

**Kyiv National University of Trade and Economics
Hotel and Restaurant Business Department**

FINAL QUALIFYING PAPER

on the topic:

**«SERVICE QUALITY MANAGEMENT IN SENATOR HOTELS AND
APARTMENTS, KYIV»**

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Specialization

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TASK
For a final qualifying paper

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1. Topic of the final qualifying paper:

«Service quality management in Senator Hotel and Apartments, Kyiv»

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Purpose of the paper: is to develop theoretical and methodological regulations, methods of effectiveness estimation, guidelines and suggestions for the Total Quality Management and implementation of new principals in overall operation of the hotel industry based on the study of new conceptual framework and methodological approaches to improve the TQM on the enterprise. Consider the essence of total quality management in the hotel industry.

Object of the research is the process of implementation a TQM in hotel business.

Subject of the research is theoretical, methodological and practical principles of forming a Total Quality Management in the hotel industry.

4. Illustrative material:

Figures: «Total Quality Engineering», «Features of quality», «Quality cycle», «Model 5W», «Model of service quality gaps», «Senator Hotel and Apartments Chain», «Senator Maidan Revenue report per year», «Senator Maidan Occupancy report per year», «Service Quality Model at Senator Hotel», «Deol Partners Mission», «Organizational structure of the hotel Senator Maidan», «SERVQUAL Gap results at Senator Hotels and Apartments chain», «Gantt chart for the implementation of total quality models».

5. Contents of a final qualifying paper:

INTRODUCTION

PART 1. THEORETICAL BASED ON QUALITY MANAGEMENT

1.1. The economic nature of service quality management

1.2. The essence of total quality management

1.3. Indicators of efficiency total quality management

Conclusions to Part 1

PART 2. ANALYSIS ON QUALITY MANAGEMENT SYSTEM OF HOTEL «SENATOR APARTMENTS», KYIV

2.1. Analysis of internal and external environment of management system

2.2. Evaluation of TQM in the enterprise

Conclusions to Part 2

PART 3. WAYS OF IMPROVEMENT OF TQM IN THE HOTEL «SENATOR APARTMENTS», KYIV

3.1. Developing of new model of TQM in the hotel

3.2. The program of implementation quality service in the hotel

Conclusions to Part 3

CONCLUSIONS

REFERENCES

APPENDICES

6. Time schedule of the paper:

	Stages of a final qualifying paper	Terms of a final qualifying paper
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No		de jure	de facto
1	Selection and approval of the final qualifying paper's topic	01.09.2017-31.10.2017	01.09.2017-31.10.2017
2	Ranging and approval of the paper's tasks	01.11.2017-31.12.2017	01.11.2017 -31.12.2017
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4	Defense of the 1st part of the final qualifying paper in scientific adviser	14.05.2018-18.05.2018	14.05.2018-18.05.2018
5	The creating of the scientific article	18.05.2018	18.05.2018
6	Writing and previous defense of the 2 nd final qualifying paper's part to the scientific adviser	18.05.2018-07.09.2018	18.05.2018-07.09.2018
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9	Streamlining of the final qualifying paper's structure, its presentation and previous defense to all the commissions	29.10.2018-31.10.2018	29.10.2018-31.10.2018
10	Presentation of final qualifying paper and abstract on the department	01.11.2018	01.11.2018
11	Presentation of the final qualifying paper to the department	05.11.2018-09.11.2018	05.11.2018-09.11.2018
12	Preparation of final qualifying paper to defense in the Examination Board	12.11.2018-30.11.2018	12.11.2018-30.11.2018
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_____ Zhanna M. Zabuha(Holovatiuk)

11. Resume of a scientific adviser of a final qualifying paper:

Student Zhanna M. Zabuha (Holovatiuk) performed the final qualifying paper in a due time according to the schedule. According to the content, structure and design the performed work meets the requirement. Final qualifying paper is performed the actual theme. In the first chapter was investigated the theoretical position dedicated to theoretical basis of total quality management in the hotel industry, the essence of the concept «total quality management», its structure and components were determined.

In the second chapter of final qualifying paper practical aspects of the analysis on quality management system of hotel chain «Senator Apartments» were analyzed. The analysis of internal and external environment of management system and evaluation of TQM in the enterprise were explored.

The third chapter is dedicated to the developing of evaluation program of implementation quality service in the hotel and a new model of TQM in the hotel was analyzed. The purpose of the final qualifying paper was achieved and scientific tasks were met the execution. The work is recommended for the defense in the examination committee.

Scientific adviser of a final qualifying paper _____ Anatolii A. Mazaraki

13. Resume about a final qualifying paper:

A final qualifying paper of student Zhanna M. Zabuha (Holovatiuk) can be admitted to defense to the Examination Commission

Head of educational and
professional program _____

Nadiya I. Vedmid

Head of the Department _____

Margarita H. Boyko

_____, 2018

CONTENT	
INTRODUCTION.....	7
PART 1. THEORETICAL BASED ON QUALITY MANAGEMENT.....	10
1.1. The economic nature of service quality management.....	10
1.2. The essence of total quality management	20
1.3. The Indicators of efficiency total quality management	30
Conclusions to Part 1.....	40
PART 2. ANALYSIS ON QUALITY MANAGEMENT SYSTEM OF HOTEL «SENATOR APARTMENTS», KYIV.....	41
2.1. Analysis of internal and external environment of management system.....	41
2.2. Evaluation of TQM in the enterprise	62
Conclusions to Part 2.....	72
PART 3. WAYS OF IMPROVEMENT OF TQM IN THE HOTEL «SENATOR APARTMENTS», KYIV.....	74
3.1. Developing of new model of TQM in the hotel.....	74
3.2. The program of implementation quality service in the hotel	79
Conclusions to Part 3.....	86
CONCLUSIONS.....	88
REFERENCES.....	91
APPENDICES.....	97

INTRODUCTION

Relevance of the topic. In today's highly competitive business environment, a company's capability to sustain its competitive advantage is crucial for the continuity of the business [31].

Quality is the most important factor for sustaining the competitive advantage. It is the measurement of how well a company can meet or exceed its customers' requirements and expectations.

Competition is extremely high in a free market. Mitchell [50] supports that customer satisfaction is essential in a free market due to the following reasons:

- The products or services from the service providers are similar;
- Customers within the market are price-sensitive;
- Customers have stronger bargaining power as the cost to switch to another service is considered as low.

The hospitality industry has strong market competition; therefore, customer satisfaction and retaining loyalty will be crucial for a hotel's success.

The Total Quality Management (TQM) methodology can help organizations to achieve business excellence by improving customer satisfaction (both internal and external), cost effectiveness and competitive advantage [48]. This methodology is useful for the hospitality industry. In a hotel, any quality problem will induce guest complaints; the impact is direct and immediate without any time delay. In addition, a hotel serves human beings and no two people are alike. People have different preferences and requirements, which makes it more difficult to control quality in a hotel.

Small and medium hotel owners and managers should decide whether and how important TQM, examine the long-term benefits through greater care for guests. Once introduced, TQM system increases motivation of the staff and work environment by creating and reinforcing our team spirit and teamwork.

Those who expect quick results and effects of TQM make a mistake and they lose in the long term. Those who are aware that market changes and that it is

necessary to constantly adjust to it, gain in the long term because TQM provides diagnosis of weaknesses in business and potentiates market power and perspectives. TQM is not a medicine you take once to provide immediate results, it is learning and accepting healthy way of thinking and working entirely oriented toward a fulfillment of the needs, desires and expectations of the guests.

Senator Hotel and Apartments is a brand of luxury apartments with three properties located in Kiev. Senator Hotels and Apartments is one of the first and foremost establishments in Ukraine to provide high quality, fully serviced and furnished rooms and apartments for travelers.

Nowadays, almost all hotels focus on quality management to improve their business. Oakland [39] emphasizes that TQM is about teamwork; every functional department must work cohesively together and support each other in order to achieve business excellence. The effectiveness of teamwork determines the success of TQM in each hotel; this is why some hotels have better performance than others do.

However, the focus of the most recent research on TQM in the hospitality industry is only on the service from front-line departments such as front office and F&B [43]; they ignore the efforts from back-of-house departments. TQM is based on all members of an organization participating in improving processes, products, services and the culture in which they work. The methods for implementing this approach are found in the teachings of such quality leaders as [Philip B. Crosby](#), [W. Edwards Deming](#), [Armand V. Feigenbaum](#), [Kaoru Ishikawa](#) and [Joseph Juran](#) [14].

The purpose of the research is to develop theoretical and methodological regulations, methods of effectiveness estimation, guidelines and suggestions for the Total Quality Management, and implementation of new principals in overall operation of the hotel industry based on the study of new conceptual framework and methodological approaches to improve the TQM on the enterprise. Consider the essence of total quality management in the hotel industry.

Tasks of research

To achieve of defined purpose it is necessary to solve the following scientific and practical tasks:

- to explore essence of economic nature of service quality management;
- to research essence of Total Quality Management in hotel industry;
- to explore essence of the indicators of efficiency TQM.
- to explore essence of the features of formation quality management in conditions of hotel business;
- to develop new model of TQM in the hotel industry;
- to introduce a program of implementation quality service in the hotel business;
- to explore essence of evaluation of TQM in the enterprises;

The object of research is the process of implementation a TQM in hotel business.

The subject of research is theoretical, methodological and practical principles of forming a Total Quality Management in the hotel industry.

Methods of research. The theoretical basis of the study were the foreign and domestic fundamental assumptions of TQM and strategic management. In order to achieve a particular purpose was used different scientific methods: dialectical and system method of knowledge in order to research works of leading scientists about the nature of Total Quality Management as a modern concept. The method of economic analysis in order to analyze data of hotel industry enterprises and to detect changes in relative and absolute indicators. Economic-statistical method in order to explore and summarize the trends and patterns of dynamics of the sales management, the method of questioning and grouping in order to detect the attitude and stakeholders sentiments regarding corporate governance in industry enterprises.

The practical significance lies in comprehensive analysis of the theory and the formation of hotel corporate governance in a market economy has made it possible to obtain scientific results that could be used in a practice. Scientific methods could

possibly be implemented in a large number of hotel industry enterprises in Ukraine.

PART 1

THEORETICAL BASED ON QUALITY MANAGEMENT

1.1. The economic nature of service quality management

Quality of service is a complex category, one of the most important indicators of the efficiency of the functioning of hotel enterprises, the object of analysis, planning and management. The main component of the whole system of quality service is the quality of hotel services.

According to the international standard ISO 9000, *quality* is a set of properties and characteristics of services that are able to meet the conditioned or perceived needs of consumers [5]. Quality encourages the client to choose a particular product (if the price factor is not taken into account), in some market segments, the quality influences the client's decision to use the services of a certain hotel, rather than a rival hotel. Between the quality and the successful implementation of hotel services, there is a directly proportional relationship, so deterioration in quality causes the loss of the client.

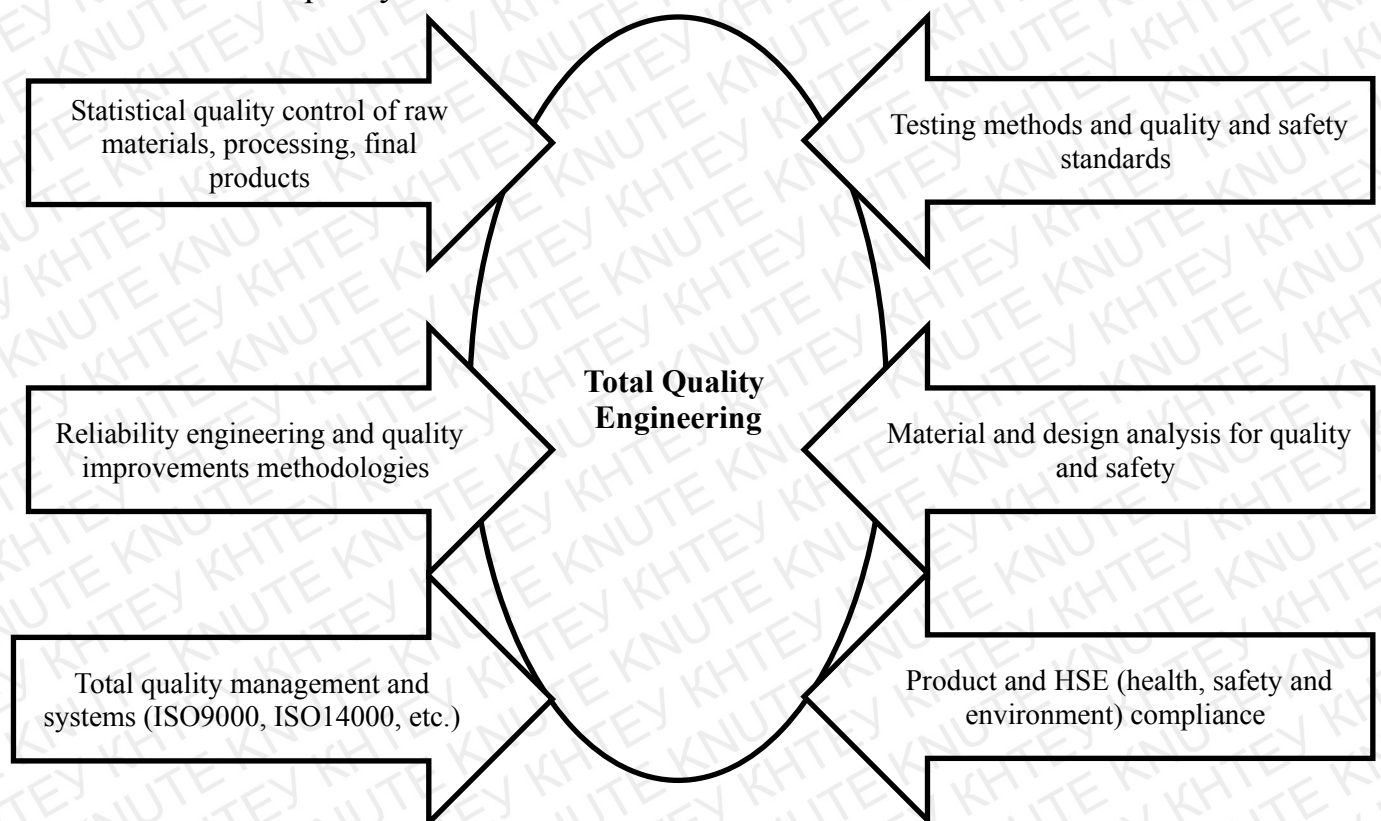


Figure 1.1 Total Quality Engineering

Hotels that are used by an insignificant part of society are generally considered services of the highest standard, regardless of their real price; these are services that the population uses occasionally. In any case, the guest chooses hotel services that optimally meet his quality criteria [42]. The greatest opportunity to realize the services has a hotel company that:

- It is able according to customer demand to satisfy in the fullest extent their needs;
- Offers services in an optimal price-quality ratio;
- Realizes a new level of quality, which becomes an important motivation for the arrival of permanent and attracting new customers.

Regardless of the efforts of the hotel company, in order to maintain high quality, the leading idea of quality management is associated with customer orientation, full provision of its requirements.

The mechanism of quality management of hotel services should be directed to the development of management decisions and the implementation of a complex of management actions for planning, the provision and implementation of high quality services.

In the interstate experience in determining the quality of service, two approaches are distinguished:

- Quality of service is determined based on an evaluation of the useful characteristics of the service delivery process;
- Evaluation of deficiencies in the process of customer service.

According to the first approach, the criterion of high quality of service in hotels is the availability of useful properties and features of the service provision process that predetermine customer satisfaction.

The essence of the second approach is associated with the lack of service shortcomings, which contributes to the achievement of a high level of quality of service [41].

With regard to the definition of the quality of service structure, Japanese and American approaches are highlighted.

Table 1.1

Japanese and American quality approaches

Japanese experts distinguish structural categories of quality of service:	American experts quality of service is considered:
Non-material quality - is represented by the level of general comfort, aesthetic design, the presence of musical design, advertising;	Technical quality - observance by the hotel company of the standard requirements for the material and technical base: architecture and layout of the building, interior design, provision with quality furniture, necessary equipment for water supply, heat supply, energy, information communications, etc.
Material quality (appreciable for consumers) - is reflected in the interior design features - design, furnishings, linen, quality of dishes, materials used, etc.	Functional quality is associated with the ability of the staff to perform professional duties qualitatively, reflects effective elements in the process of customer service - the efficiency of the process of booking, registration and settlement, room service, etc.
Non-material quality - is represented by the level of general comfort, aesthetic design, the presence of musical design, advertising;	Ethical (social) quality - this is the position of the enterprise in the market, determined on the basis of market monitoring among clients, independent experts, conducting sociological research.
Psychological quality - manifested in the observance of the principles of hospitality by the staff;	Method for quality management that emphasized not only statistics but also approaches that embraced the entire organization.
Duration of service - covers waiting time, efficiency and speed of service.	Systematic approach to achieving an organization's vision, mission.
Internal quality (invisible to consumers) -is	Continual improvement drives an organization

provided as a service organization, service technology, functional interaction of units	to be both analytical and creative in finding ways to become more competitive.
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The quality of hotel services corresponds to the general features of intangible production and is characterized by the following features.

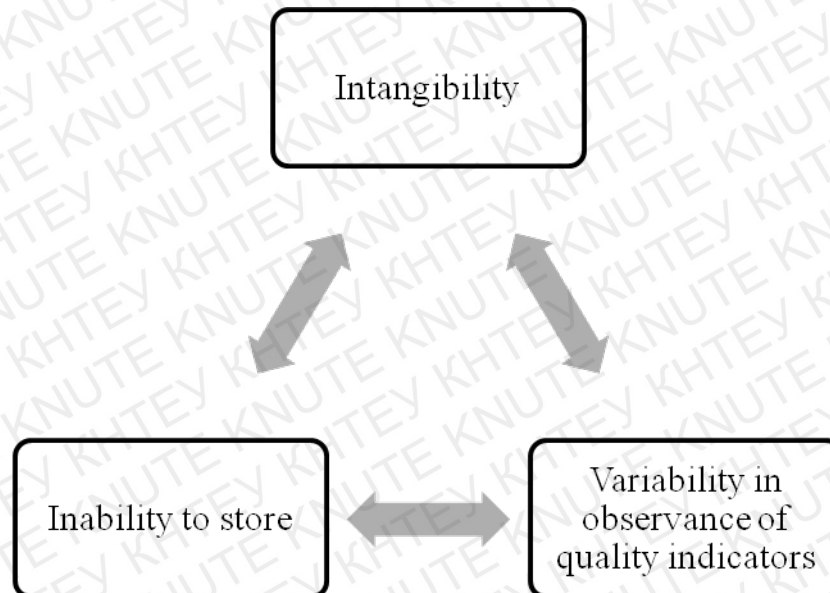


Figure 1.2 Features of quality

Hotel services are mostly intangible, since they do not predetermine the receipt of material goods, they do not exist before they are provided. The intangibility of services is impossible to assess quality before consumption; the quality is comparable only after receiving the benefits. The quality of hotel services is characterized by high uncertainty, which complicates their consumption by customers and the promotion of services to the market.

Management of the quality of services in hotel enterprises is carried out in the form of external and internal control. External control is associated with the state standards reflected in the legislative, regulatory and technical base and international standards on activities in the hotel industry. Which are to a certain extent taken into account by state standards, the process of implementing standards in the form of certification, licensing, and by non-state profile organizations, unions, associations, and corporations, enterprises, which cooperate with hotels in the creation of hotel and tourist products. Consumers of hotel services carry out the most external quality control [43].

Internal control is carried out by the administration of the hotel company and is associated with the management of the quality of the organization, technology, functional interaction, logistics, and general comfort level.

External and internal control of the quality of services in hotels involves the use of economic, organizational and socio-psychological methods. Economic management methods occupy the most important place in the system of management methods. This is due to the fact that management relations are determined primarily by economic relations, based on the objective needs and interests of people. Determination of the aggregate of economic levers by means of which an effect that meets the requirements of the collective as a whole and of each employee in particular is a matter of principle for the hospitality industry.

The system of economic management methods is divided into methods provided for by national legislation and those that are applied directly by the management of the enterprise. The economic methods used by the state include the system of benefits and credits, the taxation system, price regulation and economic sanctions. The methods used by management include a system of material incentives, a method of self-financing and material sanctions.

The specific set and content of economic levers is determined by the specifics of the activities of the hotel business. In the management practice of enterprises in this sphere, economic management methods are in the following forms: planning, economic incentives, financing, lending and pricing. The effectiveness of using economic levers and incentives that determine the content of each form depends on the conditions of economic activity.

Improvement of economic management methods is closely linked with the improvement of the system of standards, which is especially important, since economic methods are the main economic component of the management mechanism and at the same time serve as the basis for implementing organizational and administrative methods.

The basis of organizational and administrative management methods of organizational relations, which are an integral part of the management mechanism

of the hotel business. Because they directly realize one of the most important functions of management - the function of the organization, so the task of organizational and administrative activities is the coordination of actions of subordinates. Without administrative influence, economic methods of management cannot be realized. The impact ensures clarity, discipline and order in the functioning of the collective.

Organizational and administrative methods cause a direct impact on the management object, while using orders, orders, operational instructions, monitoring their implementation, a system of administrative means to maintain labor discipline. The most important goal of these methods is the local use of opportunities to improve production efficiency by analyzing, selecting, forming and regulating the interaction of structural elements.

The quality of hotel services must meet the established standards. The form and content of standards is a criterion for quality service. The criterion for assessing the quality of hotel services for the client is the degree of satisfaction, i.e. the correspondence between the received and the expected. The criterion of customer satisfaction is the desire to revisit and recommend the hotel and attract more customers to the hotel among friends and relatives [48].

The main document that determines the relationship between the administration, hotel staff and consumers is the "Rules for the provision of hotel services". According to the Rules for the provision of hotel services, the quality of services must comply with the terms of the contract, if the contract is missing or insufficiently justified, the requirements for this type of service.

The quality of service in hotels is influenced by the following factors:

- Material and technical base - comfortable layout and quality decoration of premises, furnishings, quality of linen, modern telecommunications;
- Service technology;
- High professionalism and competence of the staff;
- Quality of service management, which involves the development and implementation of quality service standards, training of personnel, monitoring,

adjustment, improvement of services through the development of an effective organizational management structure.

