



Types of Hotel Services

Alieva Makhbuba Toychievna

Doctor of Economics, Professor of Tourism and Service Department, Tashkent State University of Economics

Odilova Sitora Ibrohimbek qizi

Tashkent State University of Economics graduate student

Abstract: *Hotels offer different types of services which have different impacts on the users' satisfaction and have an influence in various extents on decision making, when it comes to the selection of hotels. As a part of research, empirical analysis based on the importance of different services which hotels provide, was conducted. The idea of research is to determine the importance of different types of services for users. The survey was conducted on a sample of 850 respondents in Serbia. The study used AHP methodology which is used in the decisionmaking process analysis and is suitable for studies defining the rank of relevance of individual elements. The obtained results presented in the study provide information such as, what services offered by hotels have the greatest importance for users. Based on the obtained results in empirical research, and by applying cluster analysis, two different segments of hotel guests are identified based on the preferred services. Segments are statistically different and can represent various targets in the hotel business policy.*

Keywords: *users, services, preferences, hotel, decision making, satisfaction.*

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The hotel sector has undergone significant changes in recent decades. Under the influence of strong competition, hotel services, which were homogeneous and designed for mass market, have become personalised. The modern literature in the field of tourism emphasises that the adjustment of hotel services to narrower market segments of consumers is extremely important in order to have competitive offer. Under the changed market conditions, hotel companies focus an increasingly significant part of business efforts on understanding the needs and expectations of their service users to create the adequate offer. Satisfaction of customers (service users) presents a critical factor in business success of the hotel industry in the modern tourist market. (Sohrabi et al., 2012, p. 96). Managing customer satisfaction is one of the main ways to improve market share and profitability of the hotel (Oh & Parks, 1997). Watson et al. (1992, p. 17) state that hotels can achieve competitive differentiation, improve business efficiency, increase customer loyalty, stimulate positive referrals and attract new clients only by offering high quality services which are in accordance with preferences of service users, and which will enable positive satisfaction. One of the main challenges in hotel management is to provide quality services to guests and improve their satisfaction. (Sohrabi et al., 2012, p. 96) Verma et al. (2003, p. 15) point out that the basic prerequisites to create highquality services are successful management of service users' satisfaction and analysis of consumer (user) preferences. Therefore, understanding customer preferences of hotel service attributes and incorporating conclusions in the design and strategy of providing services, is the basis for a hotel's successful operation. Preferences of hotel service users are

especially important to understand the decision-making process on the selection of a particular hotel. The modern literature in this area emphasises that the inadequate knowledge of service user preferences influencing decision-making is the basic problem of an effective strategic planning of marketing activities in hotel business (Li et al., 2013, p. 322). The business practice highlights the problem of existence of multiple criteria in the decision-making process. As preferences differ, guests will differently evaluate the same hotel service in the decision-making process. Understanding how different attributes of hotel offer impact the decisionmaking process is important in the designing of offer and defining marketing activities of the hotel. The problem managers are also facing is the lack of knowledge on the profile of tourists they want to target.

