Service technologies as factor of service and tourism companies’ competitiveness

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Abstract. The authors define the role of service technology in shaping the quality of service and tourism companies, the authors' method of measuring the quality of service and tourism businesses and developing a conceptual model of quality of service and the conceptual model of the internal quality of the service, and also carry out testing of the model on the example of the “Intourist” Hotel in Volgograd, Russia.

Keywords: competitiveness, quality of services, service and tourism companies, service technology.

JEL-Codes: O32, M31.

1. Introduction

The dominance of the service sector in the world economy today is confirmed by the fact that it creates 70% of world GDP and 70% of the workforce is concentrated in this area. Intense competition in the services sector as a whole and in the tourist market in particular requires the development of new approaches to quality management services. With the introduction of the quality management system, service and tourism companies use different approaches tailored to their business environment. Quality of service is a way of managing business processes in order to ensure the most complete customer satisfaction at all levels (internal and external). This approach, which leads to increased competitiveness, efficiency and flexibility of business services and tourism.

2. The role of service technology in shaping the quality of service and tourism companies

In order to ensure and maintain the quality expected today client / traveler, we must distinguish between two aspects of quality, focusing on tourism, namely the quality of services and the level of compliance services to the needs of customers. Let’s consider it in more details.

- Quality of service involves the provision of services to meet the needs of customers. Services and tourism companies can meet the requirements of the client / traveler only if they are included in the
set of services of the company. This requires a constant research of the market to determine who are the main clients and what their requirements are particularly noteworthy.

- Level of compliance services to the needs of clients completing the first aspect, because it represents the extent to which services the market demands. Quality of service is the degree of customer satisfaction in time. To ensure a high quality of service is necessary not only constant research of customer requirements, but also to improve the self-empowerment of the company. This approach allows for the continuous improvement of the quality of services in accordance with the requirements of customers.

The benefits of high-quality services are expressed in ensuring high competitiveness of the company, a successful positioning of its services on the market, as well as in the high financial and economic indicators of its activity. This assertion can be proved by measuring the increase of profitability and market share as a result of improving the quality of services.

Authors of studies conducted in the United States based on 2600 service and tourism companies in 1993 and 2013, revealed a direct link between the level of service quality and financial performance of tourism companies and service. It was found that the values of all the indicators of the success of the company, such as market share, return on investment, assets turnover ratio is significantly higher in companies with a higher level of service quality.

Sustaining the effectiveness of the service quality of service and tourism companies can only be subject to continuous monitoring and analysis of customers' needs, as well as the determination and control of service delivery and continuous improvement of their quality. [1]

Quality of service is a complex concept, consisting of various elements and criteria. All the elements or quality criteria are equally important in order to obtain a wholly service quality. Even if one element is missing quality full service quality cannot be obtained.

The difficulty of measuring the quality of service arises from the lack of clear and measurable parameters to determine the quality. Unlike products that are specific and measurable indicators of quality, such as strength, the number of defective products and similar products, to determine the level of quality of services is much more difficult. The most important characteristics of services as opposed to products is the impossibility of separating production and consumption; inability to their storage and transmission due to lack of material form; their transience and heterogeneity. The main criteria for the quality of service are shown in Table. 1.

<table>
<thead>
<tr>
<th>Criterion of quality</th>
<th>Description of criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of service</td>
<td>Services must be easily accessible to customers</td>
</tr>
<tr>
<td>Quality of stuff</td>
<td>Staff should be polite, friendly and competent</td>
</tr>
<tr>
<td>Availability of information</td>
<td>Customers must net opportunity to receive information about all the services and their changes in a language they understand</td>
</tr>
<tr>
<td>Standardization of services</td>
<td>Services must comply with the established standards of quality and brand of the company</td>
</tr>
</tbody>
</table>
Dealing with complaints | The company should respect the opinion of customers, to listen and to process their claims, to collect feedback
---|---
Duration of the effect of service | Customer satisfaction resulting service should last a long time
Individual approach | Staff should demonstrate an understanding of customers’ needs and provide an individual approach to each client
Meeting the needs of consumers | Services should be designed to preserve the dignity and self-respect of the client, as well as meet their needs
Achieving the desired effect | Services should produce the desired effect
Reliability | Services must be provided in a timely and appropriate manner, in accordance with the contract
Responsibility | The company should take responsibility for the quality of services provided to customers during and after the service
Security | Services must be provided in the safest possible way, without any risk or danger to customers

Apart from the aforementioned general criteria of quality, services must meet specific quality criteria, in accordance with the specifics of the industry. Today, the quality is the result of the growing and increasingly diverse needs of its customers, along with increasing competition, globalization of services and the development of modern technologies.

