotel service quality for guest satisfaction.

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Quality is most often defined as a set of features or characteristics of products or services that have the ability to satisfy expressed needs. Consumers evaluate the quality of a product or service based on subjective perceptions of the performance of a given product or service. However, the quality of services is more difficult for consumers to evaluate than the quality of products. Service quality is the degree to which a set of its characteristics meets consumer requirements. The characteristics of service quality, in addition to the service itself, also include the entire service provision process. The quality of services is a subjective experience (attitude) that reflects the assessment of the level of service provided.

Unlike quality, consumer satisfaction is a function of their expectations and performance of the product or service. Expectations can be described as changing internal standards that are based on a multitude of factors, including needs, goals, direct or indirect experiences with the same or similar services from other hotels. That is, expectations are the consumer's predictions about service quality, and they are a function of past experience and his forecast about the company's ability to deliver quality service in the future. Satisfaction is an emotional reaction that manifests itself in situations when the product's performance exceeds the consumer's expectations. Customer satisfaction in the hotel industry represents the sum of total satisfaction, resulting from the use of various services in the hotel. Various factors can affect consumer satisfaction. Therefore, it can be said that quality is actually one of the drivers and often the main driver of satisfaction.

SERVICE QUALITY AND CUSTOMER SATISFACTION

The quality of services is not easy to define, determine and measure. It means different things to different people, at different times and on different occasions (Kandampully *et al.*, 2001). Quality as a market term means production and provision of services that fully satisfy the demands, wishes and expectations of consumers. Parasuraman *et al.* (1985), measure service quality from the consumer's point of view, who compares their own expectations with the perception of the delivered service. Services are usually described as a combination of four attributes: intangibility, heterogeneity, inseparability and impermanence (transience). In the hospitality industry, there are additional attributes such as imprecise standards and variable demand that complicate the task of defining, delivering and measuring service quality. Hotel companies can define product quality policy, as well as rules and procedures for standardizing their products (restaurant food, room furniture, etc.), while many aspects of service quality cannot be standardized. The quality of services, such as "friendliness towards the guest", "help and helpfulness of the hotel staff" and "courtesy" are most likely to be interpreted and subjectively evaluated differently by different guests. In addition, the demand for services in the hotel industry is characterized by unevenness, i.e. increased intensity in a certain period of the day or year, such as during check-in and check-out or during annual vacations, which greatly affects the definition of consistent service quality (Mei *et al.*, 1999).

Medlik and Ingram (2002), state the key elements of hotel product quality such as: location, facilities, services, image and price. The location represents the space where the hotel product is created and consumed. A quality location implies an attractive environment, good traffic connections and accessibility, the existence of cultural and other contents. Hotel facilities include hotel infrastructure and working environment. The hotel infrastructure consists of the hotel as a construction facility for the accommodation and stay of guests, equipment for technical and hygienic maintenance, process equipment (hardware and software for hotel business) and support services (transportation, communication services and information system). The working environment consists of the space where employees live and work (kitchen, warehouse, offices, laundry, etc.). The service combines all the individual components of the hotel product and transforms them into a single service that the hotel offers to guests. The quality of the service depends on the human factor, that is, on the quality of the employees who deliver the service to the guests. The image represents the image of the hotel product and services in the minds of the guests as service users, i.e. the way the hotel is presented to the guests and the way the visitors perceive it as such. A positive or negative image depends on the satisfaction of the guests, that is, on the degree of conformity of their expectations and perception of the delivered hotel service. The price of the hotel product represents the value that the hotel achieves through the location, appearance of the facility, service, image and guest satisfaction.