Quality management assumes the existence of management systems in the hotel, controlling organizations and offering services:

- Personnel selection and training system. The hotel administration must organize a personnel service, which ensures the selection of employees with the necessary knowledge, have the skills to provide high-quality services, and constantly monitors the development of staff skills;
- Quality control system, standardization of services offered. When developing service standards in hotels, owners and managers must clearly define the purpose of standardization. Standards should be flexible, meet the requirements and wishes of customers;
- The system of monitoring customer satisfaction involves an analysis of complaints and suggestions from customers, comparing the quality of services of competitors with the quality of their own services[49].

Thus, the effective management of the quality of services in hotels provides for the creation of a strategic planning system, improving the quality of services, observance of standards of service standards, and a control system for the services offered [20].

Effective quality management in hotels should consider:

- Effective marketing research;
- Implementation of the industry standard of service;
- Development of technology (regulatory characteristics) of production processes;
- Introduction of qualification requirements for employees (qualification standard);
- Use of labor standards (production standards);
- Remuneration and motivation of work;
- Presence of normative culture.

Marketing research in hotels is a complex system of studying the market, the positions of the hotel company in the market, the formation of demand, the identification of ways to meet the needs of customers [21].

The introduction of the industry standard ensures control of the quality system, the constant nature of the services offered, a unified approach in the system of assessing the quality of services by hotel enterprises and consumers, and the continuous process of personnel training. The internal standard in the hotel company identifies its trademark and strengthens the company's position in the relevant market segment.

Corporate standards reflect the previous experience in quality management by the enterprise; identify the specialization of the hotel, the development of consumer demand for hotel services, their specific properties and competition. Today every well-known international brand has its own corporate standard, which is carefully observed regardless of the country of location of the hotel, the national, hotel classification system in this country.

Famous world hotel corporations today have an established corporate culture - a system of values and beliefs, a collective consciousness, a mentality of the organization, which all employees adhere to. Corporate culture determines the behavior of hotel employees, their relationships with customers, managers, suppliers, other categories of employees involved in the business. Corporate culture among workers creates a sense of commitment to the organization, the desire to achieve the goals.

An important component of the corporate culture is the system of the General Quality Management (TQM), focused on satisfying customers' demand. The basis of TQM is formed by the following principles.

Total quality management (TQM) is achieved and becomes part of the overall organizational culture when the six principles - produce quality work the first time, focus on the customer, have a strategic approach to improvement, improve continuously and encourage mutual respect and teamwork - are practiced by all employees [23].

Table 1.2

The basic principles of TQM

Principles	Characteristics
1) Focus on the consumer	The hotel company must provide for the current and future needs of its customers fulfill their wishes and try to exceed their expectations;
2) Leadership of the head	Leaders ensure the unity of the purpose and direction of the organization. They must create and maintain an internal culture, ensure the full involvement of hotel staff in the organization's tasks;
3) Attraction of workers	Staff at all levels forms the backbone of the organization, full involvement leads to the full utilization of their abilities;
4) Approach to the quality system as a process	The goals of the hotel enterprise are achieved much faster when the activity and management of resources is carried out as a process;
5) A systematic approach to management	Quality management is effective in the case of a comprehensive understanding of the problems and effective management of interrelated processes as a system for improving the effectiveness of the organization in achieving its goals;
6) Continuous improvement of the organization's performance	On the whole it is necessary to be considered as the main, unchanging goal of the hotel company.

Table 1.3

The main requirements of quality service for personnel in hotel companies

Requirements	Explanation
1) Politeness	the staff should be kind, friendly, and attentive in dealing with customers;
2) Competence	regardless of job responsibilities, staff must have the necessary knowledge and skills obtained in the process of professional training and internship;
3) Communication skills	fast reaction of the personnel and fulfillment in the shortest terms of wishes of clients;
4) Understanding the temperament of the client	hotel staff must understand the specific features of the psychology of each client;
5) Safety	hotel enterprises and hotel services should be safe for the life and health of the client, comfortable, the staff should enjoy the client's trust;
6) Accessibility	hotel services must be available at the right time and in the right place at the required level.

Expenses for improving the quality of service is a contribution to the future in terms of attracting new and retaining loyal customers. This statement is confirmed by studies according to the findings of which - attracting a new customer leads to five times the cost of maintaining a regular customer by providing quality service. After all, a regular customer does not cause marketing costs, but, on condition of satisfaction from the service, carries out free advertising for the hotel company.

1.2. The essence of total quality management

Total Quality Management (TQM) is a system which guarantees a stipulated quality. Quality is, therefore, the result of a defined TQM system for specific activities, for the company and specific tasks and activities within the company.

Development of quality in developed economic countries has shown that quality is something which is built, developed and constantly enhanced. The system TQM is totally market oriented, buyer-led, as the process starts with the guest (what he wants) and finishes with the guest (a satisfied buyer). This is a cycle consisting of five basic activities: planning quality, realizing quality, evaluating quality, achieving quality and improving quality, which is being constantly repeated [12].

The advantages of introducing TQM for the service sector, hotel industry are big, both economically and socially. Poor business productivity and unsatisfactory quality of the product and service are weaknesses of Ukraine's economy. Ahead lies the process of learning and introducing TQM for our economy, as this is a condition and necessity for inclusion into world business trends and world markets.

A term first used to describe a management approach to quality improvement. Since then, TQM has taken on many meanings. Simply put, it is a management approach to long-term success through customer satisfaction [26].

The key issues and terminology related to TQM:

The cost of quality as the measure of non-quality (not meeting customer requirements) and a measure of how the quality process is progressing.

A cultural change that appreciates the primary need to meet customer requirements, implements a management philosophy that acknowledges this emphasis, encourages employee involvement, and embraces the ethic of continuous improvement [14].

Enabling mechanisms of change, including training and education, communication, recognition, management behavior, teamwork, and customer satisfaction programs.

Implementing TQM by defining the mission, identifying the output, identifying the customers, negotiating customer requirements, developing a “supplier specification” that details customer objectives, and determining the activities required to fulfill those objectives.

Management behavior that includes acting as role models, use of quality processes and tools, encouraging communication, sponsoring feedback activities, and fostering and providing a supporting environment.

Conditioned by fierce competition and increasing consumer demands quality has become the fundamental factor for market survival, profitability and the country's total economic development: especially for specific areas of activity and types of companies.

Modern business strategy is based on intent of quality control of product and of service. *Quality today, is not manufactured, but used as a management tool*[9].

One of Ukraine's economic weaknesses and causes of poor business productivity and performance is the unsatisfactory quality of its products and services.

TQM is a new area of study in Ukraine's economic theory. Only recently have several real-life cases used this system. Much more is spoken, rather than known about it. For this reason, special attention is devoted to this theme with the objective to explain and interpret this concept, to emphasize the advantages of implementing a total quality system for Ukraine's economy, especially for the hotel industry.

Management is a complicated concept and is concerned with the act or manner of managing. It describes the process of co-ordination of efficient use of human and material resources to accomplish given goals. The management process is concerned with the following functions: planning, organizing, leading, staffing and controlling.

Quality today is defined from two aspects: the production and service aspect and the consumer aspect.

From the production service aspect quality is defined as a specification of properties or characteristics which the product or service has to satisfy as a standard. Standardization is, therefore, a regulated quality. From this it follows that the intent of quality is the level attainable representing the highest standards, or conformance to specification. This definition of quality dominated the industrial revolution and is typical for mass production.

As a result of market development and marketing the prevailing definition of quality today is from the aspect of the buyer, consumer, client, guest, generally speaking, the user of the product and service.

Quality is the level of guaranteed satisfaction needed to satisfy customer needs and requirements — ability to meet exceeding customers' expectations. Standards or norms are regulated quality. They regulate elements of quality which are sought and expected by the buyer.

Quality is best illustrated by the slogan *Your Wishes Are Already Satisfied*. Customers' needs, expectations and requirements should, therefore, be foreseen, specified and satisfied as quality is customer defined. Quality is an on-going process. Customer requirements are constantly undergoing change. They are becoming increasingly demanding [9].

Quality and standards (norms) are the same. Standards are regulated quality as well as a measure of realized quality, which means without clear-cut and understandable standards quality cannot exist, as quality implies one-hundred percent compliance to standards — no deviation whatsoever from the regulated elements of quality implies, therefore, zero defects.

Quality today is more than just producing a good product; it belongs to the area of management. Quality management is a very complicated process. TQM integrates strategy, effectiveness and efficiency of the process, teamwork and delegation of responsibility and decision-making. Critically, TQM, so it is said, is an old thing with new and complicated elements [2].

Quality management brings together all forms of business techniques — existing and new, for improving business performance, and all professional

knowledge and material means, all of which are directed towards permanently improving all processes using all available human and material resources.

The system TQM is totally market orientated – customer driven. In a total quality system, the customer is king. The process begins with the customer (what the customer wishes) and ends with the customer (a satisfied customer). Every participant in creating quality is important: every employee works, makes decisions and is responsible for his task.

The burden of responsibility for quality is no longer carried by inspection and control, instead, by the employee who produces or performs a service, management, planning, etc.

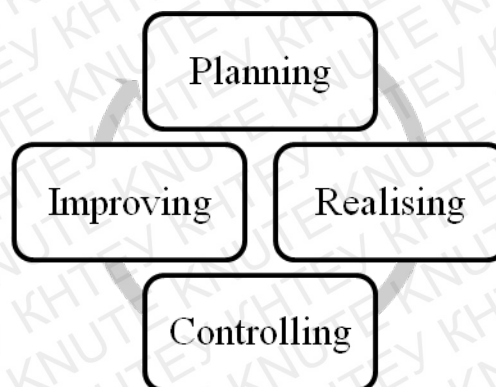


Figure 1.3 Quality cycle

The cycle of quality is a complicated process and includes planning of quality, quality realization, control and evaluation of the achieved quality and quality improvement. Said briefly: *plan, achieve, check, improve*.

The first and fourth phases — planning and improvement belong to the management system. Based on practical experience (quality realization), acquired knowledge (gained from research and constant education) management forms ways for quality improvement, and includes them in a new plan for quality. The quality cycle is repeated as the system for quality is based on permanent enhancement. Control and inspection are replaced by training and constant education — the role of management is shifted from control to education. Training and education is obligatory for all managers and for all employees. Each has a tailored program of quality — the manager learns the principles of quality, and the worker how to do the job [9].

Organization of the total quality system should be flexible. A special organizational department (sector or department for Quality Control) through its overall functioning and responsibility belongs to the highest management ranks. The task of securing quality (responsibility of the quality manager and one or more inspectors) consists mostly of co-ordination of responsibility for quality in the areas: marketing, purchasing, production, development, finance, personnel — everybody in the firm is responsible for quality [9].

The concept quality is based on prevention. Activity in achieving quality is, therefore, mostly concentrated on planning and somewhat less on inspection and control. This is confirmed by the rule: everyone is responsible for his job and all are directed towards achieving a mutual objective of total quality as the sum of individual qualities. Anyone can endanger quality. Responsibility for the defined mistake (deviation, lapse) cannot be transferred onto the quality controller as he is neither the source of the mistake, nor can he correct it — he can only confirm it.

Table 1.4

Trend of Activities Orientated Towards Quality

Stage	Earlier Trends	New Trends
1	Inspection/control	Planning, prevention
2	Products	Products and services
3	Specification	Customer focus
4	Focus on production processes	All processes
5	Empirical	Statistical methodology
6	Separation from plans	Participation in planning
7	Opposing interests with suppliers	Team work and co-operation with suppliers
8	Quality specialists' training	Training for all
9	Technology	Business performance: sale, costs
10	Client	All buyers: external and internal
11	Orientation on production	Orientation on total business performance

Evolution of activities of firms orientated towards quality is readily shown in the development changes given in table 1.4.

Quality costs, i.e. costs of gaining and retaining quality can be divided into internal and external costs [35].

Internal costs are: marketing costs, planning costs, product and service design costs, planning and specification (standards) costs, follow up research costs for mistakes and lapses, material control, production and service costs, quality improvement costs, training and education costs (program for achieving quality), mistakes' and lapses' costs (waste, repair and lost time), and other miscellaneous costs.

External costs are: product replacement costs, lapses due to bad quality, and so on.

These costs can be measured and recorded by the hotel. The most serious non-measurable loss for the hotel, however, is the loss of its market reputation, loss of buyer trust, reduction of competitive potential, loss of market share, low prices, low income, and for the hotel industry — loss of the guest. The greatest loss is when the buyer is confronted with the mistake and has to pay for it.

Practice confirms the advantages of introducing a TQM system for a company.

They are:

- increased quality of product and of service
- increased customer satisfaction
- better company competitive ability and market strength
- reduced business costs
- increased business profits
- increased employee satisfaction
- increased management quality
- improved company reputation and reliability.

The concept total quality is based on respect of the individual and social responsibility. It has the tendency to embrace all activities of the individual and society as a whole. Quality is culture. Quality is a process, which has the ability to shape the future.

TQM methods and techniques can be applied in all organizations – manufacturing plants, service organizations, public services, legal and law enforcement, education, and others. More than ever TQM is being accepted and becoming a way of thinking and a way of life. The serious, necessary, effort needed to change existing ways of understanding and prevailing attitudes towards work and life should not be underestimated.

Total quality management for the service area is specific as services, in relation to the product, have special characteristics [25]. They are:

- intangible
- of short-term duration
- simultaneous
- heterogeneous

Different products and services is the aggregate: hotels, restaurants, transport, shops, cultural institutions and other. Further factors are the local population and local economy. It is necessary to define an objective for all of these factors — constant intent of quality. All of these elements make it very difficult to construe a single definition for quality of the hotel product -- quality management a very complicated task.

In spite of its complicated nature, total quality management of the hotel product is possible and very necessary. Hotels' demands are increasing and the objective of the industry should be to satisfy and over-satisfy guest's expectations.

The service sector took TQM from the manufacturing sector, and adapted it to the characteristics of the tourism and hotel industry. Based on the manufacturing sectors example and achieved good results, the service sector adopted the business rule that productivity, quality and profit constitute a single whole. This represented the motive for the improvement and development of quality tourism services. Quality becomes a decisive factor of efficiency and competitiveness on the turbulent tourism market [32].

TQM characteristics for the hotel industry are determined by typical characteristics for hotel services. Hotel services belong to mass services. Besides

the already given general characteristics of services, they are characterized by the following:

- high-level of working intensity
- high-level of personal contact with the guest
- type of service dependent on guest's choice
- intangibility of service, catering products are tangible (food, drink, room)
- interdependence of service and the catering product which are inseparable
- service user — guests are heterogeneous.

Because of the above given characteristics the burden of quality is born by the executor of the service, catering personnel and the hotel management. Quality is prescribed through work standards. Work standards are specifications, which prescribe elements of quality for the hotel personnel: knowledge, skill, experience, appearance, behavior and other requirements. Personal quality can be measured and assessed with the aid of a Proficiency Graph and Psychograph.

Besides this, every individual procedure and task in the work process is prescribed through standards. Every employee needs to know exactly: what, how, when, at what time and why something should be done. Every worker is responsible for his task. If the guest requests something it is the task of the worker to whom the guest first refers, to satisfy the guest and solve the problem at hand. Guests' requirements and demands are constantly increasing, they have already gone beyond typical classical hotel services and standards, making it persistently more difficult to secure the objective: to foresee the guests' wishes and satisfy them.

The model of approach for quality enhancement and establishment of a plan is based on answers to the following questions:

- who is the guest?
- what does he think of us?/how do we appear in his eyes?
- how can we become better?
- what measures of enhancement do we need to implement?

The required preconditions which have to be fulfilled to enhance quality development and introduce a system of quality control are:

- introduce marketing
- develop a program for quality
- build-up system of logistics
- reorganize the total business operation
- computerize the business.

The analytical method Contact Point Analysis (CPA) can be used to record the hotel's guests' opinions with the objective to identify weaknesses and strengths, i.e. the gap between the expected and actual quality of the hotel services. The system records the guest's first movements from entering the hotel until leaving the hotel.

CPA is a useful and economic method (if we use a sample). It has not yet found its application in our hotel industry, mostly used abroad in isolated cases of research (by international hotel chains such as Intercontinental).

The hotel's quality of service (CPA method adopted to the hotel business) can be tested in the following way: monitor unknown guest — incognito inspector, from telephone conversation to payment of bill. Tested areas are:

- telephone inquiry/reservation
- guests' arrival; checking-in (from railway station, airport, etc.)
- total experience for hotel services (breakfast, lunch, evening meal, other services)
- checking-out/payment-of-bill.

Exact characteristics of quality are defined for each given area. The inspector (as per a defined scale) evaluates each one. For example, elements of quality for the guest's arrival and checking-in are: transport from the railway station, airport, and so on, addressing the guest by name, available choice of rooms for smokers/non-smokers, accompanying the guest to his hotel room, explanation of technical details for the hotel room, explanation of hotel facilities, written hotel information and rules, parking facilities, first impressions of parking facilities, path

from parking lot to the hotel, first impressions of hotel, first contact with hotel personnel, guest's first impressions of hotel personnel, modes of greeting, checking-in procedure and reception, use of foreign languages, interest shown for the guest's special wishes (table 1.5).

Table 1.5

TQM objectives

Objectives	Essence
1) No free-fall and no delay	the guest must not be kept waiting
2) No mistakes	the guest must not suffer or be the victim of mistakes made by personnel
3) No unnecessary warehousing	material or miscellaneous inventory
4) Minimum use of paper	minimum use of written communication and use of internal forms
5) No excess employment or sour interpersonal relationships	rational time and relationship sharing
6) Team work and team spirit	team building

TQM has become a vital cornerstone to gain a competitive edge, productivity and high customer satisfaction. Different from classical systems of quality control based on incurred mistakes (resulting from variation of given standards), TQM is based on prevention, i.e. preventing mistakes. Quality should, therefore, be achieved from the very beginning and constantly present. Quality means respecting standards (prescribed norms) one-hundred percent. This is achieved through stimulating and rewarding the employee (awards, recognition).

The paradigm of TQM applies to all enterprises, both manufacturing and service, and many companies in manufacturing, service, and information industries have reaped the benefits. Industries as diverse as telecommunications, public utilities, and health care have applied the principles of TQM.

Total Quality Management program is characterized by customer focus, full participation, process improvement and process management and planning. TQM implementation process is a very long-term procedure.

1.3. Indicators of efficiency total quality management

The hotel product quality approach is based on identification of processes that are crucial for its implementation. Thereby, it is necessary to differentiate between processes themselves and their performance. This distinction allows for the measurement of process performance, thus evaluating the quality of the hotel product [17].

It is necessary to demonstrate the compliance between the planned and actual process performance by measurable indicators, in order to determine the degree of implementation of the expected quality. Thereby, it should also be mentioned that the planned process performance is based on the expectations of consumers – hotel guests. The planned process performance, based on a realistic assessment of consumer needs, is the starting point of the hotel product quality. The level of compliance between the consumer expectations, which contain their requirements, needs, desires, and experiences attained through immediate consumption, expresses the actual level of the achieved quality of the hotel product.

In the hotel industry, from the point of process identification, one can access a unique complex process, consisting of a series of interrelated processes, sub-processes, and support processes, whose occurrence is caused by the presence of guests in the hotel. This unique, complex process is referred to as a guest cycle that takes place in three main phases: arrival, stay and departure. At each stage, one can identify the basic processes, sub-processes, and support processes, which define the provision of accommodation and food to hotel guests. During the consumption of the hotel product, guests consume its various components and express a lower or higher degree of satisfaction. On the other hand, during the stay of guests in the hotel, particular services are successively repeated [33]. This often leads to inconsistencies in the quality of delivered services, leading to variable customer satisfaction.

These specifics of the guest cycle in the hotel lead to the need for determining the performance of all processes involved in the implementation of the

hotel product, with the aim of establishing the desired degree of compliance with consumer requirements, that is, the appropriate level of quality.

In the context of highlighting the importance of innovation for entrepreneurship, Peter Drucker [18] discusses innovative performance, pointing out that they are achievements by means of innovation.

Performance is considered the result of an activity. Assuming that this activity takes place by performing business responsibilities in the most efficient and effective way, the expected effect is the result of the performed activity. The process performance, therefore, can be defined as the effect of the given process, in which measuring takes place. Unlike the performance of individual activities, organizational performance is particularly important for quality management. Organizational performance implies the accumulated end result of all organizational and work processes and activities.

Each organization focused on quality has to measure the performance of their processes. The initial step in accomplishing this task is to determine the key performance indicators (KPI). They are measurable indicators that evaluate the business success of the organization as a whole or some of its parts.

Key performance indicators include a set of value indicators of business activities that are subject to measurement. They can be systematized as follows [27]:

- Quantitative indicators that can be presented numerically,
- Qualitative indicators that cannot be presented numerically,
- Leading indicators that can predict the outcome of the process,
- Lagging indicators of realized business success or failure,
- Input indicators that measure the amount of resources involved in the reproduction process,
- Process indicators that represent process efficiency,
- Output indicators that reflect the outcomes of processes and activities,
- Practical indicators that are used for comparison with other processes in the organization,

- Directional indicators that indicate the progress, stagnation or decline of the organization in some sectors,
- Effective indicators that initiate changes,
- Financial indicators that are used in the measurement of efficiency.

An organization that measures the performance of its processes should focus on several key indicators that will best reflect its business priorities. As business priorities change, key performance indicators should also change. The so-called SMART model can serve for the selection of the most appropriate indicators. The model name is an abbreviation of the initial letters of the five key criteria (S-specific, M-measurable, A-attainable, R-relevant, T-time-bound).

The first criterion – specific (S) requires setting a clear and an unambiguous objective, not the general one. The concretization of the objective is achieved by answering the five key questions, that is, by using the model 5W.

The second criterion (M) insists on the measurability of the objective. Without measurability, it is not possible to monitor the progress in activities to achieve the objectives. The measurability of objectives is provided by answering the questions: How much? How do we know if the objective is being achieved? The third criterion (A) points out that the objectives have to be realistic and achievable. Setting achievable objectives implies identifying the ways to achieve them, that is, the provision of adequate resources (human, material, and financial). Thus, the fulfillment of the third criterion is the answer to the question: How can one achieve the objective?

The fourth criterion (R) insists on the choice of truly important objectives, whose achievement has a significant impact on the improvement of the quality of a particular product or service, and therefore, on the success of the business activities of the organization.

