

MANAGING VALUES IN HOTEL INDUSTRY

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Abstract: *In order to achieve the competitive advantage, the companies involved in tourism adopt a new marketing philosophy; they become direct towards meeting the needs and demands of the users and towards delivering the superior value to the targeted market segments. The application of this philosophy in hotel industry creates value for both guests and hotel companies that are oriented towards retaining their current guests and attracting new guests. Guests choose the hotel offer that gives them the highest value. The subject of special research in the work is the influence of elements of value on the level of satisfaction and loyalty of guests towards a particular hotel. The aim of the paper is to show the importance of creating the value of the offer in hotels in getting as many loyal guests as possible. The paper also analyzes the most important types of values and possibilities of their application in hotel business in Serbia. The importance of the paper is in analyzing the process of creating and delivering superior value to the guests and making recommendations to hotel managers to improve their position on the Serbian tourist market.*

Key words: *value, hotel management, customer satisfaction and loyalty*

INTRODUCTION

Creating and delivering value for the users of services in tourism is one of the most important factors in achieving the business success of the companies in tourism (hotels, airline companies, travel agencies, etc.). The specificity and complexity of the process of creating values in tourism stems from the involvement of a large number of marketers in creation of total tourist product. Different factors can influence the creation of values for users, depending on whether this process takes place on the level of the tourist destination or on the level of subjects that perform tourist activities in a particular destination. Creating values is possible when the main focus is oriented towards creating experiences that provide a sense of satisfaction, because the value of a tourist trip arises from many tourist experiences (Prebensen, et al., 2013). Since tourists share experiences with other tourists, they participate in creating the experiential values and they represent the so-called co-creators of total value (Rihova, Buhalis, Moital and Gouthro, 2015).

Research in the field of hotel management shows that satisfied customers lead to repeating purchases and positive promotion, from mouth to mouth, which has a positive influence on brand loyalty and on reducing marketing costs (Clemes, Gan, 2010). Customer satisfaction is an important factor that is often in the focus of marketing research and stems from a positive perception of customers about the quality of hotel services. The subjects of the analysis in this paper are different types of perceived values and their influence on the overall marketing

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performance of hotel companies. A special aspect of the paper is dedicated to examining the significance of experiential value for guests when choosing the hotel offer.

Based on the literature review, the paper also discusses the key elements involved in creating the perceived value of guests.

DELIVERY OF VALUES IN ORDER TO INCREASE THE SATISFACTION AND LOYALTY OF HOTEL GUESTS

The development of hotel management contributes to the improvement of the service sector. Research shows that increasing the rates of customer retention leads to increasing the marketing and financial performance of businesses in tourism. Researchers have assessed value within two separate research streams. The first stream assesses value from a managerial perspective. It focuses on how value is proposed at the point of proposition by the firm. The second stream assesses value from the customer's perspective. It focuses on how value is perceived by the customer at the points of exchange, use and after use (O'Cass, Sok, 2015).

The companies that operate in the field of tourism differentiate their offer by providing superior value and in that way they influence the increase in the level of satisfaction of the users of tourist services. Many studies have shown that the perceived level of service values has a significant and positive impact on the level of customer satisfaction and loyalty. Numerous authors (Williams, Soutar, 2009) have analyzed direct and indirect relationships among different dimensions of perceived value and customer satisfaction, as well as their future intentions in shopping. The subject of previous research was mainly a comparative analysis of the impact of socio - psychological dimensions of values (such as emotional value, social value, epistemic value, etc.) and cognitive dimensions of values (value of function and value for money) on the level of customer satisfaction. However, customer satisfaction has an intermediary function when it comes to the relationship between value and behavior of buyers and their intention to re-purchase.

Alekantris et al. (2002) suggest that understanding the reasons why customers stay in hotels and identifying factors that affect their behavioral intentions are two things that are useful for planning marketing strategies in the hotel management. There is a positive relationship between the quality of service, customer satisfaction and the intention of buying. High level of perception of quality of services by consumers often leads to good intentions in the behavior, i.e. formation of a positive attitude of the buyer about the companies and about re-purchasing.