The literature in marketing contains numerous definitions of customer satisfaction. One of the most commonly cited definitions defines customer satisfaction as an assessment of the degree of fulfillment of expectations (Oliver, 1981, p. 28). Expectations are defined as an ideal or desired state by the consumer before consumption and procurement of products (Teas, 1994, p. 134). Therefore, customer satisfaction is related to the degree of satisfaction after the purchase and use of products and services, which is directly affected by the formed expectations before purchase and use of products or services. According to the definition, which is also often quoted in contemporary literature, customer satisfaction is the result of the customer's perception of value received in the respective transaction and the expected value (Blanchard & Galloway, 1994, p. 21). Blanchard and Galloway point out that expectation of value is formed on the basis of quality of previously consumed products or services compared to the perceived quality of the same products offered by competitors. Practice has shown that there is a positive correlation between business performances of companies and customer satisfaction (Watson et al., 1992; Oh & Parks, 1997; Chi & Gursoy, 2009) and, therefore, managing satisfaction bears great importance in today's business environment. In modern organisations customer satisfaction has even replaced market share as a longterm measure of the market and business success (Matanda et al., 2009). As consumers become more discerning, informed, educated and demanding over time with respect to product attributes, the requirement for companies to incorporate satisfaction management into all business processes arises as a necessity. Managing satisfaction is extremely important in the management of hotels. Research conducted by Oh (1999, p. 78) showed that those hotel facilities that operate successfully pay a significant attention to the quality of services in order to reach positive customer satisfaction. Oh, also, argues that it is necessary to design the product in accordance with the perceived (expected) value that the user expects to receive by consuming the product in order to ensure his/her satisfaction. Hotel facilities that ignore the category of the expected value can provide services that will result in lower levels of guest satisfaction and on these grounds generate negative satisfaction. By contrast, successful management of satisfaction of services users implies understanding users' expectations and preferences and creating offer accordingly. Hotel facilities that have the ability to quickly understand and meet expectations and preferences of customers can successfully manage satisfaction and thus provide good operating result (Dominici & Guzzo, 2010, p. 3). At the same time, numerous studies have shown that the costs of attracting new customers are greater than the costs of retaining the existing ones and that the imperative to successful operation implies increasing the level of customer satisfaction and customer loyalty through effective strategies and policies. Reichheld and Sasser (1990, p. 105) conducted a study based on which they concluded that if the companies manage to retain only 5% of their existing customers, profitability would be increased in the range of 25-125%. This approach to business in particular may have significant positive effects on the hotel industry. In this sense, good relations with users of hotel services may lead to a multiple of positive effects in hotel operation, primarily in terms of greater commitment and attachment of users for hotel brand, positive referrals that will affect attracting new guests, as well as improving guest retention rate (Dominici & Guzzo, 2010, p. 3). Ariffin and Maghzi (2012, p. 196-197) showed that expectations guests are having from the hotel are influenced by personal

factors such as gender, purpose of arrival, nationality, culture and personal understanding of hospitality. Having examined, on the other hand, the impact of hotel factors on guests' expectations with regard to future service, it turned out that the only factor that can significantly affect the level of customer expectations is the category of the hotel. More specifically, guests staying at "five-star" hotels will have higher expectations with respect to hotel service than the guests staying at lower rated hotels. According to a study, the quality of hospitality can be defined as a factor that raises the level of guest satisfaction to such an extent that the guest will be ready to make a re-purchase of the same hotel service, i.e. there will be a conversion into a satisfied loyal guest (Ariffin & Maghzi, 2012 p. 191). Requirements relating to quality of products and services, as well as the need to harmonise them with the preferences, have become more than obvious in the overall tourism industry (Lam & Zhang, 1999, p. 341). Managing satisfaction and understanding preferences and expectations of service users are key strategic tools for achieving hotel objectives. Hotels with good business results continue to increase investment in improving the quality of service and delivering value to customers (Kim et al., 2001, p. 272). In view of the fact that the tourism activity is characterised by a high degree of innovation in business processes and dynamics in preferences of service users, the pressure on hotel companies to constantly improve their operation and adapt offer to market demands is evident. Consequently, analysis of preferences and expectations in order to maintain a high level of customer satisfaction has become crucial for the survival, development and success in service industries such as tourism (Song et al., 2012).

Conclusion

Critical success factors in the highly competitive hotel market are knowledge on preferences of hotel service users and the possibility to differentiate in relation to competitors. Knowing the preferences is important to understand the decision-making process on the choice of hotel accommodation. Success in managing satisfaction of hotel service users and designing competitive offer will be guaranteed in case of good knowledge of customer preferences, their valuing of various hotel services, as well as the willingness to allocate funds for certain services.

Based on the performed research, hotel's comfort and convenience are the most important in choosing the hotel facility. This benefit traditionally presented an important element of the hotel offer, but its importance in modern conditions also has a particularly high rank.

Based on the research it may be observed that as far as the importance of other attributes of hotel services designed by tour operators in package deals are concerned, the demand is not homogeneous. The research results indicate that there are two segments in which there is a statistically significant difference in terms of preferred attributes. Achieving competitive advantage of the hotel will be possible only if preferences of these segments are acknowledged.

The performed research has a number of limitations. Firstly, empirical research was carried out on the basis of a single methodology-AHP, which partly limits the ability to generalise the obtained results. Secondly, the empirical results indicate general preferences. The impact of situational factors, which may include: friends with whom one travels, social environment in the course of a journey, motivation for travel (honeymoon, visiting relatives and friends, etc.), emotional mood, etc. may significantly affect the preferences and results of evaluation of the importance of different elements of package deals. Thirdly, the setting of the research did not take into account the effects of all external factors on preferences. For example, national culture, as a particularly significant external factor, was abstracted in the research. There is a possibility that under the influence of other national cultures the results of the analysis would be different and that basic values with respect to the obtained results would be different.

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