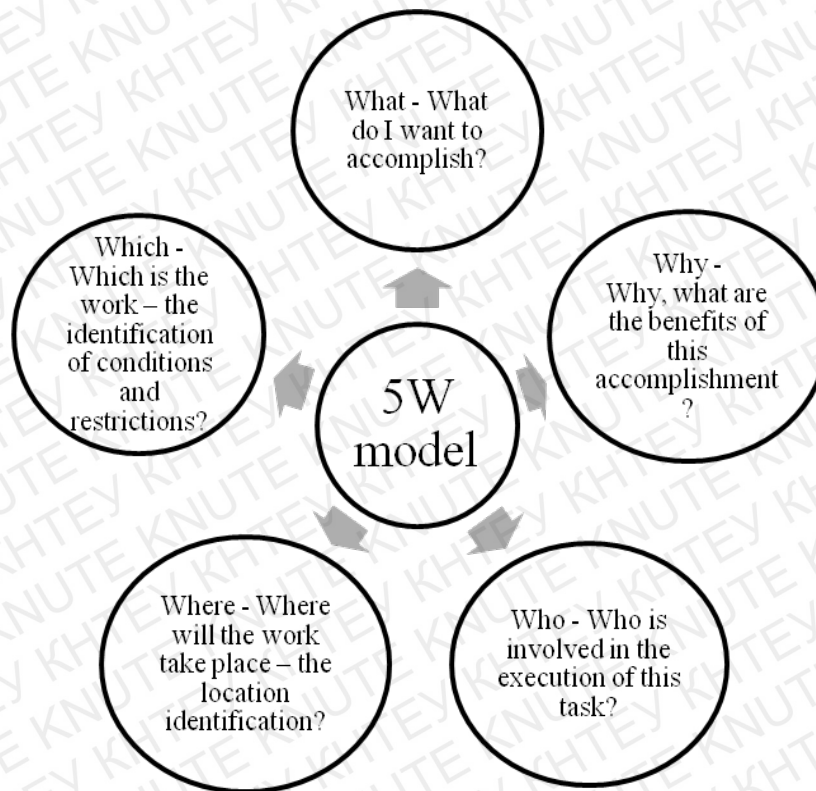


Figure 1.4 Model 5W

Important objectives are understood and supported by all levels of management in the organization, and the direct executors, which creates a favorable business climate for their implementation. By identifying an important objective, positive answers to the following questions are provided:

- Is this project viable?
- Is this the right time for its implementation?
- Is it in accordance with the efforts and needs of the organization or its sector?
- Has the right team been selected for the project implementation?
- Is the project implementation feasible under the existing socio-economic and technical and technological circumstances?

The fifth criterion (T) insists on setting time frames for the implementation of objectives and tasks.

Scheduling allows one to establish the optimal temporal dynamics and focus efforts towards intensifying activities and compliance with the deadline. Time-bound objectives should provide answers to the following questions:

- When?
- What can I do in the next six months?
- What can I do in the next six weeks?
- What can I do today?

Bearing in mind the heterogeneity of the hotel product quality, it is necessary to access the selection of key performance indicators very carefully and selectively. In the hotel industry, quantitative and financial indicators are most commonly used.

Quantitative indicators include the number of tourists and overnight stays in a hotel, the percentage of accommodation capacity utilization, the number of produced and served meals, while the financial indicators are mostly focused on the relationship between income and expenses, including the structure by sectors, that is, types of services (accommodation, food and beverages, other). Revenue per available room (RevPAR) is an important financial indicator. This complex indicator reflects the economic efficiency of business activities of the entire hotel [36].

An objective of hotel management, especially the one with the pronounced seasonal business, is to have the average revenue per available room as high as possible. However, the increase in the percentage of utilization of hotel capacities does not always lead to a proportional increase in revenue per available room.

Digressive increase, or even stagnation, represents the result of lower selling prices in the pre-season and post-season. This leads to an increase in capacity utilization, but not necessarily to an increase in additional spending. In recent years, revenue per occupied room (RevPOR) has been introduced as an indicator of performance, which more clearly indicates the level of hotel guests' spending. In this sense, business activities can be focused on increasing the spending of the existing guests by introducing additional contents and permanent quality improvement.

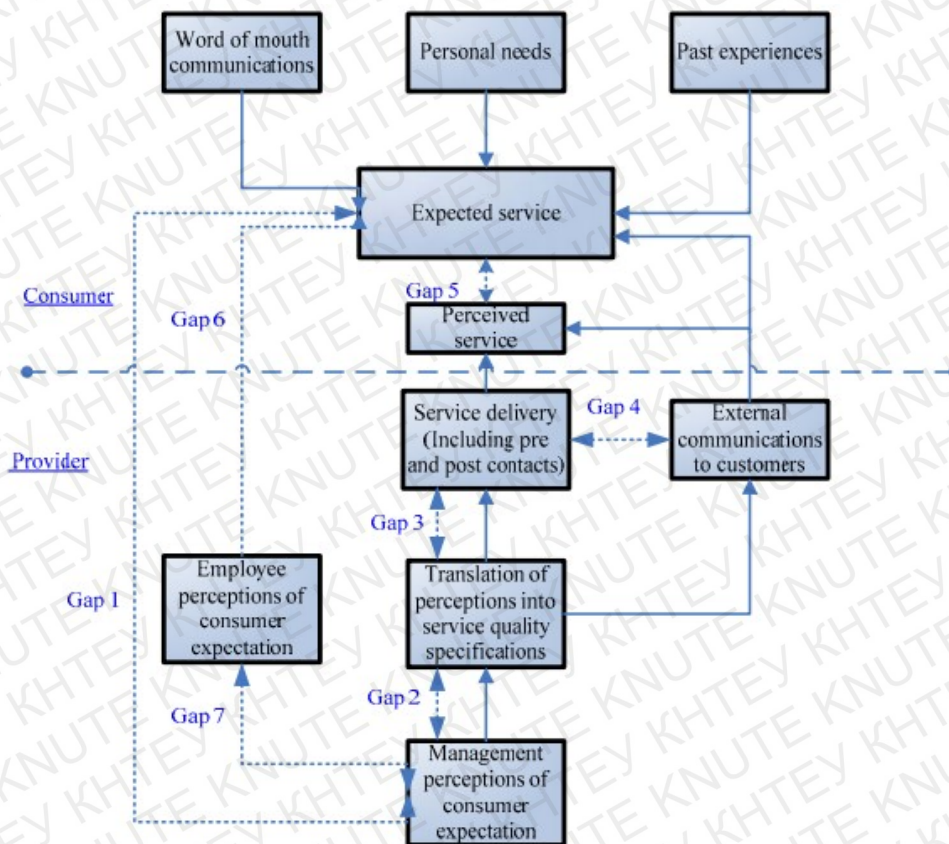
The hotel guest satisfaction is treated as a specific key indicator of performance. In accordance with the above-mentioned classification, it is an output indicator of a qualitative nature. The outcome of the process of implementation of a hotel product is a hotel guest with his/her experience, consistent with the preformed expectations to a greater or lesser extent. If performance is understood as a functional capability of a process, then the cumulative result of the functional capability of the hotel product implementation process is consumer satisfaction. Although it is an indicator of a qualitative nature, based on the consumer behavior, modern managerial techniques, along with the help of information technology, that is, specialized software packages, enable permanent monitoring and measuring of hotel guest satisfaction.

The effect of a process can be measured using the performance index. The performance index is the ratio of the measurement of the output values and the planned (expected) values of a process. Considering the above-given, it follows that the performance index is a numerical value of effectiveness and efficiency, that is, a measure of effectiveness and efficiency (Raseta, op. cit.). Effectiveness is the degree of implementation of the planned activities and planned results (ISO op. cit.). Efficiency is the ratio of the results achieved and resources used (ISO op. cit.). Contemporary models for the process performance measurement insist on compliance with different priorities, depending on the position in the management hierarchy. In order to achieve the key purpose of measurements, it is necessary to establish the appropriate performance measurement system (PMS). The balanced scorecard (BSC) concept, which aims to provide managers with the most important information on the activities they manage, is widely used. The insistence of the BSC model on clarity and usefulness is reflected in the selective approach to indicators that are subject to measurement, that is, in filtering and clustering as key activities.

The performance prism represents a more complex, more comprehensive and more contemporary model for performance measurement. The initial assumption of the performance prism is to create values for the key stakeholders.

They are considered to be investors (share-holders), customers (consumers), employees, suppliers, strategic partners, and the community. The performance prism is an integral model for measuring the performance of five dimensions. Stakeholder satisfaction is the upper plane of the prism. The contribution of stakeholders to the organization is the lower plane (the bottom) of the prism. Three sides – strategies, processes and resources (skills), connect them [3].

Due to multi-dimensional nature of the service quality, the lack of consensus on how to measure the quality of hotel industry should be admitted. The nature of



services which are impalpability, inseparability from provider and receiver of service and impossibility of storage led to creation of specific models.

Figure 1.5 Model of service quality gaps

SERVQUAL is the most popular model to measure the customer satisfaction in almost services industry. The model is based on the client's evaluation of service quality, which is a comparison of the expected and the obtained value as well as a consideration of gaps in the process of service provision. The foundation of *SERVQUAL* scale was the gap model.

Gap 1: Gap between customer expectation and management perception. This gap is one the three important gaps related to the external customers. This gap is big if an organization has a lot of management layers, a wrong orientation in marketing research or lack of the upward communication.

Gap 2: Gap between management perception and service specifications. This gap is resulted by inadequate commitment to service quality of manager board or employees, a perception of unfeasibility, lack of task standardization and absence or unsuitable goal.

Gap 3: Gap between service specifications and service delivery. Employees do not perceive clearly their position and/or their tasks that lead to this gap. In other cases, even employees know their roles but they are not able to perform their task well. Besides, lack of teamwork and inappropriate supervisory control systems can be reasons.

Gap 4: Gap between service deliveries versus external communication. Over-promise to both external and internal customers as well as the low horizontal communication state can be reasons of this gap. Gap 5: The gap between customer expectations versus their perceptions of the service delivered. This gap is very important and considered the true measure of service quality. It has a direct relation with external customer also is the gap that SERVEQUAL model influences on. All of providers try to satisfy the needs and expectations of customers, which are really diversified.

Gap 6: The gap between customer expectations and employees' perceptions. This gap also direct related to external customers. If employees understand wrong the customer expectations, immediately it can cause the bad effect to the customer satisfaction.

Gap 7: The difference between employee's perceptions and management perceptions. It can be reduced if managers and employees have a good communication to resolve the problem. 18 In the service quality concept, to all the seven gaps, the smaller gap is, the higher service quality level can gain. Even if

only one gap arises, the service gaps will appear because it means that customers are dissatisfied.

For each dimension, the SERVQUAL scale provides a score for customer expectations (E) and a score for customer perceptions (P) of service providers' performances. Customer expectations are "wants or desires of customer" (Miller, 1977), what they feel the providers should provide or it can be the prediction of future events. They appear before using service. While customer perceptions are measured directly within and after their experience in using service. They reveal the evaluations of customers about what they gain from service. According to Parasuraman [54], the difference between the two scores is service quality (Q).

(1.1)

$$Q = P - E$$

The key to optimizing service quality is to maximize this positive gap score. The negative value of this gap score reveals the dissatisfaction of customers. The input to calculate this score is customers' feedbacks.

Because each dimension has the different influence to the service quality, to calculate the overall service quality each dimension need to be weighted corresponding with its importance. Those weights can be different between hotels in one country as well as in different countries. It depends on the policy of hotels and the culture of each region. In some cases, hotel management uses standards of hotel rating systems to decide the weights.

It seems that SERVQUAL model has been used only for gap 5. However, in reality, its application could be extended to other gaps. Since its introduction in 1985, SERVQUAL model is used in numerous measurement and study of hotel industry. SERVQUAL model is not only very popular in assessment of external service quality but also used in internal service quality measurement with some modifications. It can be used by employees of one department to assess another 20 department within company. Based on the specific data, managers will judge exactly which dimensions need to be improved and which are their strength; how

well their employees perform in each dimension. It is also the foundation to allocate the resources as well as redesign the service provision.

Despite its popularity and wide application, SERVQUAL is exposed to numerous criticisms, from both the conceptual and the operational aspect (table 1.6)

Table 1.6

SERVQUAL criticisms

Criticisms	Description
1) Direction to the process	SERVQUAL directs to the service delivery process but the result of service experience
2) Expectations	the term of expectations has multiple meanings; it is impossible for SERVQUAL to measure the absolute expectations of service quality.
3) Moment of truth	in the different moment, customers have different satisfaction levels.
4) Polarity	the reverse polarity of the scale elements causes wrong response.
5) Data collection	it is not always easy for hotel managers to ask guests to fulfill the long questionnaire to get the statistical data of all ten dimensions.

To overcome some problem related to SERVQUAL in accessing service quality and customer satisfaction in hotel industry, one variation of SERVQUAL, which called, HOLSERV and another instrument called LODGING QUALITY INDEX are recommended. Not like SERVQUAL, which can be used in all the service industry, HOLSERV and LODGING QUALITY INDEX were built and used only for hotel or hospitality industry.

HOLSERV is the one-column format questionnaire that has produced a reliable instrument specifically for the hotel industry. In HOLSERV, eight items of the original SERVQUAL scale were either modified or added and three items were deleted, leaving 27 items in final scale. The HOLSERV scale is a shorter, more user-friendly compared to SERVQUAL scale.

CONCLUSION TO PART 1

1. The advantages of introducing TQM for the service sector, tourism and hotel industry are big, both economically and socially. Poor business productivity and unsatisfactory quality of the product and service are weaknesses of Ukraine's economy.
2. Quality is the most important factor for sustaining the competitive advantage. It is the measurement of how well a company can meet or exceed its customers' requirements and expectations.
3. Total Quality Management (TQM) is a system which guarantees a stipulated quality. Quality is, therefore, the result of a defined TQM system for specific activities, for the company and specific tasks and activities within the company.
4. Quality is best illustrated by the slogan Your Wishes Are Already Satisfied. Customers' needs, expectations and requirements should, therefore, be foreseen, specified and satisfied as quality is customer defined. Quality is an on-going process. Customer requirements are constantly undergoing change. They are becoming increasingly demanding.
5. TQM methods and techniques can be applied in all organizations – manufacturing plants, service organizations, public services, legal and law enforcement, education, and others. More than ever TQM is being accepted and becoming a way of thinking and a way of life.
6. In the industry of hospitality, total quality management (TQM) is a sharing process that authorizes employees in different levels to work in groups in order to start guest service prospects and determine the most suitable approach to meet or exceed these prospects.
7. Implementing TQM in hospitality organizations in particular will improve customer satisfaction, competition condition and cost effectiveness.

PART 2

ANALYSIS ON QUALITY MANAGEMENT SYSTEM OF HOTEL «SENATOR APARTMENTS», KYIV

2.1. Analysis of internal and external environment of management system

Senator Hotels and Apartments [Appendix C] is one of the first and foremost establishments in Ukraine to provide high-quality, fully serviced and furnished rooms and apartments for travelers who want to live in and experience all that Kiev has to offer. The Senator chain now consists of three apart-hotels, all located in the downtown area of Kiev: [Senator City Center](#) (30 rooms and apartments), [Senator Victory Square](#) (35 rooms and apartments) and [Senator Maidan](#) (42 rooms and apartments).

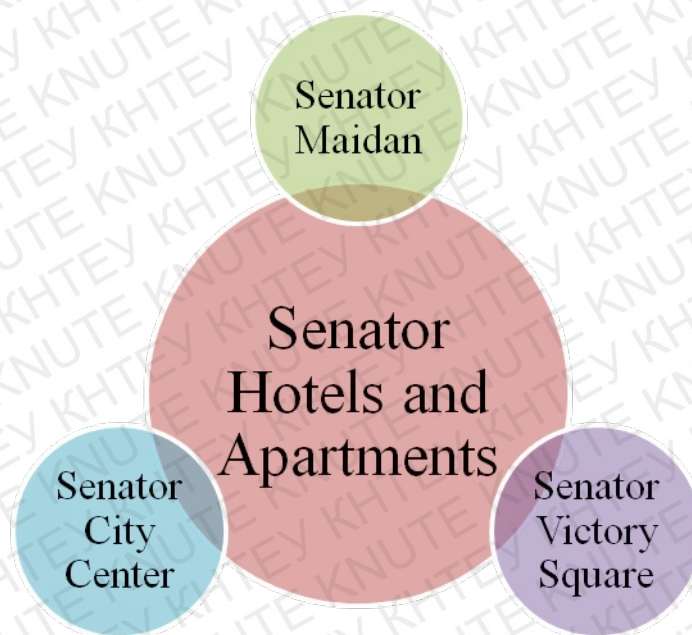


Figure 2.1 Senator Hotels and Apartments Chain

[Senator City Center](#), the very first professionally serviced apartment hotel in Kiev and the CIS, opened its doors in May of 2005. The project was a great success and the second property of the chain, [Senator Victory Square](#), was unveiled just two years later. The newest addition to the hotel collection, [Senator](#)

[Maidan](#), located in the very heart of Kiev, just a few steps away from the Independence Square, welcomed its first guests in 2013.

Originally, all the properties belonged to prosperous Kiev-based merchants and were built as expensive mansions, but later turned to tenement residences. Despite their rich past and historical significance, the buildings remained neglected for many years until they were fully-renovated by [DEOL Partners](#) and re-opened as Senator Hotels and Apartments. Today, all three hotels in Kiev occupy marvelous buildings with gracious, beautiful exterior that catches the eye of anyone walking around the area [4].

[DEOL Partners](#) is a real estate company with investment management, development, construction and commercial services as its core businesses. It is a highly professional and successful company offering strategic and management advice with the focus firmly on creating value-enhancing solutions for hospitality assets. The most prominent hospitality projects include Senator, the apartment hotel chain, and [11 Mirrors Design Hotel](#), the first and the only design hotel in Kiev.

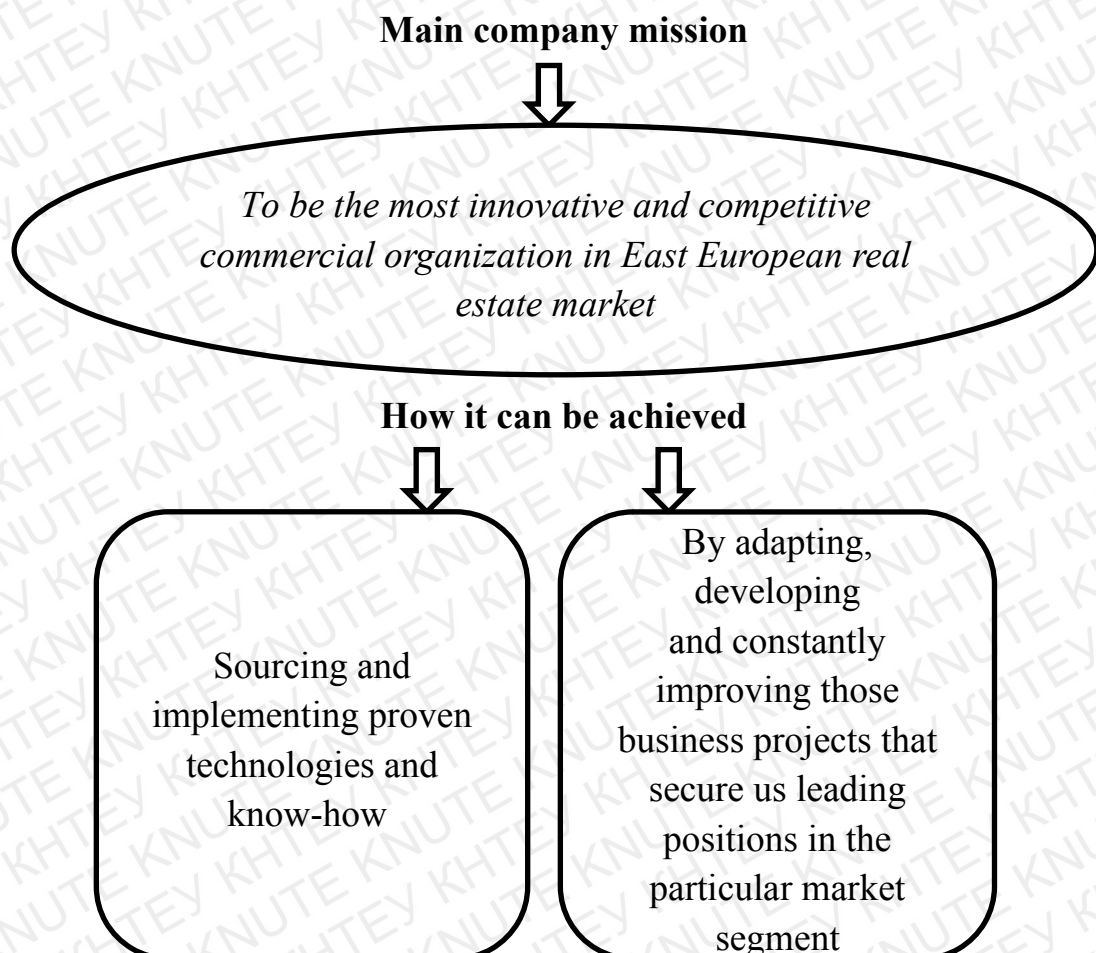


Figure 2.2“Deol Partners” Mission

Mission is achieving through sourcing and implementing proven technologies and know-how, as well as by adapting, developing and constantly improving those business projects that secure us leading positions in the particular market segment.

Company is always concentrate on:

- Real Estate projects development and Real Estate solutions delivery which create more value for our partners and clients than those of our competitors. It is achieved this through expertise, innovation and higher level of professionalism.
- Providing our team with career growth opportunities, professional satisfaction, innovative working atmosphere and attractive remuneration.
- Achieving financial success to allow us to invest in people and Real Estate products to promote our growth [16].

As a result, our Real Estate projects are outstanding leaders in their particular segments. At DEOL Partners fully understand that our reputation is built on our projects portfolio and a successful relationship with our partners.

Company was established in 2004. DEOL Partners was one of the first Ukrainian market participants accredited according to the international standards of real estate investment management and in 2005 became a [Certified Commercial Investment Member \(CCIM\)](#). It is now also a member of the [European Business Association \(EBA\)](#) and the [American Chamber of Commerce \(ACC\)](#) as well as the [Ukrainian Real Estate Club](#) [16].

DEOL Partners is active in several hospitality projects. They include: Senator Apartments, Ukraine's first chain of high-quality, full-service furnished apartments for travelers to Ukraine's capital and 11 Mirrors Design Hotel, the first design hotel in the CIS countries with a strong sense of style located in the very heart of old and dynamic Kyiv. These two brands successfully combine luxurious accommodation with a refined mix of amenities to meet any traveler's needs and are an excellent example of the caliber of projects that DEOL Partners is interested in of looking to expand our Hospitality business.