Regarding this, Ravald and Groonos (1996) analyzed the relationship between the value of services and customer satisfaction. They proposed a model based on the assumption that the value of services influences the level of customers' satisfaction and indirectly influences their intention to re-purchase and their loyalty as well. Since there is a positive correlation between perceived value and customers' satisfaction, there is also a positive correlation between elements of marketing mix and creating

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values for service users (Faryabi, Kaviani, Yasrebdoost, 2012). Based on this model we can analyze the relationship between the quality of services and the level of satisfaction, and the so-called intended behavior of users in tourism. The results of another study have also confirmed that the quality of services affects the intentions of the users and their behavior when shopping, and all this is done through the increase in the level of total value and level of customer satisfaction (Hutchinson, Lai, Wang, 2009). In the Brady and Cronin model (2001), the quality of the service is perceived through three dimensions of primary service: the quality of interaction, the quality of the physical environment and the quality of the outcome.

However, apart from the quality of tourist services, the price can significantly affect the level of perceived value (Varki, Colgate, 2001) and thus indirectly affect the level of customer satisfaction with the service. For example, customers might be unhappy with the quality of accommodation services, but will remain in the same hotel due to lower prices of accommodation services compared to other hotels within the offer of a particular tourist destination. More precisely, the lower level of perceived quality of the accommodation in question influences the higher level of customer satisfaction, through the influence of the price factor on the total perceived value for the hotel guests. Therefore, value is often considered to be a subjective element that plays a moderator role between service quality and customer satisfaction.

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One of the most important marketing activities in the hotel industry is the creation and delivery of service value for guests in order to increase their satisfaction, loyalty and profitability of hotel companies. An important prerequisite for creating value is the research of the needs and preferences of the users and of potential and regular guests of the hotel.

RESEARCH OF PERCEIVED VALUE IN HOTEL BUSINESS

The subject of the research in this paper is the analysis of the value of the hotel offer and the strategies that hotel companies in Serbia apply in order to increase the satisfaction and loyalty of their guests. Starting from the analysis of attitudes and expectations of hotel guests and basic components of values in the hotel industry, the main goal of the research is to investigate the significance of certain elements of the value that hotels provide when increasing the satisfaction and loyalty of guests. The goal of the survey is to determine the extent to which the various components of the value affect the satisfaction and loyalty of the hotel guests. It is also important to analyze whether there are significant differences in the attitudes of different demographic groups of hotel guests regarding different components of the value.

In accordance with the subject and objectives of our research, we started from the assumption that *there is significant influence of certain dimensions of the perceived value on the loyalty of hotel guests. The paper analyzes respondents of socio-demographic characteristics who*

differentiate the components of the value of the offer provided by hotels in different way (Figure 1).

Starting from the analysis of the significance of certain dimensions of the value in increasing the satisfaction and loyalty of guests, a great number of factors influence the level of perceived value, such as: ambient, hotel interior and hotel exteriors, location, quality of service, arrangement and comfort of the room, atmosphere, politeness of the staff, price accommodation, hygiene of the accommodation and other. The survey was conducted on a sample of 109 respondents in the territory of the city of Kragujevac and Belgrade.

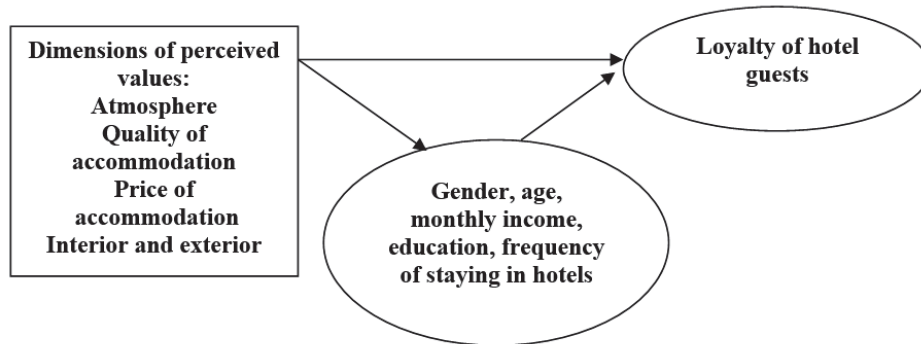


Figure 1: Analysis of the perceived value in hotel management

Based on the analysis of the structure of the sample in accordance with the certain criteria (gender, age and height of monthly income, etc.), it could be seen that most respondents are women (about 69%), while the highest percentage of respondents are from 30 to 50 years old (about 58%). The highest percentage of respondents has high (around 43%) and middle education background (around 40%). Nearly 60% of respondents have a monthly income level ranging from 20,000 to 50,000 dinars. Regarding the frequency of stay in a particular hotel, the largest number of guests stays several times during the year (around 55%), and about 37% of them stay in a hotel once a year.