The hotel product is a complex category and can be viewed through several levels. For the modern consumer, a hotel product is much more than its physical features. In addition to the basic accommodation service, the modern consumer is looking for other benefits during his stay in the hotel. These amenities allow the guest relaxation, recreation and entertainment, contribute to his additional satisfaction, and allow the hotel to differentiate itself from the competition. Kotler (2001), defines five levels of hotel product quality, where each subsequent level provides a higher value for the consumer. The most basic level is the essential benefit, that is, the basic service that the consumer buys. A hotel guest buys an overnight stay and vacation at the hotel. At the second level, a core product must be created with essential benefits. Thus, the hotel room has a bed, bathroom, towels and bed linen. The third level represents the expected product, that is, a set of features that the guest expects when he comes to the hotel. Hotel guests expect a clean bed and towels, hot water in the bathroom, lighting and silence. At the fourth level, the hotel must create an enriched product, which fulfills the wishes of consumers beyond their expectations. The hotel can include plasma TV, wireless internet, flowers, express check-in and check-out. The problem at this level of product is that very quickly due to the competitive game the enriched product becomes expected. At the fifth level is the potential product, which includes all possible improvements to the product in the future. This level of product should lead to a pleasant surprise of the guest and his delight.

The quality of services is not unambiguously determined. Most authors identify a number of quality dimensions. The most commonly used model for measuring service quality in service industries, SERVQUAL, defines five quality dimensions: service tangibility, reliability, security, responsibility and empathy. The model developed for measuring service quality in the hotel industry, HOLSERV, is based on three components of quality: employees, tangibility and reliability. Lodging Quality Index (LQI) measures service quality based on five dimensions: tangibility, reliability, accountability, trust and communication, while LODGQUAL describes quality using three components: tangibility, reliability and contact. However, all components of hotel service quality can be classified into two groups: tangible and intangible elements of quality (Sekulić, 2017).

Kosar (2010), points out that the hotel product (service) is a complex of material and immaterial elements, spatially and functionally connected to each other in an integral whole that manifests itself as a chain of services resulting from the needs, wishes and demands of consumers, i.e. hotel guests. The quality of the hotel product is a market category that includes its material and immaterial components spatially and functionally connected into an integral whole, as well as the realization of the associated services at the level to which compliance of these services with the requirements of users-hotel guests is ensured. The tangible component of hotel service quality is determined by the spatial, construction and technical-technological characteristics of the hotel itself. This dimension of quality is determined by the visual appearance of the hotel and its surroundings, the arrangement of rooms and spaces (reception, service rooms, hotel rooms and suites, food and beverage preparation rooms, restaurants, bars, meeting rooms, swimming pool, etc.), equipment and devices (equipment in the rooms, TV, Internet, mini bar, toilets, etc.) lightning in the hotel, equipment for serving guests (trolleys, cutlery) and food and drinks. The tangible dimension of quality is also determined by the quality of the location, the attractiveness of the narrower and wider area within which the hotel operates. The hotel, in addition to its appearance as a building unit, layout, functionality and mutual communication connection of spatial units of different purposes, should also be viewed through the attractiveness of the location, i.e. its position in relation to certain attractions such as: proximity to the sea, lake, city center, sports and recreational complexes, airports and roads, cultural and historical monuments, ski centers, etc. These elements of the service significantly determine its quality. The location, business area of the hotel, exterior and interior, as well as the functionality and layout of the space must be well spatially and architecturally planned and shaped so that the material components fit in and contribute to the satisfaction of the guests' needs. Modern solutions in the construction and construction of the building enable flexible and multipurpose use of the space in the hotel.

Research conducted within the tourism and hotel industry also starts from the assumption that service quality affects consumer satisfaction. A large number of authors have confirmed the existence of dependence between these two concepts, that is, that the quality of services affects the satisfaction of hotel guests. Akan (1995), determined that the greatest importance for guest satisfaction has quality components: friendly attitude of employees towards the guest, courtesy, cleanliness and professional service. Akbaba (2006), points out that the greatest implications for guest satisfaction have the quality of service provided by employees, the equipment



of the room and the value that the guest receives for his money. Sekulić & Mandarić (2013), investigated the influence of eight components of service quality, arrival at the hotel, reception, hotel room, restaurant, sports and recreation, staff, departure from the hotel and price on the satisfaction of guests in the hotel. The authors found that hotel room, staff and price have a significant impact on guest satisfaction. Rauch *et al.*, (2015), determined that the three dimensions of service quality in the hotel industry, service product, service delivery and the environment in which the service is provided, influence the fulfillment of expectations and guest satisfaction. Sann & Lai (2021) showed that intangible quality through the personnel and service components has a significant impact on guest satisfaction.