3. Measurement model of service and tourism companies service quality

In order to achieve sustainable patterns of service quality management of tourism companies and service must be met certain criteria of quality of services, but the measurement of the quality of services is not only based on criteria compliance services, but also to determine the extent of such compliance. In the analysis of the quality of service, it is desirable to analyze the largest possible number of companies service and tourism, supplying the same type of service. If the company carries out research and believes that the results are negative, it can interpret this information in the wrong direction, and conclude that provides low-quality services. On the other hand, in the analysis of a large number of companies, can compare the data and get a real picture of the specific position relative to others in terms of quality of service. Conceptual model of the quality of service is shown in Fig. 1.
The upper part of the model in Fig. 1 includes a phenomenon linked to the client, while the lower part shows a phenomenon linked to the service provider - a company in the tourism and service. The expected quality of service - is a function of previous experience of the client, his or her personal needs and recommendations. Communication with the market also affects the customer's expectations regarding the quality of services.

Perceived quality of services is the result of a series of internal decisions of the client. Perception of the company management services and tourism customer expectations is the guiding principle in deciding on the specification of quality of service, which the company must follow when providing services. If there are differences or discrepancies in expectations and perceptions between customers and businesses involved in the provision and consumption of services, the problem of the specification of services by the company and the problem of evaluation of services from the client side. [2]

Since there is a direct link between the quality of service and customer satisfaction in the service industry and tourism, for business is extremely important to identify the gap in quality of service and to solve certain problems of specification and evaluation of services. Also, a problem may occur ranking services and communication problem. These problems are the result of differences in knowledge management and real customer expectations. This gap can lead to other gaps in the assessment of the quality of service now and clients, which include:

- incorrect information obtained as a result of market research and demand analysis;
- incorrect interpretation of information about the expectations of customers;
- lack of feedback between the company and clients;
- too many organizational layers that impede or alter some of the information as they move up from those who have contact with customers.

We can also tackle the problem of providing services, which is a result of differences in knowledge management and customer expectations and service delivery process which causes may be:
- errors in the procedures of planning or lack of planning;
- lack of clearly defined goals of the organization;
- lack of support for the planning process of quality of service on the part of senior management.

Mentioned above communication problems can result from differences in the quality of services and promises company customers through external communications for the following reasons:
- absence or lack of coordination between the strategic and operational marketing;
- planning of communication with the market is not integrated with marketing services;
- discrepancy organizational work specifications, while the policy of marketing communications with the market holds above specifications;
- exaggerated promises by the company.

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**Fig. 2: Conceptual model of internal service quality**

- The problem of positioning:
  - market research;
  - orientation on customers;
  - focus on improving the quality of services.

- The problem of specification:
  - implementation of standardization of services;
  - creation of corporate culture;
  - training of stuff.

- The problem of services provision:
  - motivation of stuff;
  - implementation of management decision-making process;
  - managing customers loyalty.

- The problem of communication:
  - horizontal communications;
  - external communications;
  - research of consumers’ needs.

- The problem of service quality evaluation:
  - learning of experience;
  - feedback of customers.
If any of the above mentioned problems need immediate elimination of gaps in the expectations of customers and the company. For this it is necessary to analyze the shortcomings of the quality of service allows you to find the cause of problems relating to the quality, and to find appropriate ways to address such gaps. [3] For this reason, the gaps are also called organizational or internal spaces. Conceptual model of the internal quality of service is shown in fig. 2.

Although there are several models for measuring the quality of service and customer satisfaction, they are often too general or specific, and therefore difficult to apply in the field of tourism. The main features of the services shall be based upon the conceptual model presented in the internal service quality are their intangibility and inseparability of the service provider - Business Services and Tourism.

The model is based on the definition of quality as comparing the expected and the obtained parameter, as well as addressing gaps in service provision. The model is based on an assessment of the quality of service to customers and by the company, and reveals the gap between expectations and perceptions of customers. Quality of service is a multi-dimensional function, the main parameters of which are:

- reliability and safety;
- quality assurance;
- meet the needs;
- access to services and information services;
- responsibility of the staff.

Each of these options has its own characteristics and has different effects on the final quality of service.

4. Approbation of the model on the example of the hotel “Intourist”

Conceptual model of the internal quality of service offers the right conceptual framework for the study and measurement of service quality in service and tourism. The model was developed, tested and adapted during the various studies in cooperation with numerous service facilities and tourism.

For practical purposes, the study was constructed an empirical model to measure the quality of service in the hotel industry based on a conceptual model the internal quality of service and approved by the example of the hotel “Intourist” in Volgograd in Russia. The model is simple and effective in practice [4].