When analyzing different dimensions of the perceived value of a hotel product, the price of accommodation has the greatest impact on the guests' decision to return and stay in the same hotel, i.e. to become loyal guests. Respondents said that the interior and exterior of the hotel had the least impact on the loyalty of the guests, from all the elements of the value of the hotel offer (Table 1).

Table 1: Descriptive statistical analysis
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
price	109	1.00	5.00	4.5138	.70204
atmosphere	109	1.00	5.00	4.0092	1.00458
quality	109	2.00	5.00	4.3119	.84653
staff	109	2.00	5.00	4.0550	.93130
interior/exterior	109	1.00	5.00	3.9083	1.22883
Valid N (listwise)	109				

Based on the results of the regression analysis, the quality and price of hotel accommodation are statistically significant dimensions of value when creating the loyalty of hotel guests (Table 2). Namely, other dimensions such as the atmosphere in the hotels, the treatment of hotel guests by the employees, exterior and interior, etc. are not significant variables when guests make the decision to return and stay in the same hotel again.

Table 2: The impact of the dimensions of the value of the hotel offer on the loyalty of the guests

Variables in the Equation					
	B	S.E.	Wald	Sig.	Exp(B)
price	.515	.299	2.956	.086	1.674
atmosphere	-.066	.204	.106	.745	.936
quality	.470	.259	3.300	.069	1.600
staff	-.062	.236	.069	.793	.940
interior	-.072	.164	.193	.660	.930
Constant	-3.384	1.979	2.924	.087	.034

Table 3: Influence of socio-demographic characteristics on the loyalty of hotel guests

Variables in the Equation					
	B	S.E.	Wald	Sig.	Exp(B)
gender	.965	.465	4.318	.038	2.626
age	.067	.330	.042	.838	1.070
education	.724	.304	5.673	.017	2.063
income	-1.574	.450	12.259	.000	.207
Frequency of staying in hotels	-.027	.350	.006	.937	.973
Constant	1.278	1.330	.924	.337	3.590

When analyzing the influence of the dimensions of the value of the hotel offer on the loyalty of the guests, taking into account the statistically significant dimensions of the value (gender, education, income and frequency of staying in the hotel), the results showed that with the increase in the level of guests' income the level of their loyalty towards a certain hotel decreases (Table 3). Considering these results, it can be concluded that guests with higher income have at their disposal a number of hotels and want to change them and to visit different destinations and experience new things and therefore stay in different hotels around the world. On the other hand, guests with lower monthly income do not have the possibility to stay in different hotels, so they often decide to stay in the same hotel if they are satisfied with the services, quality and price of accommodation. Having that in mind, they belong to a group of loyal guests, more than the guests with higher income.

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There are differences between respondents of different age structures in terms of perceiving the quality of the accommodation offer, while in the case of gender there are no significant

differences in the opinion of the respondents regarding different dimensions of the perceived value of the hotel offer (Table 4).

Table 4: The results of single-factor ANOVA analysis of different groups
ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
price	Between Groups	2.588	2	1.294	2.708	.071
	Within Groups	50.642	106	.478		
	Total	53.229	108			
quality	Between Groups	4.412	2	2.206	3.204	.045
	Within Groups	72.983	106	.689		
	Total	77.394	108			

An interesting thing is the result of single-factor ANOVA analysis of different groups which indicates that there are differences in perceiving the price of accommodation among guests of different levels of education. However, there are no significant differences between groups of respondents who have different levels of monthly income and those who stay more or less in hotels during the year when it comes to the dimensions of the value of the hotel offer.

CONCLUSION

The basic preconditions for creating values through the development of relationships with the guests of the hotel are building the trust and developing friendly relations, reducing effort in gathering information necessary for realization of the trip, minimizing financial expenses by using the benefits of loyalty program and by working on retention of guests in hotels. Based on the analysis of the perceived value in the hotel industry, it can be concluded that there is interdependence between the perceived value and the level of loyalty of the hotel guests. The value, as a subjective category, has the role of a moderator in analyzing the influence of quality, price and other elements of the accommodation offer on the satisfaction and loyalty of the hotel guests. Creating values for guests takes place through the development of relationships between the different partakers participating in the delivery of the entire offer of the accommodation, in order to improve the marketing performance and position of the hotel in the market.

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