As most theoreticians and practitioners believe today, hotel competitiveness cannot be based solely on the material component of the service. A significant contribution to the quality of service and the satisfaction of guests, in addition to the material quality, is provided by the non-material component of quality. The intangible elements of hotel service quality are related to the totality of relationships in the process of providing and using the hotel service program. At the base of this dimension is the way in which the hotel guest experiences and uses the service. Empirical research indicates the elements that determine the intangible components of hotel service quality. These elements refer to: 1) hotel employees, that is, their knowledge, skills, experience, understanding of guests, friendly attitude towards guests, respect for guests, care, courtesy, personal attention, etc.; 2) the service process, which affects: accuracy and efficiency of reservation management, accuracy in serving food in accordance with the guest's order, correctness of all items on the bill, speed of service delivery, delivery of what was promised, availability of information regarding hotel services and prices, speed of transaction, understanding of complaints, efficient problem solving, etc.

METHODOLOGY

A survey method was used to collect primary data. The survey of hotel guests' satisfaction regarding the quality of intangible components of the service was carried out through an e-mail survey. A convenience sample was used, which is commonly used in marketing research. Although it belongs to the order of purposive samples, which is why it is not possible to objectively determine the evaluation error of the characteristics of the basic set, the convenience sample is often used due to economy and simplicity. The total number of completed surveys was 146. The questionnaire consists of three groups of questions (variables) with a total of 19 statements that respondents rated on a scale from 1 (I am absolutely dissatisfied) to 5 (I am absolutely satisfied). The first variable is "Staff", which is described by 9 statements; the second is "Service process", which is described by 7 statements. The last variable represents the assessment of "Customer satisfaction" with the hotel stay.

Table 1. Structure of the sample (N=146)

Demographic characteristics	Frequency	Share (%)
Gender		
Male	71	48.6%
Female	75	51.4%
Age		
25-34	22	15.1%
35-44	72	49.3%
45-54	35	24.0%
55+	17	11.6%
Education		
High School	21	14.4%
College	24	16.4%
Faculty	101	69.2%
Motive of stay		
Business	59	40.4%
Vacation	87	59.6%

Source: Authors' analysis



Of the total number of respondents, 71 were men (48.6%) and 75 were women (54.1%). The largest number of respondents was between the ages of 35 and 44 (49.3%). Looking at the educational structure, 69.2% of respondents have faculty education. According to the reason for staying in a hotel, 59.6% of respondents stated that the main reason for staying in a hotel was vacation, while 40.4% of respondents stated that it was business.

RESULTS

Data analysis was carried out using the SPSS statistical package. The results of descriptive statistics and Cronbach's alpha are shown in Table II. Respondents rated the staff with an average rating of 4.15, service process 4.19, and customer satisfaction 4.10. Looking at "Staff" as a variable, the highest score was for the statement "Courtesy of the reception staff" (4.34), and the lowest was for "Additional information about the hotel" (3.87). The highest rated claim in the Service process is "Account accuracy" (4.49), and the lowest is "Service in the restaurant, bar and lobby" (4.03). Overall satisfaction with the stay was rated 4.21.

Table 2. Results of descriptive statistics and cronbachs alpha

Variable	Statement	Mean	SD
Staff (Cronbach's alpha = 0.933)	Courtesy of staff upon arrival	4,21	0,77
	Courtesy of the reception staff	4,24	0,82
	Courtesy of reception staff	4,21	0,85
	The efficiency of the reception staff	4,13	0,84
	Courtesy of the reception staff	4,34	0,77
	Helpfulness of the reception staff	4,20	0,80
	Additional information about the hotel	3,87	1,04
	Their knowledge of the local environment and sights	3,97	0,94
	Employees in the restaurant, bar and foyer of the hotel	4,14	0,86
Service process (Cronbach's alpha = 0.861)	Check-in speed	4,21	0,83
	Availability of the room type reserved/assigned	4,23	0,97
	Services provided during the stay	4,08	0,90
	Check-out speed	4,27	0,85
	During the waiting time in the restaurant, bar and foyer of the hotel	4,05	0,97
	Service in the restaurant, bar and lobby of the hotel	4,03	0,89
	The accuracy of the specified account items	4,49	0,83
Customer satisfaction (Cronbach's alpha = 0.931)	Taking into account how satisfied you were with your stay at the hotel	4,21	0,75
	How satisfied are you with the value you received compared to the price you paid	4,09	0,91
	How satisfied are you with the relationship between the total offer and your expectations?	4,01	0,85