Senator Beach and Sport Resort, a closed VIP-level country club developed and managed by DEOL Partners team, provides its members, their families and guests with an opportunity to pursue an active lifestyle by experiencing a variety of leisure, recreational, athletic, health and other outdoor activities. The Club also offers private accommodation for members and the very popular Senator Junior Summer Camps are held here during week days. The Club can accommodate every member's need from the smallest gathering, business meeting, private celebration or special occasion to large weddings, charity galas and grand corporate events.

Senator Hotel and Apartments, developed and managed by DEOL Partners, were the first professionally-serviced apartments in the entire CIS – a response to a market where travelers needed high-quality places to stay, but where good hotel accommodations was, and still is rare.

DEOL Partners opened the Senator Apartments City Center in May 2005, when travel to Ukraine swelled in the wake of the Orange Revolution, followed by Senator Apartments Executive Court in December 2007, and Senator Apartments Maidan in August 2013. The fourth complex of the chain is under development and expected to be opened in 2020.

All of the complexes are stand-alone buildings that conform to the highest standards of quality and workmanship. The mission is to combine the advantages of top-flight hotels and luxury apartments, in the very centre of Kyiv. Senator Apartments offers 24-hour security, concierge services, comfortable lobby and rest areas, hotel-style professional room cleaning, a kitchen in every apartment and other facilities, too [4].

Senator Apartments have an average occupancy rate of more than 80%, with higher rates during peak season. This startlingly high rate is a reminder that in a city underserved by the hospitality industry, such apartments are in high demand.

The accommodation offered by Senator is designed with comfort, coziness and style in mind. Instill a feeling of individuality, of freedom and of home incorporated into the convenience of hotel services, such as general housekeeping, reliable security and a full-time concierge.


Senator Hotels and Apartments has been recognized by both professionals and individual travelers as a  Ukraine's apartment hotel sphere.

Table 2.1

Awards of Senator Hotels and Apartments

<u>TripAdvisor</u>	<u>TripAdvisor Travelers' Choice and Certificate of Excellence Awards 2012-2018</u>
<u>World Travel Awards</u>	<u>Ukraine's Leading Serviced Apartments 2015-2017</u>
<u>Hospitality Awards</u>	<u>Best Apartment Hotel in Ukraine 2011-2015</u>
City Award	The Best Project in Hospitality 2013
EuropeProperty.com Award	Best Hotel in Kiev 2007
Booking.com	<u>Top-rated on Booking.com</u>
CP Award	Hotel Real Estate: Hotel of the Year 2008
Luxury Travel Guide	Service Excellence Award 2017



Table 2.2

Services at Senator Hotels and Apartments

Department code	Service list
1) Reception services	<ul style="list-style-type: none"> • 24-hour front desk • English-speaking staff • 24-hour security guards • Free Wi-Fi Internet access • Property managers • Concierge facilities
2) Property services	<ul style="list-style-type: none"> • Comfortable lobbies with waiting areas for visitors • Free newspapers and magazines available in the lobbies • Providing the documents necessary to submit for Temporary Residence Permit
3) Housekeeping services	<ul style="list-style-type: none"> • Daily light cleaning • Full cleaning service • Regular linen and towel changes • Additional linen and towels • Dry-cleaning • Laundry/ironing services • Extra beds and cots available
4) Additional services	<ul style="list-style-type: none"> • Airport and train station transfer • Interpreter/translator services • Restaurant food-delivery services • Grocery delivery
5) Business services	<ul style="list-style-type: none"> • In-room safes • Luggage storage • Laptop, iPod dock station rentals available • Facsimile and photocopying services

The hotel in question has a very good customer segment. It is popular among families, couples, groups and business travelers. It combines almost every segment

available for hotels. This is because it has established an image that allows everyone to be interested in it [4].

As for competition, because the hotel is situated in Kiev, which is a very popular tourism and business destination, it has quite many competitors. In the immediate area of the hotel there are only a couple of other hotels that offer similar services but this hotel has the advantage of the location [16].

One factor that the hotel needs to pay attention to is the technology it uses. It should be up-to-date so as to be capable to offer best service to its customers but also to help the staff accomplish best performance. Along with the technology comes the equipment. Respondents of the questionnaire pointed out as a weakness of the hotel this one factor.

All in the entire hotel has gained profit, so in that point of view it is a company that works well. It has good reputation and more importantly, it can keep up with it. These way old customers keep coming every year and new customers find it through the distribution channels it chooses to use.

The external environment of the hotel is mainly influenced by the political, economic, social, technological and environmental situation of the country.

Politically and economically, Ukraine is not stable now. The economy of the country has reached a point where it totally depends on the other EU countries. As the country needs more funds to prove and convince the EU, it has increased taxes and declared laws to gain money. This has affected the tourism industry and thus this hotel too. By law, salaries were lowered but working hours were not, so this leaves the employees dissatisfied. This may be a serious factor so the quality of the hotel's service may lower and leave customers unsatisfied.

Socially, the hotel is well established within the market and carries a good name throughout Ukraine and foreign countries. As the hotel is Ukrainian and it is situated within Ukraine, it cannot be uninfluenced by the image and place Ukraine has among other countries. The country has been depreciated in the media and in many European countries; citizens have been warned not to travel to Ukraine

because of the situation there. This has affected the hotel as it may have lowered its status even though no radical changes, visible to the customer, have been made.

Ukraine as a country has been following trends set all over the world but it is not on the top of the list. Now that the country is economically and in consequence politically, unstable, technological update has not been very good. The hotel has been up to date in the technological industry but the last few years it has remained quite stable. Some good investments have been made, such as the renewal of the hotel's reservation system and conference equipment, but other sectors within the hotel have remained the same.

During the last few years, environmental issues have been big news. This hotel in particular tries to be environmental friendly. Every year the hotel hosts many conferences about environmental matters, which many workers can participate in.

This subchapter will analyze the answers given to question concerning the internal environment of the hotel and how they as employees see it. The analysis is divided into five subcategories: organizational structure, use of resources, monitoring, training and organizational culture [22].

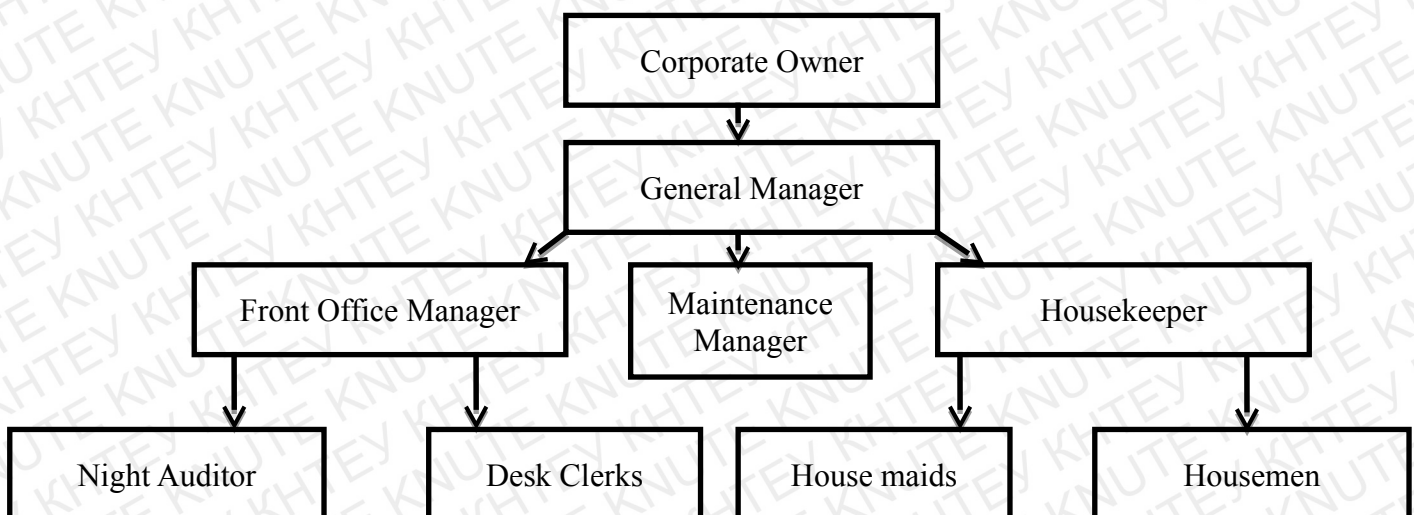


Figure 2.3 Organizational structure of the hotel Senator Maidan

Firstly, the respondents were asked about the organizational structure of the hotel and whether they are satisfied with it. All of the respondents answered that they are not satisfied with the way the organization is structured. Departments are not effective; there are wrong people on wrong positions. Another question linked to the structure was if it affects their performance at everyday work. Again, everyone answered that it affected, mostly negatively. Two things that arose from some answers were: more interaction between workers is needed and superiors and some employees need to gain more responsibilities.

Secondly, the questionnaire dealt with the resources in the organization and which ones the employees felt were the most important ones for them. Tangible resources included “financial” for example budget and “physical” like patience. Brand and reputation got many answers and different methods concerning the technological part of the hotel’s operation, such as IT communication. Finally, on human resources, employee’s own motivation was very important to most respondents, second was the competence of the employees in general and the level of communication between them.

Thirdly, monitoring is part of the analysis of an organization’s internal environment and the researcher wanted to find out if, in the respondent’s opinion, there is enough monitoring in the organization; all of the respondents agreed that the level of monitoring in this hotel is good. On managerial level, the researcher was interested to note how the superiors control that the objectives set by the hotel managers are accomplished; through meetings and reports and comparisons of departments’ current profits and sales to budgets of previous years. Furthermore, monitoring includes feedback conversations so the employees were asked if they have ever received feedback and how they have received it; all of the respondents have gotten feedback from their superiors and the most usual way to get it was face-to face with the superior.

Moreover, the respondents were asked a question whether the workers have gotten any special training or update while working in the hotel, which is part of the competence part of an organization; all of them have received training or

update through seminars. Managerial level, in addition to seminars, received training through travel exhibitions related to travel and tourism.

Leadership is a major factor in the internal environment of an organization because it influences the employees and their performance as well as the image of the hotel. The researcher asked what in the employees' opinion the style of their leader was; they had to choose from five different types of leadership: autocratic, paternalistic, participative, delegated and free-rein. The style mostly risen from the answers is paternalistic style of leadership and one answer autocratic. This means that employees do not get to say almost anything in decision-making procedures concerning the hotel. The employees were mostly not satisfied with that method and wanted their opinions to be heard more.

Finally, questions about the organizational culture of the hotel were included in the questionnaire regarding work with co-workers, how the relationship with the co-workers has affected their performance, if they are aware of the hotel's values and philosophy and if they agree with them. All of the respondents work well with their fellow workers and most of them do not get negative effect from them. Dealing with problems arising from co-workers was indicated as a very disturbing thing. All of the employees, who answered the questionnaire, agree with the hotel's philosophy and values. Through one respondent, the researcher found out that the philosophy and values of the hotel are based on the values and philosophies of the renowned business family that owns the hotel.

Generally seen, the hotel is a well-established organization with good and loyal workers. It is situated in a very good location and although there are many competitors nearby, it has acquired a good position and reputation.

PEST Analysis

The current trend is in the ever-increasing significance of the second factor, which is becoming decisive. Therefore, the analysis of the external environment is very important for developing an organization strategy and is a very complex process. It requires careful monitoring of ongoing processes, their proper assessment and the establishment of a connection between the factors and those

strengths and weaknesses of the organization, as well as the opportunities and threats that are found in the external environment [7]. Its political, economic, social and technological environment analysis are as follows:

Table 2.3

PEST Analysis of Senator Maidan hotel

Political Environment (P)	Economic Environment (E)
Senator Hotels and Apartments has recognized the value of laws and regulations of the individual nation and acted accordingly in the past and present. The political scenario in each country is different and must be addressed properly. Senator Hotels and Apartments has followed protocol designed by the individual nation like; no smoking policy, non-fat food, low calorie diet etc.	The growing economy and other developing region is motivating DEOL Partners (a real estate company) to invest more in these areas. On the other hand, the increasing price of gasoline is encouraging to focus on clean energy and to be more environments friendly by decreasing the use of synthetic fuels, which also helps in controlling the cost of the operations.
Social Environment (S)	Technological Environment (T)
People today like to travel and explore new places. Senator is extending travel network in Kiev. Visiting friends in Ukraine today is very easy due to the advancement in transportation system. Senator Hotels and Apartments must recognize this market and develop plan to attract these markets.	The world today is like global village. Technology is connecting the world and gathering the people in one place. People travel today more frequently than in the past. Reservation, payment, check-in and checkout can be done seamlessly. Technological and innovation is the key priority of Senator Apartments.

External environment needs to be analyzed in timely manner in order to be competitive on today's market place. The environment is changing all the time and company must be responsive to the changing environment. PEST is the effective tool to analyze external environment of the organization. Senator Hotels and Apartments is one of the first and foremost establishments in Ukraine.

The hotel does not have the ability to strictly control the external environment, but it can and should effectively adapt to it, tirelessly monitor its changes, predict and react in a timely manner.

The strategic analysis of each of the four indicated components should be sufficiently systemic, since all these components are closely and in a complex way interconnected.

Table 2.4

PEST Analysis Result

Factors	Validity	Score (from 1 to 5)	Arithmetic mean
1. Political			
1. Medium business support by local governments	0,2	2	0,4
2. Corruption in the region	0,3	3	0,9
3. Tax inspection activities	0,2	1	0,2
4. Quality of work of power structures	0,3	4	1,2
Σ	1	10	2,7
2. Economic			
1. Hotel occupancy rate	0,4	4	1,6
2. Direct roomssales	0,2	3	0,6
3. Level of competition	0,3	4	1,2
4. Corporate room rates	0,1	4	0,4
Σ	1	15	3,8
3. Social			
1. Income level of the population	0,2	3	0,6
2. Media development	0,1	2	0,2
3. Demographic composition of the population	0,2	4	0,8
4. Foreign brand preferences	0,5	5	2,5
Σ	1	14	4,1
4. Technological Environment			
1. Security equipment	0,3	3	0,9
2. Technological innovations	0,2	3	0,6
3. Rooms security	0,2	3	0,6
4. Security of hotel and guest data	0,3	4	1,2
Σ	1	13	3,3

As can be observed for the “Economic Factors” category, it is necessary to pay great attention to the “Corporate room rates” and “Direct rooms sales” factors, as they, have a critical impact on hotel revenue.

Analysis of social factors revealed a critical dependence of the hotel revenue on the income level of the population. Also, according to the analysis, media

development coverage is also important, as a source of information for the population, which will need to be used to promote hotel in different regions.

Among the technological factors, the main factors were - “Technological innovations” and “Rooms security”, it is very important to direct strengths to raising the level of these categories, since the security of a guest in a hotel is one of the top priorities for management.

Forces of framework

Buyer Power

The buyer power in the hospitality industry is moderate. As the Senator Apartments has strong brand recognition, it can attract new guest easily with little effort of marketing and promotions. The company can also keep its repeat business because the switching cost or risk for the guest is uncertain. Senator is providing quality service consistently and giving the best experience to its guest at all level.

Supplier Power

The supplier power is moderate for Senator Apartments as the supplier power in Hospitality Industry is fragmented. Property owners, developers, architects, real estate companies, marketing firms, law firms and information technology service and equipment suppliers are some example of supplier in the industry. Suppliers are in different shapes and sizes. Food and beverage supplier, utility supplier and labor supplier are also key player, as they are major stakeholder in minimizing operational cost of operation [24].

Threat of New Entrants

Threat of new entrants is considerably high due to the substantial growth in hospitality industry in past few years. The unfavorable economic condition of some Ukrainian regions also have lowered the value of land and real estate and it is very likely to attract new entrepreneur in the hospitality industry.

Threat of Substitution

Threat of substitution is low in the developed nations and premium market place. In developing nations, the threat of substitution is high due to the innovative concepts in travel and tourism industry like; homestay campaign, camping,

informal visit to friends and family. There is a threat of substitution but cannot compare the service level provided in the informal sector with the Senator level of service.

Degree of Rivalry

The threat of rivalry in the hospitality industry is moderate for Senator Hotels and Apartments. In hospitality industry, key players are branded chains. Senator is facing strong competition from the other same sized chain brands but it is gaining its competitive advantage through the diversification of business in specialized segments.

Resources and capabilities

Senator Hotels and Apartments have a strong presence in the hospitality market due to its efficient operation, effective marketing, and specific market segmentation by diversification of revenue and economies of scale on operations. Senator is capable of managing all of its operations on its own. Strong commitment to service and guest satisfaction is Senator's priority. Satisfied investor and shareholders, motivated employees in all level, strong corporate culture is driving Senator Apartments in the right track of its journey to more satisfied guest, motivated employees and prosperous owners and shareholders.

SWOT analysis of Senator Maidan hotel

Strengths

Location

Everyone thought that the location of the hotel was the most important strength of the hotel. It is situated in a very popular area of Kiev, right next to the main street Khreshchatyk and Independence Square. Senator Maidan, at Shevchenko Lane, 8B, offers city living in modern elegant rooms and apartments in the very core of Kiev, only a few steps from Independence Square. The area has shops and restaurants so it is very tourist-friendly.

Moreover, from the hotel you can easily get to the international airports and train stations, which gives guests even greater advantage to get to the hotel as soon as possible.

Table 2.5

SWOT analysis of Senator Hotels and Apartments

Strengths	Weaknesses
<ol style="list-style-type: none"> 1) location 2) brand 3) personnel 4) competence of the staff 5) reputation 6) regular customers 7) size of the hotel 8) transportation connections 9) classification of the hotel 10) international meetings and conferences held in hotel's premises. 	<ol style="list-style-type: none"> 1) physical condition of the buildings 2) poor maintenance 3) equipment 4) paternalistic management 5) non-local administration/managerial workforce 6) old hotel product 7) the economic and political situation of Ukraine.
Opportunities	Threats
<ol style="list-style-type: none"> 1) location marketing 2) air carrier connections with major European cities 3) affordable flights to Kiev 4) political stability and development strategies applied in the Tourism industry in Ukraine 5) motivation of employees 6) good distribution channels for marketing 7) new ideas 8) renewal of equipment and renovation of rooms. 	<ol style="list-style-type: none"> 1) competitors' prices 2) financial crisis 3) competition 4) innovative products make existing, old products not appealing 5) Ukraine tourism weakening Room Only (RO) concept.

Brand

The brand of the hotel has a very big effect on the hotel's success, especially with the Ukrainian customers. It is a part of a hotel chain, owned by known and respected development company with a good reputation. The chain has managed to create an image of good quality and services not only within the Ukraine customers but among other European countries too.

Hotel staff

Another strength listed was the staff. They thought that the staff altogether is good and there is a good atmosphere among the employees. The level of their knowledge is another strength that was listed as most of them attend seminars to

enhance their knowhow in the field. In addition, the fact that the hotel has regular customers who come every year is a positive thing.

Premises of the hotel and name

The hotel itself is unique in that more of the apartments have a kitchen, washing machines, ironing facilities. In total, it has 42 rooms. Some of them are hotel-type rooms, such as Standard, Superior, and Studio. The hotel has special area for serving breakfasts as well as the staff can serve it in the guest room. Being an apartment hotel has advantages and disadvantages. An advantage is that have regular guests and guests who live in our hotel for a very long period. The classification of the hotel (four stars), makes it popular among tourists who want to experience a holiday or business trip with quality [25].

Weaknesses

Physical condition of the buildings

Firstly, everyone stated that the physical condition of the hotel should be a lot better than it is. There are being conducted renovations in the rooms of the hotel. In addition to the condition of the hotel, poor maintenance was another topic that rose from the interviews. There should be more careful maintenance as regards the public areas of the hotel as well as the rooms. Some equipment used in the hotel should be renewed so as to be able to give the customers a better service.

Leadership style and management

About the management part of the hotel, the paternalistic style of the leader was recognized as a weakness. Most employees would like to be able to influence more on the decision making process. This would improve their relationship with their leaders and probably would give other views for different situations. Another fact that rose was that the general administration is not situated in the hotel. As this is a part of a hotel chain, the main administrators are situated in office, which situated in different part of Kiev. Therefore, this make collaboration more difficult than it would be if they were based locally in the hotel [6].

Products

Furthermore, most agreed that the hotel product sold is quite old. Some competitors have renewed their hotel product so it is more suitable to the demanding customers. As tourism becomes more and more common, the demands of the tourists and customers change.

Political and economic situation of Ukraine

Finally, the political situation in Ukraine does not give a very good reputation to the country. Tourism is an industry affected straightly by that. It is a weakness for the hotel, but the administrators cannot change it by themselves or by changing policies of the hotel.

Opportunities

Marketing

Sometimes the weaknesses found for an organization can be reversed to be opportunities. In this particular SWOT-analysis, this happened and some of the weaknesses listed have become opportunities. New ideas concerning the product sold in general could help in marketing the hotel and of course, renewal of the equipment and renovation of the rooms will help to hotel build a very strong image to the customers.

Finding new distribution channels is a very good marketing plan. Nowadays, most of the people use the internet, especially networks like Facebook, Twitter, YouTube. These could be some of the possible new distribution channels used by the hotel to attract new customers and at the same time keep the old customers up-to-date and interested in the hotel. The hotel has a big advantage to the competitors concerning the location where it is. More marketing of that could attract people who want a view on Independence Square from their room for example.

Access

As Kiev attracts many tourists every year, it is quite easy to go there. A possibility listed here is that along with marketing the hotel itself, a possible marketing of the city and its flexible connections could attract customers. In

addition, the flights to the capital of Ukraine are quite affordable, so that increases the number of people interested in it.

Stability of Ukraine

The situation in Ukraine is not ideal and the media has in some cases shown a bad picture of the country. As a possibility for the hotel, employees mentioned the stabilization of the country and the further development of the Tourism industry. This will automatically improve the hotel's sales and income.

Motivation

Lastly, respondents said that increasing the motivation of all the employees would be a good opportunity for the hotel internally. If employees have high motivation, their performance will be much better and the customers will enjoy excellent service and quality.

Threats

Competitors and popular forms of accommodation

All of the respondents said that the prices of the competitors were a big threat to the hotel. In addition, products that are innovative appeal more to the customers and the existing product of the hotel in question could be old and boring. Generally, two topics arose from the interviews: the financial crisis and the weakening of the Ukraine tourism. The financial crisis affects a lot the operation of all the hotels as wages are lowered and people are fired because there are not enough customers.

The concept of all-inclusive, where beverages and food are offered to the customer without limitations, is an innovative way of attracting tourists and it is very popular even among the young customers. That is something that this particular hotel does not offer. In this hotel, the current concept is Room Only (RO) because most of the guests prefer to eat in the city and try different cuisines and sometimes they just do not have enough time to eat at the hotel all the time.