The difference between the expected and the perceived quality of service was calculated based on the model in Fig. 1. It shows the difference between the average ratings of perception and the average scores of customer expectations. The larger gap means the greater the difference between expectations and perceptions.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Expected service quality</th>
<th>Perceived service quality</th>
<th>The difference between the expected and the perceived service quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability, security</td>
<td>6.1</td>
<td>5.4</td>
<td>-0.7</td>
</tr>
<tr>
<td>Quality guarantee</td>
<td>6.5</td>
<td>5.1</td>
<td>-1.4</td>
</tr>
<tr>
<td>Meeting the needs of</td>
<td>6.2</td>
<td>4.7</td>
<td>-1.5</td>
</tr>
</tbody>
</table>


### Table 2

<table>
<thead>
<tr>
<th>indicators</th>
<th>Great Britain</th>
<th>Japan</th>
<th>The USA</th>
<th>Australia</th>
<th>South Africa</th>
<th>Arithmetic mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of services and information about</td>
<td>5.8</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>the services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibility of stuff</td>
<td>6.0</td>
<td>5.6</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
</tr>
<tr>
<td>Integral indicator of the quality of services</td>
<td>6.12</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Table 2 assessment of the quality of service customers are rated from 1 to 7, where 7 is the highest rating and 1 - the lowest. Higher rating means higher expectations and perceptions of the quality of service customers.

As a result of the study revealed that the average estimates of customer expectations higher than the average scores of perception on all parameters of quality of service. This leads to a negative gap. The biggest gaps observed in terms of reliability and security services (-1.4), and meeting the needs of (-1.5).

Hotel guests are most satisfied with the responsibility of the staff, so the gap in the measurement of this parameter is the smallest (-0.4). The results of the quantitative application of the model in the tourism sector have shown that customers' expectations are higher than their perception. This proves the existence of a negative gap in the model [5].

The model has been adapted to various studies Texas Science Institute and numerous service and tourism companies. Table 3 shows the results of the expectations of the quality of tourism services in different countries.

### Table 3: Expectations in the hotel industry for global research

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Great Britain</th>
<th>Japan</th>
<th>The USA</th>
<th>Australia</th>
<th>South Africa</th>
<th>Arithmetic mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability, security</td>
<td>5.51</td>
<td>4.64</td>
<td>5.62</td>
<td>5.62</td>
<td>5.83</td>
<td>5.44</td>
</tr>
<tr>
<td>Quality guarantee</td>
<td>6.68</td>
<td>6.23</td>
<td>6.61</td>
<td>6.61</td>
<td>6.65</td>
<td>6.56</td>
</tr>
<tr>
<td>Meeting the needs of consumers</td>
<td>6.57</td>
<td>6.05</td>
<td>6.43</td>
<td>6.52</td>
<td>6.41</td>
<td>6.40</td>
</tr>
<tr>
<td>Availability of services and information about</td>
<td>6.65</td>
<td>6.16</td>
<td>6.41</td>
<td>6.46</td>
<td>6.56</td>
<td>6.45</td>
</tr>
<tr>
<td>the services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibility of stuff</td>
<td>6.39</td>
<td>5.58</td>
<td>6.35</td>
<td>6.26</td>
<td>5.83</td>
<td>6.08</td>
</tr>
<tr>
<td>Integral indicator of the quality of services</td>
<td>6.36</td>
<td>5.73</td>
<td>6.28</td>
<td>6.29</td>
<td>6.26</td>
<td>6.19</td>
</tr>
</tbody>
</table>
Table 3 shows that tourists from England have the highest expectations of tourists from Australia and the United States - the average expectations, while Japanese tourists have the lowest expectations. [6] The need for a conceptual model of internal service quality of service and tourism companies by the fact that, in the observed sample, the managers of tourism companies do not know the expectations of its customers, because quality of service parameters they consider most important, that is not the same as the most important parameters for the customers, as evidenced by the existence of a negative gap model.

5. Conclusion

Conceptual model of the internal quality of service can be widely used not only in science, but in practice the various service facilities and tourism. The model is under development and testing useful for managers of service technology to help them identify those organizational variables (marketing, personnel, structure, technology, processes) that will ensure the best quality services at minimal cost. [7] This methodology can help managers and tourism service businesses in assessing their competitiveness and making strategic and operational decisions.

In the service industry and tourism, service quality is extremely subjective category, which is crucial to meet the needs of customers. [8] Therefore, it is imperative that the service and tourism companies developed model was used to measure the quality of service at its facility in order to meet customer expectations and ensure its competitiveness in the growing global market for services and tourism. Determination of the competitiveness of service and tourism companies with the help of the developed model can be made by comparing the measured value of the integral indicator of the quality of services of various companies in the market.

6. References


[6] R.M. Yusupov. Methodical aspects of evaluating the performance of businesses and service organizations in the current conditions of innovative economic development (Methodological aspects of assessing the effectiveness of the activities of companies operating in the modern conditions of innovative development of the economy).