Source: Authors' analysis



The reliability and consistency of the statements was measured using the Cronbach's alpha coefficient. The values of the Cronbach's alpha coefficient range from 0 to 1, where it is considered that values greater than 0.7 indicate adequate reliability and consistency of claims. The values of the Cronbach's alpha coefficient in the research for staff is 0.933, service process 0.861 and satisfaction 0.931. The obtained values indicate adequate reliability and internal consistency of the variables. Cronbach's alpha for the entire model is 0.955.

The influence of independent variables (Staff and Service process) on the dependent variable (Customer satisfaction) was examined using simple methods. The analysis of the obtained results shows that both independent variables have a significant impact on the satisfaction of hotel guests: Staff ($\beta = 0.828$, $t = 12.770$, $p < 0.01$, $R^2 = 0.531$; Service process: $\beta = 0.841$, $t = 11.933$, $p < 0.01$, $R^2 = 0.497$).

Table 3. Simple regression analysis (Dependent variable: Total Satisfaction)

Variable	β	t	Significant	R^2
Staff	0,828	12,77	0.000	0,531
Service process	0,841	11,933	0.000	0,497

Source: Authors' analysis

Using multiple regressions, the joint influence of independent variables on guest satisfaction was examined. (Table 4.)

Table 4. Multiple regression analysis (Dependent variable: Total Satisfaction)

Variable	β	t	Significant
Staff	0,552	4,837	0.000
Service process	0,431	3,815	0.000

Source: Authors' analysis

The analysis of the obtained results shows that both variables have a significant impact on satisfaction (Staff: $\beta = 0.552$, $t = 4.837$, $p < 0.01$; Service process: $\beta = 0.431$, $t = 3.815$, $p < 0.01$). Also the results show that employees have a greater influence on satisfaction than the service process. The relationship between the independent variables and the dependent variable can be described by a linearly dependent function, where the coefficient of determination (R^2) is 0.984, which means that 98.4% of the variability in guest satisfaction is described through the staff and the service process.

CONCLUSION AND DISCUSSION

In addition to the material component, the quality of services largely depends on the non-material component of the service, for which the hotel employees are responsible. Some authors believe that the needs of the guests are in the second place, behind the needs of the employees, since the needs of the guests will be successfully met only after the needs of the employees are met in an appropriate manner. Employees represent the most important resource of a hotel company, whose knowledge, skills, abilities and competence depend on the quality of delivered services, as well as business success. Hotel service is realized in the interaction of employees and service users. Guests, as users of hotel services and hotel employees, achieve a high degree of mutual communication and interaction, which affects the quality of the hotel service product.

The research results showed that intangible components of service quality (employee and service process) have a statistically significant impact on guest satisfaction. Since the service process itself, which partly depends on the application of modern technology, to a greater extent depends on the competence, knowledge, helpfulness and friendliness of the employees, it can be said that in the hotel industry, the greatest importance for the quality of services is given to the employees who are in direct contact with the guests, because they are key to achieving guest satisfaction and building their loyalty.



Employees are also an important competitive factor, which is difficult to copy and a factor in creating the hotel's image. Therefore, the role of the hotel management is to recruit, hire, train and motivate the right staff who will contribute to the satisfaction of the guests' needs. Staff who are in direct contact with guests, in addition to formal education, must also possess communication skills, which is a reflection of the culture of the employees and affects the image of the hotel. The relationship in communication must be polite and business-like with a high level of responsiveness and the ability to anticipate the needs and requests of guests in order to meet them in a timely manner.

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