Situation of Ukraine

Generally, the situation of the Ukraine economy is weakening very much the tourism industry. Foreigners are afraid to travel to a country with economic

problems and instability, so that in turn brings less income to the whole tourism industry. The image of Ukraine is weakening in many European countries, which in turns results in fewer tourists coming to Ukraine. This can already be seen in the hotel's reservations when compared for example to last year's reservations.

Table 2.6

SWOT Analysis Results

<u>Strengths</u>	Validity	Score (from 1 to 5)	Arithmetic mean	<u>Weaknesses</u>	Validity	Score (from 1 to 5)	Arithmetic mean
1) location	0,2	5	1	1) physical condition of the buildings	0,2	5	1
2) regular customer	0,1	4	0,4	2) poor maintenance	0,2	4	0,8
3) personnel	0,2	5	1	3) equipment	0,3	3	0,9
4) reputation	0,3	4	1,2	4) paternalistic management	0,1	2	0,2
5) size of the hotel	0,2	3	0,6	5) the economic and political situation of Ukraine	0,2	2	0,4
Σ	1	21	4,2	Σ	1	16	3,3
<u>Opportunities</u>	Validity	Score (from 1 to 5)	Arithmetic mean	<u>Threats</u>	Validity	Score (from 1 to 5)	Arithmetic mean
1) location marketing	0,1	3	0,3	1) competitors prices	0,2	3	0,6
2) air carrier connections with major European cities	0,2	4	0,8	2) financial crisis	0,1	1	0,1
3) renewal of equipment and renovation of rooms	0,3	4	1,2	3) competition	0,3	3	0,9
4) motivation of employees	0,2	2	0,4	4) Room Only (RO) concept	0,1	2	0,2
5) good distribution channels for marketing	0,2	3	0,6	5) innovative products make existing, old products not appealing	0,3	2	0,6
Σ	1	16	3,3	Σ	1	11	2,4

New innovative products

The hotel has to offer good premises with good products but as ways of traveling become easier, the demands of the customers increase. This hotel has not had any innovative products for a while which may result in customers preferring a competitor’s hotel with modern products.

According to the SWOT analysis results observe that the biggest arithmetic mean has the Strengths value. This indicator shows the high efficiency of the enterprise and its strengths.

From the SWOT analysis, it can be seen that the hotel has sufficiently stable financial resources that allow it to carry out both internal repairs and reconstruction, and the reform of internal personnel management. At the same time, a financial crisis and competitors prices does not allow the hotel to respond quickly to the ever-changing demands of consumers of hotel services and in the long run this can lead to adverse consequences for the organization as a whole.

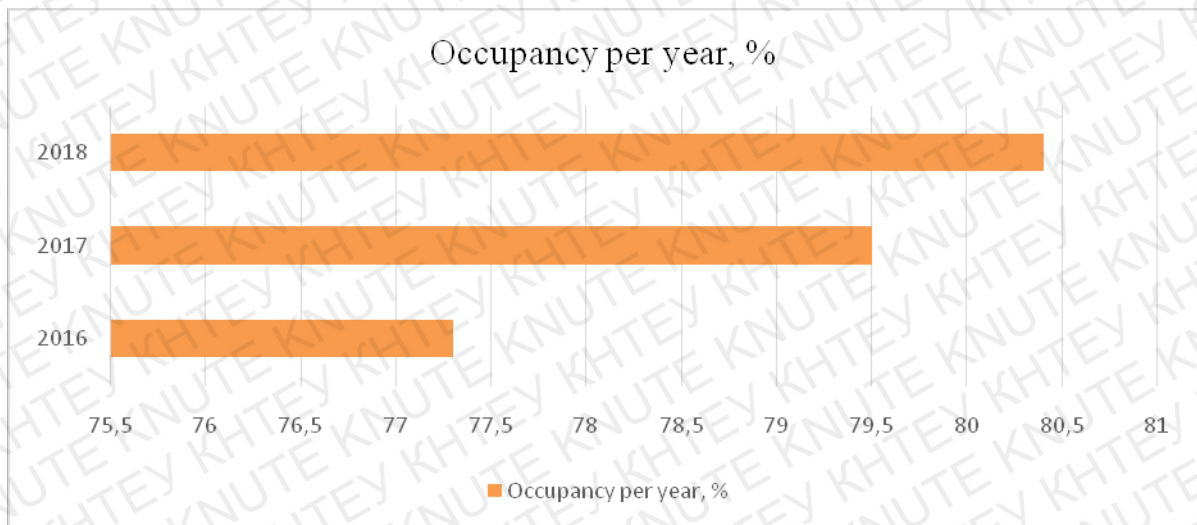


Figure 2.4 Senator Maidan Occupancy report per year

The occupancy of the hotel’s room stock increases, along with this, the profit grows and the regional economy grows.

It is worth noting that over the past few years, the dynamics of visiting the hotel has increased. Today, in the Senator Hotels and Apartments chain, there is a positive trend in the hotel’s performance indicators (download, average room rate (ADR), yield per room (RevPAR)) starting in 2016.

Table 2.7

Revenue and Occupancy Report

#	Description	Years			Absolute deviation, +, -		Relative Deviation, %	
		2016	2017	2018	2017 to 2016	2018 to 2017	2017 to 2016	2018 to 2017
		Revenue						
1	Total Revenue	28 774 000 uah	30 192 000 uah	33 948 000 uah	1 418 000 uah	3 756 000 uah	4.92 %	12.44 %
2	Revenue per Person	2 200 uah	2 850 uah	3 120 uah	650 uah	270 uah	29.55%	9.47 %
3	Revenue per Company	12 520 000 uah	11 890 000 uah	13 563 000 uah	-630 000 uah	1 637 000 uah	-5.03 %	13.76 %
4	Revenue per Travel Agent	13 440 000 uah	14 588 000 uah	15 800 000 uah	1 148 000 uah	1 212 000 uah	8.54 %	8.31 %
5	Revenue per Individual	2 814 000 uah	3 714 000 uah	4 585 000 uah	900 000 uah	871 000 uah	31.98 %	23.45 %
Occupancy								
6	% Of occupied rooms	77,3 %	79,5 %	80.4 %	+ 2.2 %	+ 0.9 %	2.84 %	1.13 %
7	Rooms repair	162	120	113	-42	-7	-25.93 %	-5.83 %
8	Total occupied rooms	9651	9813	9878	162	65	1.67 %	0.66 %
9	Total available rooms	2842	2535	2443	-307	-92	-10.80 %	-3.63 %
10	Total rooms in hotel	42	42	42	-	-	-	-

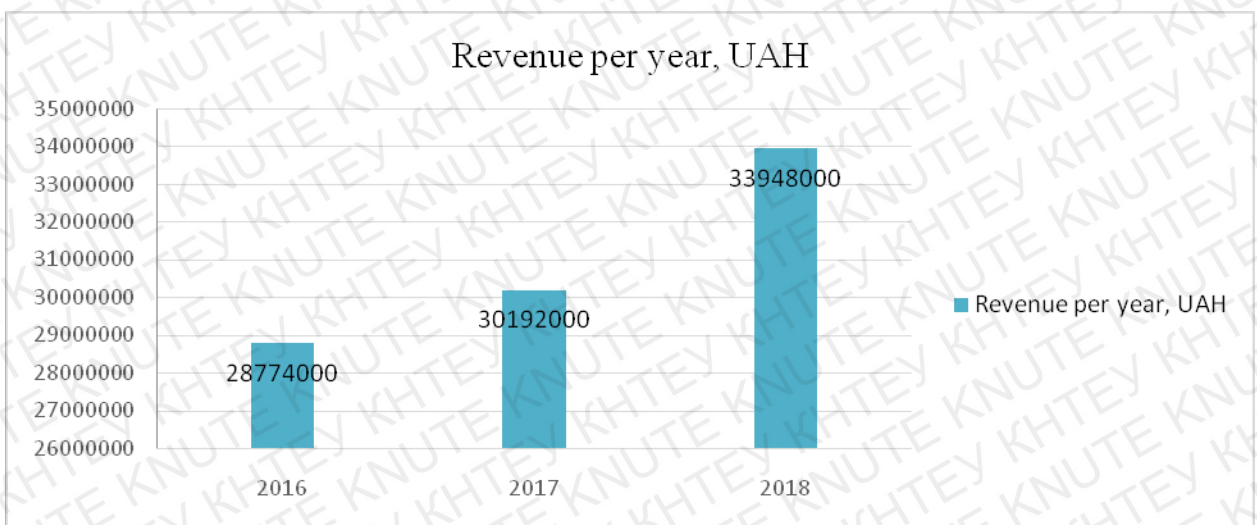


Figure 2.5 Senator Maidan Revenue report per year

Hotel revenue has also increased over the past couple of years since 2016, which is clearly visible in the table 2.7. The positive dynamics of the revenue

increasing allows the company to increase the amount of expenditures on necessary positions, for example, ensuring the increased level of security of the hotel and hotel rooms (SWOT analysis in p. 59).

Table 2.8

Senator Maidan expenses report

#	Specification	Years			Absolute deviation, +, -		Relative Deviation, %	
		2016	2017	2018	2017 to 2016	2018 to 2017	2017 to 2016	2018 to 2017
		Revenue						
1	Material costs	4 512 000 uah	4 858 000 uah	5 012 000 uah	346 000 uah	154 000 uah	7.67 %	3.17 %
2	Labor costs	1 215 000 uah	1 417 000 uah	1 780 000 uah	202 000 uah	363 000 uah	16.63%	25.62 %
3	Deductions for social events	663 000 uah	819 000 uah	1 069 000 uah	156 000 uah	250 000 uah	23.53 %	30.53 %
4	Depreciation	1 050 000 uah	1 236 000 uah	1 577 000 uah	186 000 uah	341 000 uah	17.71 %	27.59 %
5	Other operating expenses	2 990 000 uah	3 789 000 uah	4 556 000 uah	799 000 uah	767 000 uah	26.72 %	20.24 %

The correct ratio of income and expenses ensures the profit of investors and owners of a hotel facility. How correctly calculations were made, can show a report on income and expenses, which is information about the financial condition of the company, as well as about its change for any arbitrary period. When assessing the efficiency of the hotel's operating activities, the key indicators are the average daily rate of ADR (average daily rate), loading, their derivative — the number of revenue per room (Revenue per available room - RevPAR). In addition to the revenue side, the hotel business also has a high expenditure component. Gross operating profit (Gross operating profit - GOP) and net cash flow demonstrate how effectively cost control is conducted.

2.2 Evaluation of TQM in the enterprise

In the period of global competition environment, when a lot of substitution products/services/destinations are offered, understanding the term of quality is

transformed not only as an issue that is necessary to be solved but quality is seen especially as a competition opportunity. Especially in European destinations that are not able to compete with exotic areas in the prices of their services the high quality of services and their suitable combination for a specific product has become a crucial competitive advantage [37].

The quality management has become an essential part of the companies' management willing to success on the given market. In hotel industry, there are three basic concepts of quality management applied presently: the concept of business standards, the concept of ISO standards and the concept of total quality management. In hotel industry, especially big companies are holders of certificates according to ISO standards, for instance international hotel chains or airline companies. Nevertheless, on hotel market there are many medium - like Senator Hotel and Apartments and especially small companies for which such a kind of management is unsuitable, not only from financial reasons. These companies often use various certification programmers. Certification in general is defined as "a voluntary tool that evaluates checks and provides a written pledge that a facility, a product, a process or services meets specific standards. The label is awarded to those who meet or exceed basic standards." In the area of hotel and tourism, certification has a long tradition, for example, "Michelin" guides for Europe have existed since the 20th century. Labels, guarantees and certificates then draw the attention to the exceptionality of such offers. Some labels and schemes are of a government character, some are purely private, but often there is certain coexistence and co-financing a state a private sector. Total quality management is based on the participation of all organization members with the aim to reach a long-term success by force of satisfying customers' needs and to reach a benefit for all members of an enterprise and a company.

The aim of the text below is to show the possibilities and specifications of managing quality services in hotel industry with the particular aspect of the practical application of the SERVQUAL model in the context of comparing the qualitative level of the services offered in Senator Hotel and Apartments.

Research methodology

The SERVQUAL model is the most popular model to measure the customer satisfaction in almost services industry. The model is based on the guest's evaluation of service quality, which is a comparison of the expected and the obtained value as well as a consideration of gaps in the process of service provision. The foundation of SERVQUAL scale was the gap model.

Parasuraman [54] formulated a service quality model that highlights the main requirements for delivering high service quality. The model shown in Fig.1.5 identifies five gaps that cause unsuccessful delivery.

SERVQUAL is a service quality assessment tool. Since the development of SERVQUAL, it has been extensively applied in a variety of businesses or better business models. SERVQUAL is the most favored instrument for measuring service quality. Parasuraman concluded that consumers perceive quality by comparing expectations to performance and evaluate the quality of the service in different dimensions [39].

The SERVQUAL instrument consists of 36 statements for assessing consumer perceptions and expectations regarding the quality of a service. Respondents are asked to rate their level of agreement or disagreement with the given statements on a 5-point Likert scale. Consumers' perceptions are based on the actual service they receive, while consumers' expectations are based on experiences and information received. The statements represent the determinants, dimensions, or factors of service quality [Appendix A].

For each determinates, the SERVQUAL scale provides a score for customer expectations (E) and a score for customer perceptions (P) of service providers' performances. Customer expectations are "wants or desires of customer", what they feel the providers should provide or it can be the prediction of future events. They appear before using service. While customer perceptions are measured

directly within and after their experience in using service. They reveal the evaluations of customers about what they gain from service.

According to Parasuraman and his colleagues, the difference between the two scores is service quality (Q). The key to optimizing service quality is to maximize this positive gap score. The negative value of this gap score reveals the dissatisfaction of customers. The input to calculate this score is customers' feedbacks.

The data is collected by using a questionnaire consists of 36 questions based on 13 SERVQUAL attributes in Hotel and Apartment Hotel of Senator Hotel and Apartments. The questionnaire was formed by thirteen attributes were arranged and questions were prepared by observing hotel service environment. This questionnaire was revised three times after pilot study. This questionnaire is distributed to 30 customers in the hotel.

The SERVQUAL scale (questionnaire) has two sections: one to map customer expectations in relation to a service segment and the other to map perception in relation to certain hotels. The original SERVQUAL scale uses 36 questions to measure the thirteen dimensions of service quality: reliability, tangibility, security, empathy, responsibility, responsiveness, competence, courtesy access, communication modes, understanding, credibility, food, amenities & entertainment. In the appendices the original version of the questionnaire is showed.

Descriptive Statistics

Descriptive statistics deals with collecting, summarizing, and simplifying data, which are otherwise quite unwieldy and voluminous. It seeks to achieve this in a manner that meaningful conclusions can be readily drawn from the data. Descriptive statistics may thus be seen as comprising methods of bringing out and highlighting the latent characteristics present in a set of numerical data.

Arithmetic Mean

Adding all the observations and dividing the sum by the number of observations results the arithmetic mean. It may be noted that the Greek letter μ is

used to denote the mean of the population and n to denote the total number of observations in a population.

Thus, the population mean is given by the formula:

(2.1)

$$\mu = \sum x/n$$

The formula given above is the basic formula that forms the definition of arithmetic mean.

Standard Deviation

Standard deviation is a widely used measurement of variability or diversity used in statistics and probability theory. It shows how much variation or "dispersion" there is from the average (mean, or expected value). A low standard deviation indicates that the data points tend to be very close to the mean, whereas high standard deviation indicates that the data are spread out over a large range of values. Standard deviation is a statistical measure of spread or variability. The standard deviation is the root mean square (RMS) deviation of the values from their arithmetic mean.

(2.2)

$$S = \sqrt{\sum (X - \mu)^2}$$

Where S= Standard deviation

X= Individual score

μ = Mean of all scores

n= Sample size

Validity of the questionnaire

The designed questionnaire in table is finalized before asking the respondents to fill it. A number of experts such as Project guide as well as the hotel managers asked to confirm the validity of the questionnaire.

Data Analysis

In a chapter the data is analyzed on excel sheet. It helps in finding the mean, standard deviation. The case study also includes the outcomes of the statistical

analysis that are presented, discussed and used to compare the perceived quality of both the hotels.

Table 2.9

SERVQUAL gap of Senator Maidan¹

Sr. N.	SERVQUAL Attributes	Expectation	Perception	Perception	SERV-QUAL Gap (Q=P- E)	SERV-QUAL Gap (Q=P-E)
		Mean	Mean (11 Mirrors Hotel)	Mean (Senator Maidan)	11 Mirrors Hotel	Senator Maidan
1	Reliability	4.333	4.133	3.966	-0.2	-0.367
2	Responsiveness	4.516	4.183	4.083	-0.333	-0.433
3	Assurance	4.425	4.225	4.108	-0.2	-0.317
4	Empathy	3.916	4.066	3.983	0.15	0.067
5	Tangibles	4.144	3.594	3.755	-0.55	-0.389
6	Competence	3.666	3.766	3.533	0.1	-0.133
7	Access	3.466	3.733	3.333	0.267	-0.133
8	Courtesy	4.133	4.116	3.883	-0.017	-0.25
9	Communication modes	3.506	3.273	3.326	-0.233	-0.18
10	Credibility	4.083	4.166	4.216	0.083	0.133
11	Security	3.858	3.391	3.441	-0.467	-0.417
12	Understanding the customer	3.533	3.133	3.166	-0.4	-0.367
13	Food, Amenities and Entertainment	4.586	4.206	3.626	-0.38	-0.96
	Total SERVQUAL gap	4.012	3.845	3.724	-0.167	-0.288

If we compare performance wise hotel's service quality is quite better than apartment hotel. The overall SERVQUAL gap in hotel is -0.167 and in Apartment hotel it is -0.288. The same statistics can be observed in all three apartment hotels. In case of hotel empathy, competence, access and credibility these are the factors

¹ The survey was conducted by consulting company "Global-Inform"

that got positive difference between perceptions and expectations (P-E). In case of apartment hotel, only two factors empathy and credibility got positive difference between perceptions and expectations (P-E).

Table 2.10

SERVQUAL gap of Senator City Center

Sr. N.	SERVQUAL Attributes	Expectation	Perception	Perception	SERVQUAL Gap (Q=P-E) Senator City Center
		Mean	Mean (11 Mirrors Hotel)	Mean (Senator City Center)	
1	Reliability	4.111	4.133	4.578	0.467
2	Responsiveness	4.513	4.183	4.369	-0.144
3	Assurance	3.264	4.225	4.254	0.99
4	Empathy	3.916	4.066	4.012	0.096
5	Tangibles	3.864	3.594	3.789	-0.075
6	Competence	4.562	3.766	3.600	-0.962
7	Access	3.657	3.733	3.954	0.297
8	Courtesy	3.252	4.116	3.215	-0.037
9	Communication modes	4.010	3.273	3.356	-0.654
10	Credibility	4.025	4.166	3.716	-0.309
11	Security	3.200	3.391	3.441	0.241
12	Understanding the customer	2.982	3.133	4.050	1.068
13	Food, Amenities and Entertainment	2.525	4.206	2.989	0.464
	Total SERVQUAL gap	3.683	3.845	3.794	0.111

In order to minimize the gap between the guests' expectations and their perceptions of actual service delivered, the managers and personnel of both the hotels have to ensure that every contact with guests results in positive experience for the guests. 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 research may contribute to estimation of current level of service quality and support in planning aimed at correcting current deficiencies.

Table 2.11

SERVQUAL gap of Senator Victory Square

Sr. N.	SERVQUAL	Expectation	Perception	Perception	SERV-QUAL Gap (Q=P-E)
	Attributes	Mean	Mean (11 Mirrors Hotel)	Mean (Senator Victory Square)	Senator Victory Square
1	Reliability	4.596	4.133	3.580	-1.016
2	Responsiveness	4.268	4.183	4.277	0.009
3	Assurance	4.204	4.225	4.100	-0.104
4	Empathy	3.862	4.066	3.280	-0.582
5	Tangibles	4.102	3.594	3.973	-0.129
6	Competence	3.266	3.766	3.113	-0.153
7	Access	3.783	3.733	2.102	-1.681
8	Courtesy	4.713	4.116	3.800	-0.913
9	Communication modes	4.103	3.273	3.980	-0.123
10	Credibility	3.555	4.166	4.540	0.985
11	Security	3.837	3.391	3.436	-0.401
12	Understanding the customer	4.101	3.133	4.255	0.154
13	Food, Amenities and Entertainment	4.297	4.206	4.559	0.262
	Total SERVQUAL gap	4.052	3.845	3.768	-0.284

The results obtained from this study following the suggestions to both the hotels are made:

Tangibles

1. They should have modern equipment.
2. Availability of physical facilities should be visually appealing.
3. Bathroom should be very clean.
4. Room should be clean and clear.
5. Room should have sufficient area.
6. Parking should be convenient and more spacious.

Assurance

1. When management of the hotel promises to do something by a certain time, they should do it.

Responsiveness

2. They should be expected to tell their customer exactly when services will be performed.
3. Customer who checks out should expect prompt service from employees of the hotels.
4. Customer who comes to hotel should expect prompt service from employees of the hotel for the check in operation.
5. Employees of the hotel should always be willing to help their customer.
6. The staff should be kept aware about the latest developments in and around the hotel so that they have enough Knowledge to be able to answer their guests' queries.

Reliability

1. Customer should be able to trust staff of the hotel.
2. Charges in account should be very clear.
3. Customer should be able to trust billing.
4. Customer should be able to feel safe in their transactions.
5. The hotels should have reliable and dependable staff that is honest and diligent[27].

Courtesy

1. Employees should be more polite.
2. Employees should handle customer effectively.

Competence

1. An effort should be made by private hotel management in the direction of hiring local Employees.

Access

1. The restaurant of private hotel should remain open for maximum hour.

Communication modes

1. Voice clarity should be improved technically while making an international call because it is unclear during the call.
2. Range and speed of Wi-Fi should be high that it can easily be access from anywhere in the hotel premises.

Security

1. There should not be any chance of short circuit in the hotels.
2. Hotels should have sufficient fire reducing equipment.

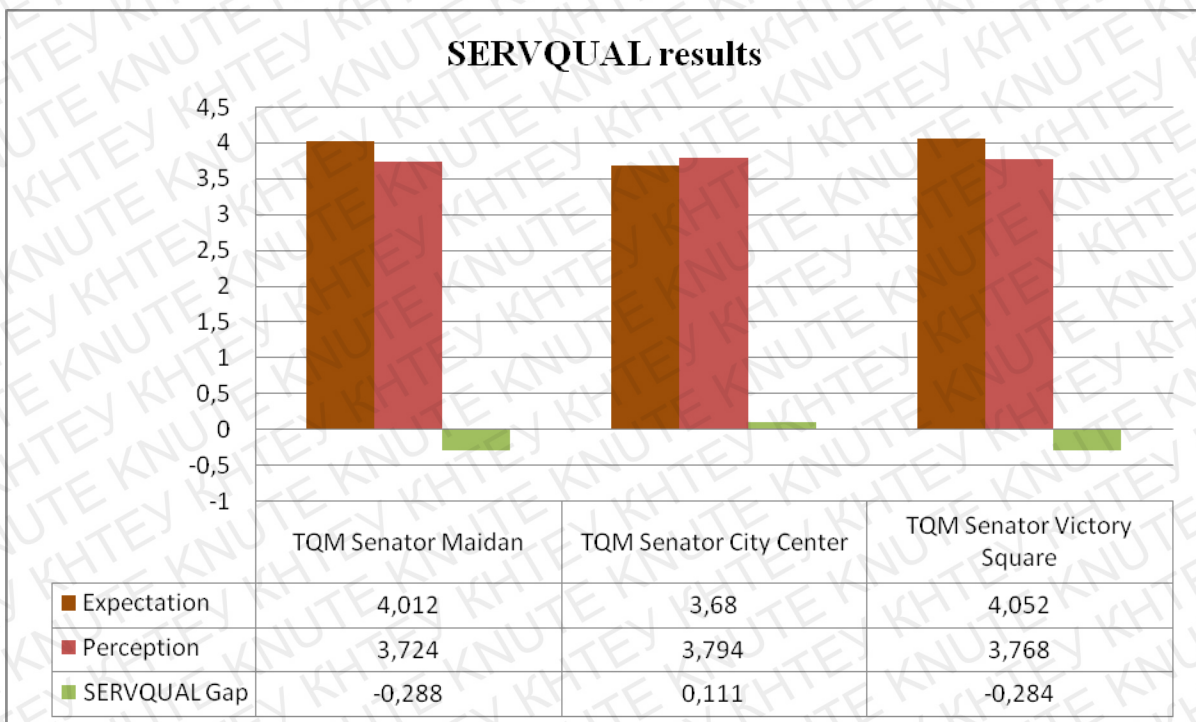


Figure 2.6SERVQUAL Gap results at Senator Hotels and Apartments chain

Understanding the customer

1. More effort should be applied to know/understanding expert should provide the customer by the hotel management for this training to hotel staff.

Food, amenities and entertainment

1. Food quality should be improved.
2. Variety of food should be there includes veg. and non-veg.
3. Large variety of drinks should be available in mini bar.
4. More entertainment facilities like video games for kids etc. should be introduced [28].

The results of the study show that the customers of the both the hotels are not fully satisfied by the service provided to them. There are some areas where improvement is desirable. The management of both the hotels has to make some strategies to meet the customer satisfaction [24].

CONCLUSION TO PART 2

This part studied what a hotel's staff thought about the hotel's strategy and current situation.

1. The aim was to get more information about the hotel's operation and see what are its strengths and weaknesses. This was done through a basic level strategic analysis that included a PESTE analysis made by the researcher and a SWOT-analysis based on the hotel's employees' answers to a questionnaire. Although basic strategic analysis tools were used, the intention of the researcher was never to form an official analysis but rather give the readers a framework on what should be taken into account.

2. From the SWOT analysis, it can be seen that the hotel has sufficiently stable financial resources that allow it to carry out both internal repairs and reconstruction, and the reform of internal personnel management. At the same time, a financial crisis and competitors prices does not allow the hotel to respond quickly to the ever-changing demands of consumers of hotel services and in the long run this can lead to adverse consequences for the organization as a whole.

3. The quality management has become an essential part of the companies' management willing to success on the given market. In hotel industry, there are

three basic concepts of quality management applied presently: the concept of business standards, the concept of ISO standards and the concept of total quality management.

4. The SERVQUAL model is the most popular model to measure the customer satisfaction in almost services industry. The model is based on the guest's evaluation of service quality, which is a comparison of the expected and the obtained value as well as a consideration of gaps in the process of service provision.

5. The SERVQUAL instrument consists of 36 statements for assessing consumer perceptions and expectations regarding the quality of a service. Respondents are asked to rate their level of agreement or disagreement with the given statements on a 5-point Likert scale.

6. Generally, the results show that the hotel needs to focus on improving their premises and add new innovative products that will differentiate them from their competitors. Attracting new customers but also keeping their regular customers coming back should also be on primary focus and can be managed through new methods and marketing.

7. Senator Maidan has a lot of potential even though it has some disadvantages. It has strong foundations that are being used wisely. If some minor changes are made, it can continue offering some of the most upscale services the apartment hotel has to offer.

8. SERVQUAL is a service quality assessment tool. Since the development of SERVQUAL, it has been extensively applied in a variety of businesses or better business models. SERVQUAL is the most favored instrument for measuring service quality.

PART 3

WAYS OF IMPROVEMENT OF TQM IN THE HOTEL «SENATOR APARTMENTS», KYIV

3.1. Developing of new model of TQM in the hotel

Training will help the staff when managing the guests' experiences. The staff at Senator Hotels and Apartments needs to be able to manage their guests' experiences to make sure that they have the best possible experience.

There are three dimensions of an experience: the influence over the environment, customer participation, and the social interaction [26]. The guests' experiences can also be seen as equaling the service product plus the service setting plus the service delivery system [24].

There is no set beginning to the experience. It may begin when the guest first hears about the hotel or when the guest first arrives at the hotel [55]. The experience also never ends. Once the guest leaves the hotel, it can be continued through follow-up surveys, conflict resolutions, or incentive programs. While the guest is at the hotel, the staff should not control the experience. Instead, they should guide it [45].

Building relationships with the guests also helps manage and guide the experiences. This way, the staff is better able to understand what their guests need and want. Using information data systems can help keep track of preferences so that the staff can build a better relationship with the guest [12].

The use of a total quality management philosophy also helps manage the guests' experiences. Total quality management empowers employees so that they can create expectations and find ways to go beyond the guests' expectations [52]. Total quality management is an ongoing process that focuses on preventing errors. Total quality management can help increase satisfaction among guests [52].

Service models in Senator Hotels and Apartments

Service models are a good way to evaluate the service experience. The service model is the gap between what the guests expect and what actually happens. The

expectations in the service model come from marketing, word of mouth communications, and personal experiences. The perceptions in the service model can be affected by tangible and intangible service aspects and personal things [39].

The service model can also be seen as customer satisfaction equaling customer expectations plus or minus the perceived value received [38]. When the service fails to meet expectations, there is a service failure. When there is a service failure, there needs to be a service recovery or a response to the failure. At times, this can turn into an opportunity for the hotel [19]. It is important to resolve this service failure because unhappy guests may tell over ten people about that negative experience. It costs five times more to attract new customers than it is to keep the repeater customers [38].

Investigating what guests of luxury hotels expect is the first thing that needs to be done when planning for success. There are varieties of methods used to investigate what guests expect. Most of these methods are qualitative methods; however, according to the General Manager of the Senator hotel, the investigation of guests' expectations is not done through traditional research, for example hypotheses are not created for the research. Table 3.1 shows models how four of the participating hotels investigate guests' expectations.

Table 3.1

Models of Investigating Guests' Expectations

Senator City Center	Senator Victory Square	Senator Maidan	11 Mirrors Design Hotel
Talk directly with the guests and use comment cards. Review group resumes for groups that are staying at the hotel.	Talk directly with the guests, as well as surveying the guests. Using the media such as various newspapers and industry publications is	Talking with the guests and building relationships with them.	Use feedback received from surveys and guests.

	also useful		
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In the context of services, functional quality is generally perceived to be more important than technical quality, assuming that the service is provided at a technically satisfactory level. The functional quality dimension can be perceived in a very subjective manner.

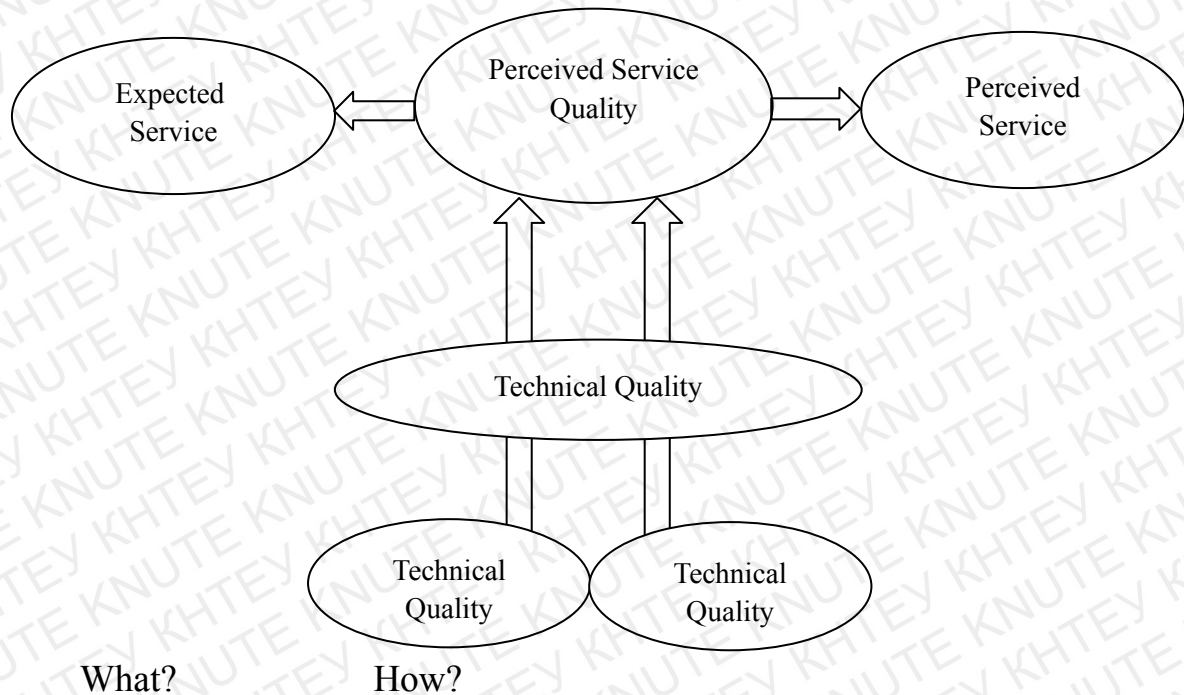


Figure 3.1 Service Quality Model at Senator Hotel

Model is important because it outlines service quality at Senator Hotels and Apartments, which must include the manner in which it is delivered. A total of five 'gaps' regarding service quality were identified, and according to Parasuraman et al. these gaps may be major hurdles in attempting to deliver a service which consumers would perceive as being of high quality. According to Parasuraman et al. A set of key discrepancies or gaps exists regarding executive perceptions of service quality and the tasks associated with service delivery to consumers. It is this last 'gap' which has the most significance. The 'Gaps' model keeps a clear focus on the perceptions of the customer, and these are seen as paramount according to Parasuraman.

The most common method of investigating guests' expectations is through directly engaging with the guest. The Sales Manager of Senator Hotel explains that

social networking sites, such as Instagram and Facebook, can also be used to investigate what guests are expecting. The Resident Manager at Senator Hotel explains that communication is also crucial when it comes to investigating and understanding what guests of luxury hotels are expecting. Through communication, the staff at these luxury hotels are not only able to communicate between departments, but also with the guests to see what their opinions are.

Luxury hotels focus on providing their guests with the best possible experience. This means they must focus on the optional level of expectations or providing the unexpected, such as a personalized welcome amenity in your room when you check-in. In doing so, luxury hotels are going one step further in understanding what their guests expect. They are understanding the guests themselves and what delights them. For example, at Senator Hotels and Apartments all children are given branded bunnies upon arrival.

Each guest is different and has different experiences and backgrounds. While it is important to understand what the guests at these hotels are expecting, it is also important to understand what impacts these expectations. Understanding what can have an impact on guests' expectations help managers at luxury hotels plan and predict for changing expectations. Major impacts on these expectations include personal experiences, the economy, and experiences of friends and family. The General Manager of Senator Hotels and Apartments also includes public relations and general perceptions into that list and explains that the media impacts expectations through Business and Lifestyle sections of newspapers. This manager explains that these reports help luxury hotels be proactive in planning for what guests are expecting. Often, these sections of newspapers report on trends and different amenities being offered at hotels. These reports allow luxury hotels plan for the future [34].

Because so many different things can impact guests' expectations, it is important that the hotel staff can find a way to manage these expectations, not just for first time guests, but also for repeat guests. Managing the expectations for repeat guests may be a little easier than it is for first time guests. The General

Manager of Senator Hotels and Apartments explains that it is important to get it right every time and provide guests with a personalized experience that will make them want to come back for more. This General Manager explains that this is done by knowing your guests' personal preferences. The staff at Senator Hotels and Apartments use an information data system to keep track of their guests' preferences, allowing them to better manage what their guests are expecting. This information data system keeps track of every piece of information possible about their guests. Through this system, the managers and staff will have information on the guest's previous stay and whether or not there were any issues and how they were resolved. The Resident Manager of Senator Hotels and Apartments stresses the importance of communication between departments and the staff and guests. This hotel, as do many others, use group resumes to have a better understanding of what different groups expect from the hotel when they visit. These resumes are distributed to each department of the hotel, and employees are able to read resumes to know what their departments need to do during the guests' stay.

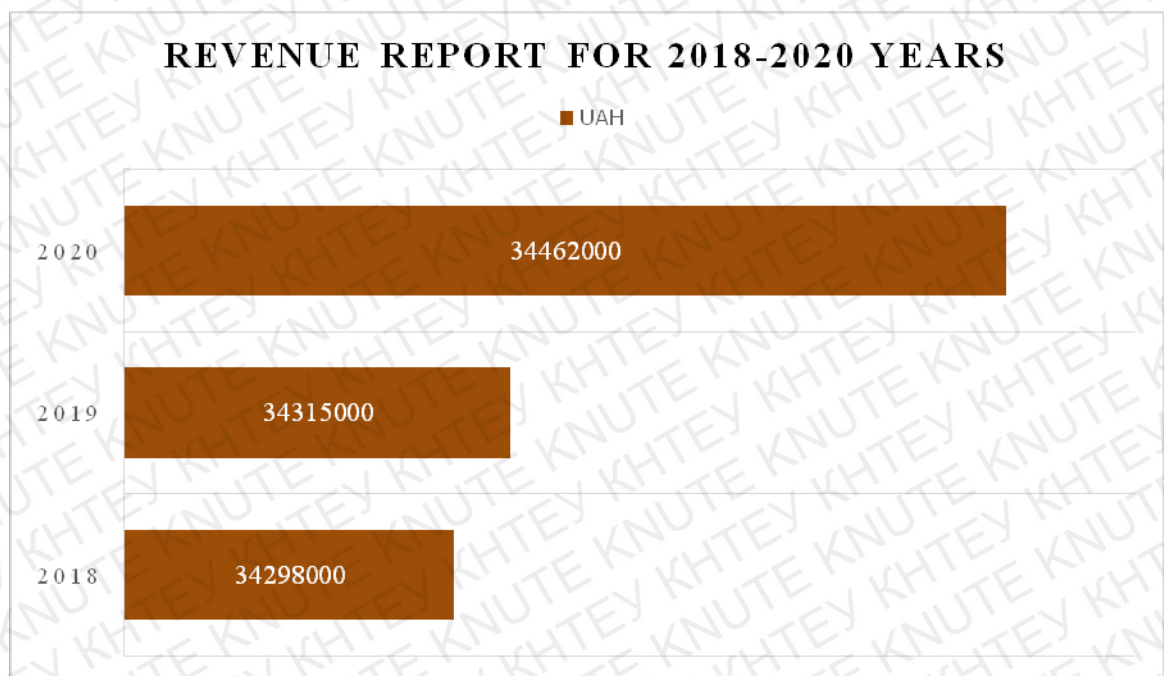


Figure 3.2 Forecasted Revenue Report at Senator Maidan

Above is a forecast for hotel Senator Maidan revenue for the next few years which shows a significant increase due to the observed recommendations. In addition, this forecast will be more accurate if during its formation all factors that

affect the hotel's occupancy (such as mass celebrations in the city, festivals, championships, etc.) are taken into account.

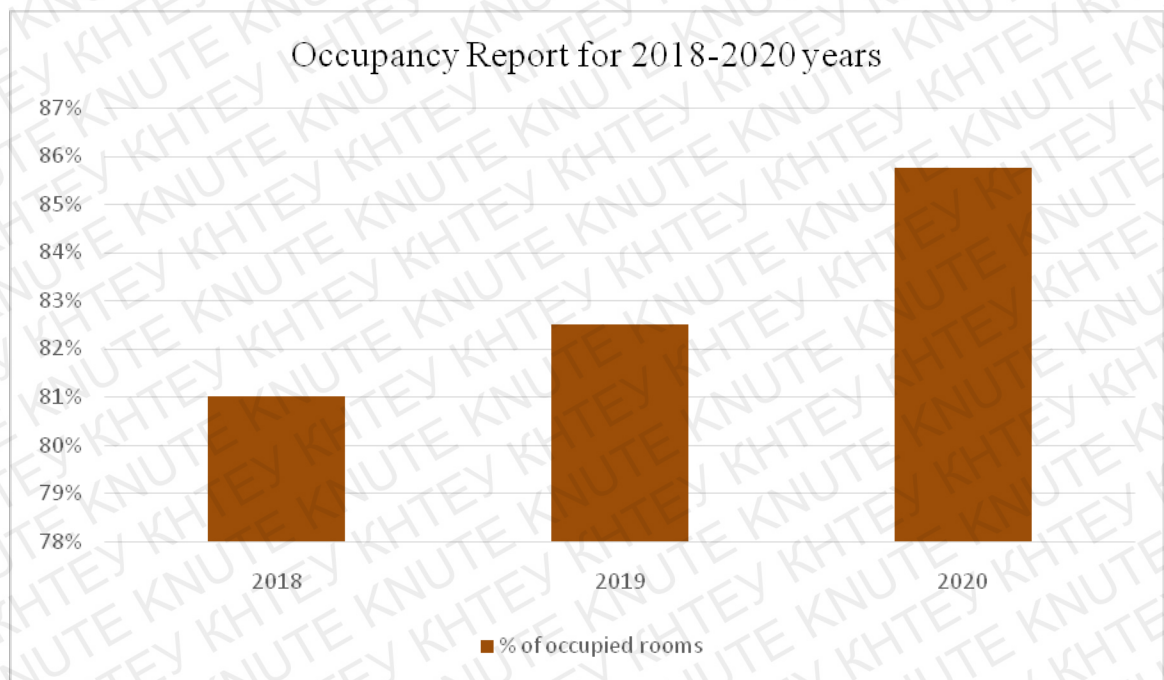


Figure 3.3 Forecasted Occupancy Report at Senator Maidan

Managing the expectations of first time guests may not be as simple as it is for repeat guests. In this, explains the importance of the hotel's reputation. It is important that the hotel is able to establish a reputation of being able to provide its guests with exceptional, consistent service. The staff at Senator Hotels and Apartments tries to pre-call all of their first time guests before they arrive. By doing this, they are able to gain a better understanding of why the guest is visiting and the guest is able to learn more information about the hotel. It is also important to manage what other people are saying about the hotel according to the General Manager of Senator Hotels and Apartments. To do this, it is crucial that the staff gives their guests and the people in the community a reason to recommend the hotel.

3.2. The program of implementation quality service in the hotel

There are many aspects of successful total quality management (TQM) program implementation. First and foremost: it must involve every employee in your business – from the very top levels to the temporary, part-time staff [40]. You

must also obtain regular customer feedback and you must implement changes where warranted by that feedback. Just as you need to drive home the message of quality to every employees, you must also work with suppliers who meet your quality standards.

At Senator Hotels and Apartments, guests are definitely the most important stakeholders. If the hotel does not offer quality services to its guests, they will find an alternative hotel that serves them well and in due time you may have to close down due to lack of customers. Here are 11 viable steps that will help the Senator Hotel and Apartments to improve and implement the quality of its services to guests [29].

Online services standards

The world has become a global village and the internet is becoming its economic hub. It is important that the hotel should not limit its services to its premises; it should also offer online services and stay in touch with its customers in the online platform. Services such as online booking, customer care and online car hire services should be availed online to improve the quality of customer service. For example Senator Hotel and Apartments uses following online system: Booking.com, Expedia, TripAdvisor, Hotel Beds, HRS, Best Eastern Hotels, New Logic etc.

Invite customer suggestions standards

In order to know what would serve the customer needs best; the hotel must be in contact with the customer. Their suggestions should be listened to with sobriety and their complaints attended to. At least a suggestion box should be strategically put a point where customers can note them.

Effective customer care standards

No doubt, it is the guests that keep the hotel going; otherwise, it would as well shut down. The guests must therefore be treated with uttermost respect. The management should [adopt a policy](#) that reminds its workers that customers are the most valuable assets they have, if they do not treat them well, their competitors will [31].

Set up an effective communication channel standards

Communication is ideal in every business set up. The hotel should set up a working flow system that will ensure that the management is always in touch not only with the workers and customers but also with other key stakeholders like suppliers, security service providers, media and potential customers.

ISO 9001:2008 certification standards

ISO 9001:2008 is a manual published by the international standards body to ensure quality assurance system in the service industry. It helps with guidelines on how to manage data, upgrade information system, carry out personnel training, handle risks and ultimately improve services. [Acquiring ISO 9001:2008 certification](#) will greatly increase customers' trust in quality of the hotel's services.

Carrying out internal audits

It is common that many at times resources are inappropriately allocated or misused. This has seen quality of customer services in hotels watered down. The hotel management should regularly conduct audits in order to ensure accountability in the use of hotel resources [11].

Set up regulations standards

Many workers can frustrate customers depending on various conditions or attitudes. Workers must ensure ethics at the hotel premises so that they give the customers their best and not their worst. For this reason, the hotel management should come up with rules that will regulate the conduct workers towards the hotel assets, customers, management and fellow workers.

Standards of establishing an effective information management system

Information management is crucial in customer satisfaction. The management should put in place a documentation system that efficiently keys in the data about the customers, allows for editing, processing and easy retrieval when need be. The [information management system](#) should be well organized and adequately secure so that only authorized personnel can access the data.

Personnel training standards

Training of personnel goes a long way in improving the quality of customer service in a hotel set up. This is because it ensures specialization in such a way that every personnel do only what they are best at. A classy hotel should not gamble with service delivery, the management should only entrust trained workers to deliver the various services. In order to keep up with modern trends, the personnel should constantly be trained on how to use the latest technology and deliver services in a modest way [13].

Allow for employee participation in strategic planning

Employees are the people on the ground; they know what exactly happens in the process of service delivery and how it can be improved. They should therefore be included the decision making process so that the best strategies are put in place.

Motivation standards

A worker with a low self-esteem can spoil a customer's day. When not motivated, employees may not give their best. The management should ensure that the hard work by the personnel is well appreciated through appraisal, rewards and promotions.

The smaller the company, the more visible the owner and top management are to all employees. Top management must not only commit to TQM and set daily examples, they must also give explicit permission to employees to act in the same manner. Staff may also need training and written guidelines to fully empower them. Not only does this help set and reinforce the important of the quality management program, it also reduces the personal risks of adapting new behavior within the company and toward customers [44].

Once the service standards are set, it is important that these standards are implemented throughout the hotel. The interviewees agreed that the best method to implement these service standards is through training. The Human Resources Department at Senator Hotels and Apartments has put together training sessions that focus solely on the service standards of the hotel. During each training session,

employees are given more information on the standards at the hotel, ideas on how to wow the guests, and stories of employees who have wowed guests in the past. The Human Resources Manager at this hotel explains that these training sessions help create employee buy in for the standards [Appendix B].

Based on the test results of the guests of all three apart-hotels, an individual program was developed to implement the quality of services to each of the complexes.

Senator Maidan:

Treat every guest like a VIP

Treat every guest like a VIP and there is no doubt that it will be a memorably positive experience guests will want to repeat. Coach staff to be attentive, responsive and have a sense of urgency for everyone, regardless of their “status”. In return, guests will reward you with their patronage, loyalty and referrals. An added bonus: when guests are feeling wonderful and special, secondary factors that may pop-up become much more minor (e.g., a small room, mediocre location, etc.).

Provide personalized customer service

Consistency does not mean that every guest should get the same service. True service excellence requires personalization and making each customer feel as though there is no one else, at that moment, more important than him or her. Front desk attendants that recognize guest or call guest by name, that are eager to help, that remember guest preferences, and that are able to provide valuable information are a huge asset that make a big difference.

The same performance support technology that hotel use for just-in-time training can also be used to provide personalized customer service at the highest level. Performance Support works in conjunction with your Property Management System to analyze the guest's profile. It makes knowledge and information extremely accessible, by displaying overlaid tooltips on top of the application itself, at the moment of need, so that agents can focus on engaging with guests on a personal level to create lasting impressions.

Senator City Center

Create a positive start for new employees

Recent studies show that employee turnover is among the highest in the hospitality industry with the average employee turnover in the Ukraine reaching 31 percent. This constant churn is very disruptive and leads to loss of productivity, low morale and poor customer service - not to mention hurting the bottom line. To combat this epidemic, leading hotels are rethinking their onboarding approach.

Onboarding surveys by the Center for Creative Leadership reveal that new employees who attended a well structured onboarding program were 69% more likely to remain at a company for up to three years. While previous new-employee initiation programs were one day affairs, today a strong onboarding strategy extends past the first day/week/month to include an on-going approach that will accompany the employee throughout the employment lifetime and support them to achieve better job performance.

Update a technology toolbox

Hospitality may be one of the oldest businesses in the world, but in this day and age it should come as no surprise that hotel efforts can only reach their fullest potential by adding modern technology. According to [reports](#) by Software Advice, hotels are fast adopting hotel management software like [property management systems](#) (PMS) to streamline the check-in and check-out process, generate financial reports, manage staff and automate daily tasks – saving time, relieving the hotel staff of the more tedious responsibilities and improving the guest experience. Taking it one step further, hotel that want to serve their staff and customers even better and get more ROI from their PMS systems are turning to Performance Support technology.

Senator Victory Square

Take measure of your customer service performance

According to one [customer service survey](#), 69% of guests define “good” guests service as having their issue or problem addressed quickly and

efficiently. With Performance Support solutions in place, hotel managers can rest assured that, their staff has the knowledge they need right at their fingertips. Using in context, process guidance that adapts to the actual conversation, front desk agents that use performance support are able to offer the best solution quickly [8].

Tie your staff's actions to the hotel's overall performance

W. Edwards Deming, the father of the quality movement, laid out [14 points for management](#) - chief among them is the concept of "constancy of purpose." This means instilling purpose in employees by showing them that what they do every day in the workplace has a big effect – such as impacting the guest experience and the hotel's revenues. By tying individual behavior to a larger system, it will give employees a sense of how important it is that they practice good quality service every day.

In an industry where service is king, the value of delivering a great guest experience is familiar territory to hoteliers. Less known are the new social and professional realities and innovative technologies that can boost hotel efforts to facilitate an unforgettable guest experience, in an increasingly competitive marketplace.

Hotels that are truly striving to build a “world-class” service culture will make every effort to develop service standards that emphasize exceptional service for every customer. One of the key factors that separate good service from truly exceptional service is consistency. Consistency means repeatable. A [successful hotel general manager](#) needs to be confident that in any given situation, the hotel staff knows how to respond and act appropriately. Whether it is in the morning or afternoon or evening, whether it is a weekend or a weekday, rain or shine, and regardless of whom happens to be working that day.

The Gantt chart is one of the most convenient and popular ways graphical representation of the time and resources of the tasks. As planning tool used in personal and corporate time management, project management.

Below is a schedule of planning in the form of Gantt chart (figure 3.2), which shows timeframes all the goals were fulfilled.

Model planning

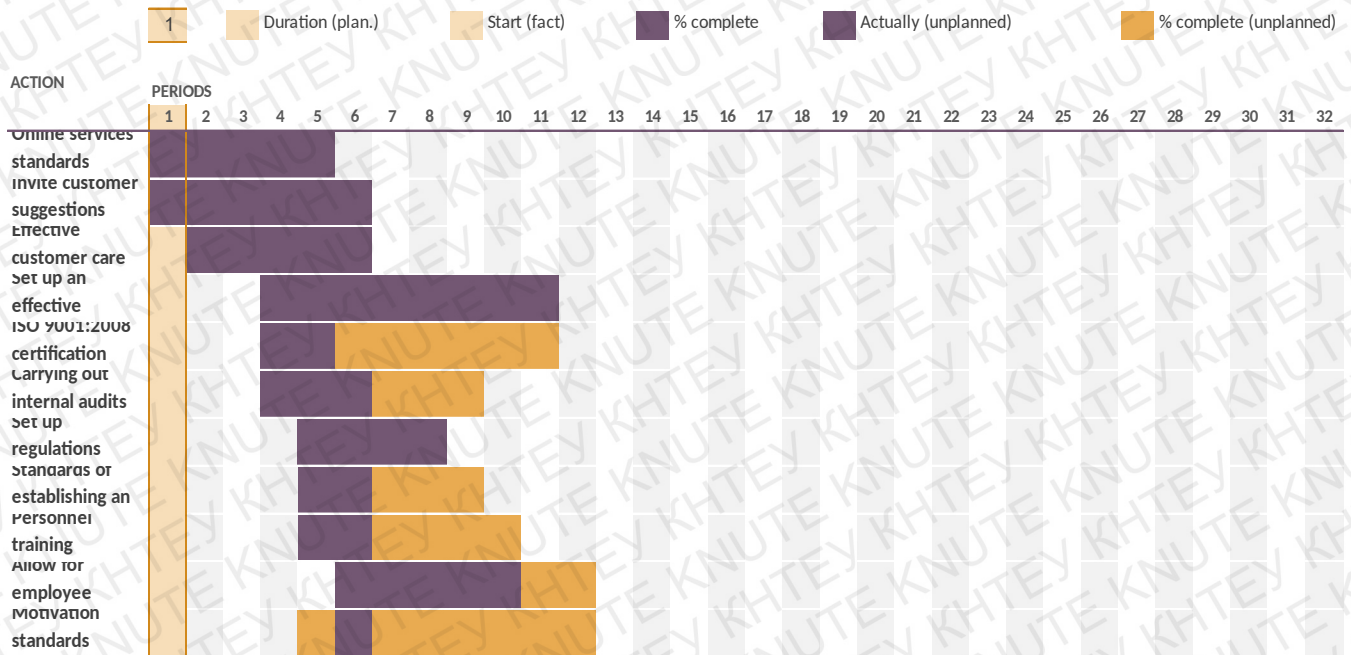


Figure 3.4 Gantt chart for the implementation of total quality models

The Gantt chart that was used above for the implementation of quality standards is a segment placed on a horizontal time scale. Each segment corresponds to a separate project, task or subtask. Projects, tasks and subtasks that make up the plan are placed vertically. The beginning, end, and length of a segment on the time scale correspond to the beginning, end, and duration of the task.

CONCLUSION TO PART 3

1. Service gaps are a good way to evaluate the service experience. The service gap is the gap between what the guests expect and what actually happens. The expectations in the service gap come from marketing, word of mouth communications, and personal experiences. The perceptions in the service gap can be affected by tangible and intangible service aspects and personal things.
2. Building relationships with the guests also helps manage and guide the experiences. This way, the staff is better able to understand what their guests need and want. Using information data systems can help keep track of preferences so that the staff can build a better relationship with the guest.

3. Each guest is different and has different experiences and backgrounds. While it is important to understand what the guests at these hotels are expecting, it is also important to understand what impacts these expectations. Understanding what can have an impact on guests' expectations help managers at luxury hotels plan and predict for changing expectations.
4. At Senator Hotels and Apartments, guests are definitely the most important stakeholders. If the hotel does not offer quality services to its guests, they will find an alternative hotel that serves them well and in due time you may have to close down due to lack of customers.
5. The smaller the company, the more visible the owner and top management are to all employees. Top management must not only commit to TQM and set daily examples, they must also give explicit permission to employees to act in the same manner. Staff may also need training and written guidelines to fully empower them.
6. One of the key factors that separate good service from truly exceptional service is consistency. A [successful hotel general manager](#) needs to be confident that in any given situation, the hotel staff knows how to respond and act appropriately.
7. The interviewees agreed that the best method to implement these service standards is through training. The Human Resources Department at Senator Hotels and Apartments has put together training sessions that focus solely on the service standards of the hotel.
8. The Gantt chart is one of the most convenient and popular ways graphical representation of the time and resources of the tasks. As planning tool used in personal and corporate time management, project management.

CONCLUSIONS

1. Quality is the most important factor for sustaining the competitive advantage. It is the measurement of how well a company can meet or exceed its customers' requirements and expectations.
2. The advantages of introducing TQM for the service sector, tourism and hotel industry are big, both economically and socially. Poor business productivity and unsatisfactory quality of the product and service are weaknesses of Ukraine's economy. Ahead lies the process of learning and introducing TQM for our economy, as this is a condition and necessity for inclusion into world business trends and world markets.
3. Total Quality Management (TQM) is a system which guarantees a stipulated quality. Quality is, therefore, the result of a defined TQM system for specific activities, for the company and specific tasks and activities within the company.
4. Quality is best illustrated by the slogan Your Wishes Are Already Satisfied. Customers' needs, expectations and requirements should, therefore, be foreseen, specified and satisfied as quality is customer defined. Quality is an on-going process. Customer requirements are constantly undergoing change. They are becoming increasingly demanding.
5. TQM methods and techniques can be applied in all organizations – manufacturing plants, service organizations, public services, legal and law enforcement, education, and others. More than ever TQM is being accepted and becoming a way of thinking and a way of life.
6. In the industry of hospitality, total quality management (TQM) is a sharing process that authorizes employees in different levels to work in groups in order to start guest service prospects and determine the most suitable approach to meet or exceed these prospects. And in order to have those groups formed an organization needs to employ a leader who creates the required motivation to incorporate guests and employees in the process of setting goals and objectives. Implementing TQM in hospitality organizations in particular will

improve customer satisfaction, competition condition and cost effectiveness as well.

7. The aim was to get more information about the hotel's operation and see what are its strengths and weaknesses. This was done through a basic level strategic analysis that included a PESTE analysis made by the researcher and a SWOT-analysis based on the hotel's employees' answers to a questionnaire. Although basic strategic analysis tools were used, the intention of the researcher was never to form an official analysis but rather give the readers a framework on what should be taken into account.
8. The SERVQUAL model is the most popular model to measure the customer satisfaction in almost services industry. The model is based on the guest's evaluation of service quality, which is a comparison of the expected and the obtained value as well as a consideration of gaps in the process of service provision.
9. The quality management has become an essential part of the companies' management willing to success on the given market. In hotel industry, there are three basic concepts of quality management applied presently: the concept of business standards, the concept of ISO standards and the concept of total quality management.
10. This research with its results will give an excellent opportunity to the hotel's staff to examine their possible problems and find ways of improvement. It offers a good framework and basis for their own official analysis.
11. The results show that the hotel needs to focus on improving their premises and add new innovative products that will differentiate them from their competitors. Attracting new customers but also keeping their regular customers coming back should also be on primary focus and can be managed though new methods and marketing.
12. The hotel is maintaining a good image and services, the hotel's organizational culture and leadership style need some changes. Superiors should find ways to increase employee motivation and create more interaction between different

levels in the organization. This could lead to positive effects for the hotel such as better service, more ideas and insight look for the superiors on matters that they might not take into account. Moreover, this will enhance relationships between employees and managers and create a good working environment.

13. Hotel has a lot of potential even though it has some disadvantages. It has strong foundations that are being used wisely. If some minor changes are made, it can continue offering some of the most upscale services the apartment hotel has to offer.

14. Service gaps are a good way to evaluate the service experience. The service gap is the gap between what the guests expect and what actually happens. The expectations in the service gap come from marketing, word of mouth communications, and personal experiences. The perceptions in the service gap can be affected by tangible and intangible service aspects and personal things.

15. Each guest is different and has different experiences and backgrounds. While it is important to understand what the guests at these hotels are expecting, it is also important to understand what impacts these expectations. Understanding what can have an impact on guests' expectations help managers at luxury hotels plan and predict for changing expectations.

16. At Senator Hotels and Apartments, guests are definitely the most important stakeholders. If the hotel does not offer quality services to its guests, they will find an alternative hotel that serves them well and in due time you may have to close down due to lack of customers.

17. The smaller the company, the more visible the owner and top management are to all employees. Top management must not only commit to TQM and set daily examples, they must also give explicit permission to employees to act in the same manner. Staff may also need training and written guidelines to fully empower them.

18. One of the key factors that separate good service from truly exceptional service is consistency. A [successful hotel general manager](#) needs to be confident that in any given situation, the hotel staff knows how to respond and act appropriately.

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APPENDECIES

Appendix A

Article«Total Quality Management in hospitality industry»



**КИЇВСЬКИЙ НАЦІОНАЛЬНИЙ
ТОРГОВЕЛЬНО-ЕКОНОМІЧНИЙ УНІВЕРСИТЕТ**

INTERNATIONAL HOTEL BUSINESS AND TOURISM

**Articles of master programs students
Specialty 073 «Management» (specialization «Hotel
and Restaurant Management», «Tourism Management»),
241 «Hotel and Restaurant Business»
(specialization «International Hotel Business»),
242 «Tourism» (specialization «International
Tourism Business»)**

Київ 2018

LISNYI M. PERSONNEL MOTIVATION METHODS IN HOSPITALITY BUSINESS	82
MEKH F. CRM IN THE ENVIRONMENT OF HOSPITALITY BUSINESS	87
PASTUSHENKO O. MARKETING STRATEGY OF THE RESTAURANT CHAIN	93
POPOVA L. DEFINITION, SYSTEMATISATION AND ANALYSIS OF ECONOMIC STRATEGIES.....	100
POZNIAK T. HOSPITALITY MARKETING TRENDS FOR HOSTELS	106
ROMANCHUK M. CORPORATE SOCIAL RESPONSIBILITY IN UKRAINE: A CORPORATE GOVERNANCE APPROACH	111
STELMAKH K. THE PRODUCT INNOVATIONS IN THE HOTEL CHAINS	115
ZABUGA (HOLOVATIUK) ZH. TOTAL QUALITY MANAGEMENT IN HOSPITALITY INDUSTRY	119
PART 2. INTERNATIONAL TOURISM BUSINESS	
ANCHISHKIN Y. FORMATION OF A TOURISM PRODUCT IN THE FIELD OF SPORTS-AND-HEALTH TOURISM	126
ASANOV E. FACTORS INFLUENCING TOURISTS DECISION-MAKING ON CHOOSING A DESTINATION.....	131
CHEGRYNETS D. INTERNET MARKETING IN MANAGEMENT OF TOUR OPERATOR.....	136
CHERNENKO B. SHARING ECONOMY IN MANAGEMENT OF TOUR OPERATOR.....	141
CHERNOVA K. PHENOMENON OF «NEW TOURISM» IN THE FIELD OF SPORTS AND HEALTH TOURISM; EMPHASIS ON THE PSYCHOLOGICAL MOTIVATIONS OF TOURISTS.....	147
HAVDAN U. THE CONCEPT OF CULTURAL TOURISM AND APPROACHES TO ITS DEFINITION	155
KOHANCHUK Y. MOBILE SALE TECHNOLOGIES OF TOUR OPERATOR	160

CONCLUSION. Innovation has an important role in today's economies. There is no company which can survive in this changing environment without being able to innovate from time to time. In the paper first the innovation theories were introduced and reviewed including the success factors, the advantages, disadvantages and the pitfalls of innovation. The hotel chains concentrate on organizational and human capital innovation according to other grouping, but they are rarely applying technological innovation.

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Work is executed under scientific guidance of the Candidate of Economic Sciences,
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TOTAL QUALITY MANAGEMENT IN HOSPITALITY INDUSTRY

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У цій статті досліджується сутність загального управління якістю у готельній індустрії. Проаналізовано основні елементи управління якістю послуг. Визначено основні складові програм якості та їх ефективність. Визначено основну систему управління якістю для готелів, а також основні фактори, що впливають на економічний характер управління якістю послуг.

Ключові слова: *якість, загальне управління якістю, цикл якості, елементи якості, сервіс.*

In this article was research the essence of total quality management (TQM) in the hotel industry. The key elements of service quality management are analyzed. It is defined the main components of quality programs and its effectiveness. The main system of TQM for the hotels is determined as well as the main factors that have influence on economic nature of service quality management.

Key words: *quality, Total Quality Management, quality cycle, elements of quality, service.*

Actuality of the topic. Quality today is a fundamental factor for market survival, competitiveness and profitability. Strategic business planning is based on a TQM system. Quality is not produced, it is a management tool.

Total quality management is the integration of all functions and processes within an organization in order to achieve continuous improvement of the quality of goods and services. The goal is customer satisfaction.

The importance of TQM in the hotel industry has risen to an extraordinary level because of the change in preferences of hotels' behaviour and the growth of competitiveness of new tourist destinations. The application of existing, well-tested ideas on quality improvement is an important issue to hotel enterprises.

TQM is based on all members of an organization participating in improving processes, products, services and the culture in which they work. The methods for implementing this approach are found in the teachings of such quality leaders as Philip B. Crosby, W. Edwards Deming, Armand V. Feigenbaum, Kaoru Ishikawa and Joseph M. Juran [3].

The purpose of the article is to consider the essence of total quality management in the hotel industry.

Research result. Total Quality Management (TQM) is a system which guarantees a stipulated quality. Quality is, therefore, the result of a defined TQM system for specific activities, for the company and specific tasks and activities within the company.

Development of quality in developed economic countries has shown that quality is something which is built, developed and constantly enhanced. The system TQM is totally market oriented, buyer-led, as the process starts with the guest (what he wants) and finishes with the guest (a satisfied buyer). This is a cycle consisting of five basic activities: planning quality, realising quality, evaluating quality, achieving quality and improving quality, which is being constantly repeated.

The advantages of introducing TQM for the service sector, hotel industry are big, both economically and socially. Poor business productivity and unsatisfactory quality of the product and service are weaknesses of Ukraine's economy. Ahead lies the process of learning and introducing TQM for our economy, as this is a condition and necessity for inclusion into world business trends and world markets.

A term first used to describe a management approach to quality improvement. Since then, TQM has taken on many meanings. Simply put, it is a management approach to long-term success through customer satisfaction.

The key issues and terminology related to TQM:

- The cost of quality as the measure of non-quality (not meeting customer requirements) and a measure of how the quality process is progressing.
- A cultural change that appreciates the primary need to meet customer requirements, implements a management philosophy that acknowledges this emphasis, encourages employee involvement, and embraces the ethic of continuous improvement.
- Enabling mechanisms of change, including training and education, communication, recognition, management behavior, teamwork, and customer satisfaction programs.
- Implementing TQM by defining the mission, identifying the output, identifying the customers, negotiating customer requirements, developing a «supplier specification» that details customer objectives, and determining the activities required to fulfill those objectives.
- Management behavior that includes acting as role models, use of quality processes and tools, encouraging communication, sponsoring feedback activities, and fostering and providing a supporting environment [7].

Conditioned by fierce competition and increasing consumer demands quality has become the fundamental factor for market survival, profitability and the country's total economic development: especially for specific areas of activity and types of companies.

Modern business strategy is based on intent of quality control of product and of service. Quality today, is not manufactured, but used as a management tool.

One of Ukraine's economic weaknesses and causes of poor business productivity and performance is the unsatisfactory quality of its products and services.

TQM is a new area of study in Ukraine's economic theory. Only recently have several real-life cases used this system. Much more is spoken, rather than known about it. For this reason, special attention is devoted to this theme with the objective to explain and interpret this concept, to emphasize the advantages of implementing a total quality system for Ukraine's economy, especially for the hotel industry.

Management is a complicated concept and is concerned with the act or manner of managing. It describes the process of co-ordination of efficient use of human and material resources to accomplish given goals. The management process is concerned with the following functions: planning, organizing, leading, staffing and controlling.

Quality today is defined from two aspects: the production and service aspect and the consumer aspect.

From the production service aspect quality is defined as a specification of properties or characteristics which the product or service has to satisfy as a standard. Standardization is, therefore, a regulated quality. From this it follows that the intent of quality is the level attainable representing the highest standards, or conformance to specification. This definition of quality dominated the industrial revolution and is typical for mass production.

As a result of market development and marketing the prevailing definition of quality today is from the aspect of the buyer, consumer, client, guest, generally speaking, the user of the product and service.

Quality is the level of guaranteed satisfaction needed to satisfy customer needs and requirements — ability to meet exceeding customers' expectations. Standards or norms are regulated quality. They regulate elements of quality which are sought and expected by the buyer.

Quality is best illustrated by the slogan *Your Wishes Are Already Satisfied*. Customers' needs, expectations and requirements should, therefore, be foreseen, specified and satisfied as quality is customer defined. Quality is an on-going process. Customer requirements are constantly undergoing change. They are becoming increasingly demanding.

Quality and standards (norms) are the same. Standards are regulated quality as well as a measure of realized quality, which means without clear-cut and understandable standards quality can not exist, as quality implies one-hundred percent compliance to standards — no deviation whatsoever from the regulated elements of quality implies, therefore, zero defects.

Quality today is more than just producing a good product; it belongs to the area of management. Quality management is a very complicated process. TQM integrates strategy, effectiveness and efficiency of the process, team work and delegation of responsibility and decision-making. Critically, TQM, so it is said, is an old thing with new and complicated elements.

Quality management brings together all forms of business techniques — existing and new, for improving business performance, and all professional knowledge and material means, all of which are directed towards permanently improving all processes using all available human and material resources [2].

The system TQM is totally market orientated — customer driven. In a total quality system the customer is king. The process begins with the customer (what the customer wishes) and ends with the customer (a satisfied customer). Every participant in creating quality is important: every employee works, makes decisions and is responsible for his task.

The burden of responsibility for quality is no longer carried by inspection and control, instead, by the employee who produces or performs a service, management, planning, etc.

The cycle of quality is a complicated process and includes: planning of quality, quality realization, control and evaluation of the achieved quality and quality improvement. Said briefly: plan, achieve, check, improve.

The first and fourth phases — planning and improvement belong to the management system. Based on practical experience (quality realization) and acquired knowledge (gained from research and constant education) management forms ways for quality improvement and includes them in a

new plan for quality. The quality cycle is repeated as the system for quality is based on permanent enhancement.

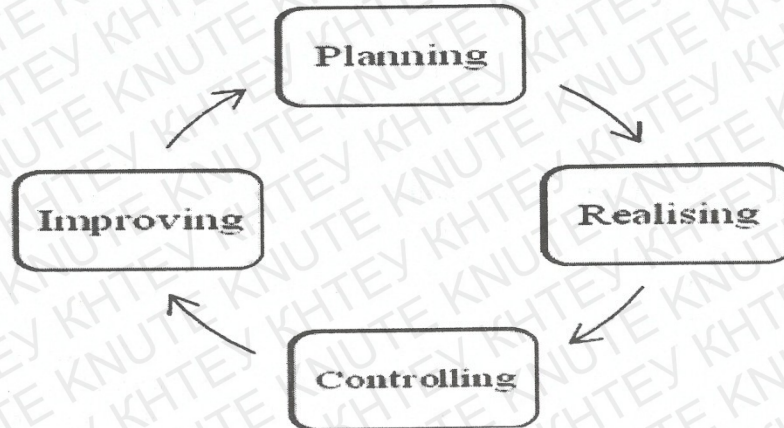


Figure 1. Quality Cycle

Control and inspection are replaced by training and constant education — the role of management is shifted from control to education. Training and education is obligatory for all managers and for all employees. Each has a tailored program of quality — the manager learns the principles of quality, and the worker how to do the job [6].

Organization of the total quality system should be flexible. A special organizational department (sector or department for Quality Control) through its overall functioning and responsibility belongs to the highest management ranks. The task of securing quality (responsibility of the quality manager and one or more inspectors) consists mostly of co-ordination of responsibility for quality in the areas: marketing, purchasing, production, development, finance, personnel — everybody in the firm is responsible for quality.

The concept quality is based on prevention. Activity in achieving quality is, therefore, mostly concentrated on planning and somewhat less on inspection and control. This is confirmed by the rule: everyone is responsible for his job and all are directed towards achieving a mutual objective of total quality as the sum of individual qualities. Anyone can endanger quality. Responsibility for the defined mistake (deviation, lapse) can not be transferred onto the quality controller as he is neither the source of the mistake, nor can he correct it — he can only confirm it. Evolution of activities of firms orientated towards quality is readily shown in the development changes given in table 1.

Table 1

Trend of Activities Orientated Towards Quality

Stage	Earlier Trends	New Trends
1	Inspection/control	Planning, prevention
2	Products	Products and services
3	Specification	Customer focus
4	Focus on production processes	All processes
5	Empirical	Statistical methodology
6	Separation from plans	Participation in planning
7	Opposing interests with suppliers	Team work and co-operation with suppliers
8	Quality specialists' training	Training for all
9	Technology	Business performance: sale, costs
10	Client	All buyers: external and internal
11	Orientation on production	Orientation on total business performance

Quality costs, i.e. costs of gaining and retaining quality can be divided into internal and external costs.

Internal costs are: marketing costs, planning costs, product and service design costs, planning and specification (standards) costs, follow up research costs for mistakes and lapses, material control, production and service costs, quality improvement costs, training and education costs (program for achieving quality), mistakes' and lapses' costs (waste, repair and lost time), and other miscellaneous costs.

External costs are: product replacement costs, lapses due to bad quality, and so on.

These costs can be measured and recorded by the hotel. The most serious non-measurable loss for the hotel, however, is the loss of its market reputation, loss of buyer trust, reduction of competitive potential, loss of market share, low prices, low income, and for the hotel industry — loss of the guest. The greatest loss is when the buyer is confronted with the mistake and has to pay for it [5].

Practice confirms the advantages of introducing a TQM system for a company.

They are:

- increased quality of product and of service
- increased customer satisfaction
- better company competitive ability and market strength
- reduced business costs
- increased business profits
- increased employee satisfaction
- increased management quality
- improved company reputation and reliability.

The concept total quality is based on respect of the individual and social responsibility. It has the tendency to embrace all activities of the individual and society as a whole. Quality is culture. Quality is a process which has the ability to shape the future.

TQM methods and techniques can be applied in all organizations – manufacturing plants, service organizations, public services, legal and law enforcement, education, and others. More than ever TQM is being accepted and becoming a way of thinking and a way of life. The serious, necessary, effort needed to change existing ways of understanding and prevailing attitudes towards work and life should not, however, be underestimated.

Total quality management for the service area is specific as services, in relation to the product, have special characteristics. They are:

- intangible
- of short-term duration
- simultaneous
- heterogeneous

Different products and services is the aggregate: hotels, restaurants, transport, shops, cultural institutions and other. Further factors are the local population and local economy. It is necessary to define an objective for all of these factors — constant intent of quality. All of these elements make it very difficult to construe a single definition for quality of the hotel product -- quality management a very complicated task.

In spite of its complicated nature, total quality management of the hotel product is possible and very necessary. Hotels' demands are increasing and the objective of the industry should be to satisfy and over-satisfy guest's expectations.

The service sector took TQM from the manufacturing sector, and adapted it to the characteristics of the tourism and hotel industry. Based on the manufacturing sectors example and achieved good results, the service sector adopted the business rule that productivity, quality and profit constitute a single whole. This represented the motive for the improvement and development of quality tourism services. Quality becomes a decisive factor of efficiency and competitiveness on the turbulent tourism market [4].

TQM characteristics for the hotel industry are determined by typical characteristics for hotel services. Hotel services belong to mass services. Besides the already given general characteristics of services, they are characterized by the following:

- high-level of working intensity
- high-level of personal contact with the guest
- type of service dependent on guest's choice
- intangibility of service, catering products are tangible (food, drink, room)
- interdependence of service and the catering product which are inseparable
- service user – guests are heterogeneous.

Because of the above given characteristics the burden of quality is born by the executor of the service, catering personnel and the hotel management. Quality is prescribed through work standards. Work standards are specifications which prescribe elements of quality for the hotel personnel: knowledge, skill, experience, appearance, behavior and other requirements. Personal quality can be measured and assessed with the aid of a Proficiency Graph and Psychograph.

Besides this, every individual procedure and task in the work process is prescribed through standards. Every employee needs to know exactly: what, how, when, at what time and why something should be done. Every worker is responsible for his task. If the guest requests something it is the task of the worker to whom the guest first refers, to satisfy the guest and solve the problem at hand. Guests' requirements and demands are constantly increasing, they have already gone beyond typical classical hotel services and standards, making it persistently more difficult to secure the objective: to foresee the guests' wishes and satisfy them.

The model of approach for quality enhancement and establishment of a plan is based on answers to the following questions:

- who is the guest?
- what does he think of us?/how do we appear in his eyes?
- how can we become better?
- what measures of enhancement do we need to implement?

The required preconditions which have to be fulfilled to enhance quality development and introduce a system of quality control are:

- introduce marketing
- develop a program for quality
- build-up system of logistics
- reorganize the total business operation
- computerize the business [1].

The analytical method Contact Point Analysis (CPA) can be used to record the hotel's guests' opinions with the objective to identify weaknesses and strengths, i.e. the gap between the expected and actual quality of the hotel services. The system records the guest's first movements from entering the hotel until leaving the hotel.

CPA is a useful and economic method (if we use a sample). It has not yet found its application in our hotel industry, mostly used abroad in isolated cases of research (by international hotel chains such as Intercontinental).

The hotel's quality of service (CPA method adopted to the hotel business) can be tested in the following way: monitor unknown guest — incognito inspector, from telephone conversation to payment of bill. Tested areas are:

- telephone inquiry/reservation
- guests' arrival; checking-in (from railway station, airport, etc.)
- total experience for hotel services (breakfast, lunch, evening meal, other services)
- checking-out/payment-of-bill.

Exact characteristics of quality are defined for each given area. Each one is evaluated by the inspector (as per a defined scale). For example, elements of quality for the guest's arrival and checking-in are: transport from the railway station, airport, and so on, addressing the guest by name, available choice of rooms for smokers/non-smokers, accompanying the guest to his hotel room, explanation of technical details for the hotel room, explanation of hotel facilities, written hotel information and rules, parking facilities, first impressions of parking facilities, path from parking lot to the hotel, first impressions of hotel, first contact with hotel personnel, guest's first impressions of hotel personnel, modes of greeting, checking-in procedure and reception, use of foreign languages, interest shown for the guest's special wishes.

Table 2

TQM enables the following objectives to be achieved in all the hotels processes and departments

1) no free-fall and no delay	the guest must not be kept waiting
2) no mistakes	the guest must not suffer or be the victim of mistakes made by personnel
3) no unnecessary warehousing	material or miscellaneous inventory
4) minimum use of paper	minimum use of written communication and use of internal forms
5) no excess employment or sour inter-personal relationships	
6) team work and team spirit	team building

Conclusions. TQM has become a vital cornerstone to gain a competitive edge, productivity and high customer satisfaction. Different from classical systems of quality control based on incurred mistakes (resulting from variation of given standards), TQM is based on prevention, i.e. preventing mistakes. Quality should, therefore, be achieved from the very beginning and constantly present. Quality means respecting standards (prescribed norms) one-hundred percent. This is achieved through stimulating and rewarding the employee (awards, recognition).

The paradigm of TQM applies to all enterprises, both manufacturing and service, and many companies in manufacturing, service, and information industries have reaped the benefits [9]. Industries as diverse as telecommunications, public utilities, and health care have applied the principles of TQM.

Total Quality Management program is characterized by customer focus, full participation, process improvement and process management and planning. TQM implementation process is a very long-term procedure.

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The work is executed under scientific guidance of the Doctor of Sciences,
Professor MAZARAKI A.A.

Table 1.1 Rating of customer's expectation and perception

S. No	SERVQUAL Attributes	Modified Definition for Hotel industry	1	2	3	4	5
1	Reliability	i. Ability to deliver the promised service					
		ii. Hotel equipment is always functioning					
2	Responsiveness	i. Hotel staff are always willing to help guest					
		ii. promptness of room service					
3	Assurance	i. Guests feel safe and secure while staying in the hotel					
		ii. Hotel staff are knowledgeable to answer guests					
		iii. Guests feel that the hotel services are provided at a competitive and affordable price					
		iv. Hotel staff have the proper skill to perform requested services					
4	Empathy	i. Hotel staff pay attention to guests' specific needs					
		ii. Hotel staff take guests' best interest at heart					
5	Tangibles	i. Hotel has good looking furniture, soft furnishings and fittings					
		ii. Hotel has comfortable beds, furniture and fittings					
		iii. Hotel's equipment and facilities appear clean and shiny					
		iv. Everything in the room works and is easy to use					
		v. Hotel has a well-dressed staff					
		vi. Hotel ambiance is attractive and has variety.					
6	Competence	i. Employees knowledge about local place of interest					
7	Access	i. Accessibility of the service provider					

Table 1.1 continuation

S. No	SERVQUAL Attributes	Modified Definition for Hotel industry	1	2	3	4	5
8	Courtesy	i. Politeness and respect of the staff to customer					
		ii. Behavior of the staff					
9	Communication modes	i. Phone (long distance and international line)					
		ii. Quality of communication (voice clarity)					
		iii. Availability of Wi-Fi in hotel room					
		iv. Fax facility					
		v. Scanner and printer availability					
10	Credibility	i. Trustworthiness of service provider					
		ii. Honesty of the service provider					
11	Security	i. Alarm provided for danger					
		ii. Fire proof arrangement					
		iii. Accidental facility					
		iv. General safety					
12	Understanding /Knowing the customer	i. Efforts by the service provider to know the customer					
13	Food, Amenities and Entertainment	i. Quality of food					
		ii. Choice of food					
		iii. Restaurant amenities					
		iv. Entertainment facility like T.V. & DVD					

Table 1.2SERVQUAL scale for customer's expectation

1	2	3	4	5
Not very important	Somewhat important	Moderately important	Important	Extremely important

Table 1.3SERVQUAL scale for customer's perception

1	2	3	4	5
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Terrible	Poor	Average	Very good	Excellent
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Appendix C

Analysis of external and internal service standards in the hotel “Senator Maidan”

Every organization should have a basic expectation for employees to provide good customer service and Senator Hotel and Apartments is no exception.

Many hotels will define their standards of service and train employees on how they are expected to behave when interacting with guests.

Firstly, it is need to identify and understand the different customer groups.

Senator Hotel and Apartments has two kinds of customers:

External Customers: Those who purchase a product or service.

Internal Customers: Anyone within the organization who at any time is dependent on anyone else within the organization

For each of these customers groups, there are behaviors that can add to a positive service experience. Following are some examples of service standards of behavior that will affect (if consistently demonstrated) great customer service. Many of these standards can have measures attached to them for appraisal purposes.

External Customers

- We will greet our customers in a courteous and professional manner.
- We will listen effectively to our customers’ requests and promptly take the necessary actions to assist them. We will keep our customers informed of unexpected delays in service.
- We will inform our customers of normal process time, when they can expect completion and any delays that may arise in the process.
- We will be in contact with our customers to update them as to where we are in the process.
- We will respond to website questions/requests within 24 hours during normal business hours.

- We will respond to applicants (employee/volunteer) within 24 hours of normal process time to let them know when they can expect completion and any delays that may arise in the process.
- We will finish our encounters with our customers in a courteous and professional way.

Internal Customers

- We will interact with each other in a courteous and professional manner.
- We will inform our internal customers of normal process time, when they can expect completion and any delays that may arise in the process.
- We will be in contact with our internal customers daily, either by e-mail or phone, to update them as to where we are in the process.
- We will work to resolve issues with coworkers and other departments by discussing problems directly and working toward agreed upon solutions.
- We will be considerate, cooperative and helpful to every staff member to assure quality services.
- We will hold each other and ourselves accountable for addressing inappropriate comments and behavior.

Telephone Etiquette

- When at our desks, we will answer the phone within two rings.
- We will identify ourselves when we answer.
- We will listen to the caller's request and assist the caller accordingly.
- If we cannot assist the caller, we will direct the call to the appropriate person. Before transferring the call, we will obtain the caller's permission and provide the caller with the name and extension number of the person who will be helping the caller.
- We will obtain the caller's permission before placing the call "on hold" by asking and waiting for a response before initiating the hold function.

- We will end the conversation in a courteous and professional way by thanking the caller. We will wait for the caller to hang up first.
- We will notify our customers that someone is unavailable by saying, “He/She is unavailable. Is this an urgent issue or may I take a message?”

Voice Mail

- We will respond to voice mails within 24 hours during normal business hours.
- We will update our [voice mail greeting](#), advising callers when we will be out of the office for an extended period of time (1/2 day or longer), informing callers of when we will return and who they may contact with questions (if applicable).

E-mail

- We will respond to e-mails within 24 hours during normal business hours.
- We will update our e-mail notification message when we will be out of the office for an extended period (full day or more). We will indicate our expected return date and indicate a contact person (if applicable).

General

- We will make our goal to exceed the expectations of all of our customer groups.
- We will work to anticipate the needs of those we serve by proactively working to meet their needs.
- We will hold each other and ourselves accountable for our service commitment.
- We will be conscious of our communication style (i.e.; audible voice, eye contact when speaking to someone, tone of voice) and communicate in a professional manner.
- We will make a conscious effort to compliment coworkers when their actions comply with these standards.

Taking care of all customer groups is key to business success. Investing the time to create service standards, and holding employees accountable for adhering to standards, is a basic management practice that should be incorporated into a [structured performance management process](#).

Appendix D

Senator Hotels and Apartments Logo

Appendix E

Senator Maidan rating on the website Booking.com

SENATOR

HOTELS & APARTMENTS

Appendix F



Апарт-отель **Senator Maidan** ★★★★★

Шевченковский, Киев – [Показать на карте](#) (450 м от центра)

Апарт-отель премиум-класса Senator Maidan расположен в самом центре Киева, в 120 метрах от площади Майдан Незалежности. Среди удобств бесплатный Wi-Fi и бесплатная частная парковка.

Пользуется спросом! За последние 24 часа забронировано 5 раз

Превосходно **9,2**
433 отзыва

Расположение 9,6

[Показать цены](#)

B Вас еще интересует **Senator Maidan**? Введите даты и забронируйте, пока не поздно.

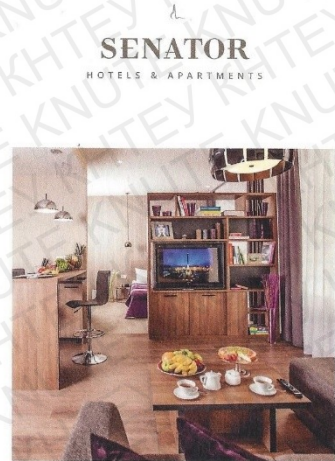
Guest Satisfaction Survey in Senator Maidan

Thank you for choosing Senator Hotels and Apartments. We truly believe that you have had an enjoyable stay during your visit to Kyiv. We certainly hope you will return to us, again and again.

Please take a brief moment to complete our Guest Satisfaction Survey to tell us about your experience with our apart-hotels. We value any comments and suggestions you may have as we strive for the best on every detail when serving our guests.

In return, you have a chance to win a free night with breakfast at one of our apart-hotels. Your privacy is important to us, and your personal data and answers will be kept strictly confidential.

We look forward to welcoming you back to Senator Hotels and Apartments soon!



SENATOR
HOTELS & APARTMENTS

Upon completion, please leave the Survey in the apartment or at the Front Desk. The draw will take place on a regular basis on January 16 and July 14 each year. The winners will be notified in writing. By completing the Survey, you hereby agree that in case you win a free night, our guests of Senator Hotels and Apartments will know your name. The prize is not redeemable for cash. Our employees are excluded from participating in the prize draw. The prize must be redeemed within six months after the draw date according to availability.

In compliance with Ukraine's Law On Personal Data Protection as of 01.01.2011, by filling out the Survey, you consent to the use of your personal data, which assumes any operation on processing and protecting these data, including transmitting them to the third parties for the purpose of processing and protecting personal data.

+380 44 200 77 55
+380 44 200 77 33

office@senator-apartments.com
www.senator-apartments.com

GUEST SATISFACTION SURVEY

Share your opinion with us and win a free night

Dear Guest,

Your satisfaction is always our prime concern, and we aim to deliver the best service possible. Please help us maintain our high quality standards and rate your experience at Senator Hotels and Apartments on the following:

SERVICES	excellent	good	fair	poor
Reservations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Check-in	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Check-out	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Parking	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Internet	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Telephone	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Housekeeping	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comments	<input type="text"/>			

APARTMENT / BATH	excellent	good	fair	poor
Overall Cleanliness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Overall Conditions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Television	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Heating / Air Conditioning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Temperature / Pressure	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comments	<input type="text"/>			

BREAKFAST	excellent	good	fair	poor
Service / Attitude / Appearance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality of Food / Beverages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Timeliness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comments	<input type="text"/>			

OVERALL EXPERIENCE	excellent	good	fair	poor
Please rate our apart-hotel	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Please rate our staff	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Please rate the value for the price paid	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comments	<input type="text"/>			

DID OUR STAFF: excellent good fair poor

Respond to your needs and offer their assistance?

Maintain a professional attitude and appearance?

Please mention those who were especially helpful

Comments

DID YOU HAVE ANY PROBLEMS DURING YOUR STAY? Yes (please specify) No N/A

IF SO, DID YOU REPORT YOUR PROBLEM TO THE STAFF? Yes No N/A

WAS YOUR PROBLEM RESOLVED TO YOUR SATISFACTION? Yes No N/A

WOULD YOU CHOOSE TO STAY WITH US AGAIN? Yes No N/A

WHAT IS THE PURPOSE OF YOUR VISIT? Business Pleasure Other (please specify)

WHAT MADE YOU CHOOSE OUR APART-HOTEL?

- Internet Search
- Magazine Advertising
- Newspaper Advertising
- Direct Mail
- Airport Advertising
- Other (please specify)
- Returning Guest
- Recommendation
- Corporate Policy
- Travel Agency

HAVE YOU STAYED WITH US BEFORE? Yes No N/A

WOULD YOU RECOMMEND OUR APARTMENTS TO YOUR FRIENDS, FAMILY MEMBERS OR BUSINESS ASSOCIATES?

Yes No N/A

HOW DO YOU THINK WE CAN IMPROVE OUR SERVICE?

PLEASE LET US KNOW IF YOU HAVE ANY COMMENTS OR SUGGESTIONS

PLEASE LET US KNOW HOW WE CAN CONTACT YOU IF YOU WOULD LIKE TO WIN A FREE NIGHT:

Your Name

Phone

E-mail

Dates of Stay / /

Apartment Number

I hereby agree that our guests of Senator Hotels and Apartments will know my name if I win a prize.

Thank you for taking the time to share your comments regarding your stay at Senator Hotels and Apartments!