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**TOURISM
IN FUNCTION OF DEVELOPMENT
OF THE REPUBLIC OF SERBIA**

Tourism product as a factor of competitiveness of
the Serbian economy and experiences of other countries



**THEMATIC
PROCEEDINGS**

II



**UNIVERSITY OF KRAGUJEVAC
FACULTY OF HOTEL MANAGEMENT
AND TOURISM IN VRNJAČKA BANJA**



CONCEPT OF SERVICE QUALITY IN FUNCTION OF TOURISM DEVELOPMENT IN THE REPUBLIC OF SERBIA

Boško Vojnović¹; Dejan Grujić²

Abstract

The aim of the paper is to highlight the importance of raising the quality of services, which should improve the development of tourism in Serbia. Given that the service is the category of strategic importance, which accounts for 55% of the total world economy with the assumption that in the 20 - 30 years' time it will increase to 85%, it is a justifiable reason for the analysis of the process of design and achievement of the quality of tourism services. Creating the quality is achieved by means of promotions aimed at consumers and defining the criteria that are aimed at employees in the tourism industry. At the same time the quality of services should meet the marketing aspect (to be better than the competition, satisfy the users), social aspects (environmental protection, health of people and consumers) and economic aspects (system efficiency, higher profits and long-term growth and development of the business system). The conclusion is that the success of the tourist industry is conditioned by the quality of services, proper management and orientation to the market. We believe that Serbia needs better services for faster and better economic development of tourism.

Key Words: *tourism, quality, service, training*

JEL classification: *L83, O10*

Introduction

Tourism is a tertiary, service and very complex activity, which, in the last century, went through multiple stages. The most significant qualitative or quantitative changes have taken place in the last 30 years, when the

1 Boško Vojnović, PhD, Associate Professor, Professor of Professional Studies, HighSchool of Agriculture, Vojvode Putnika 56, 15000 Šabac, Phone: 015344580; Email: bosko_v@mts.rs

2 Dejan Grujić, PhD, Research Associate, Professor of Professional Studies, HighSchool of Agriculture, Vojvode Putnika 56, 15000 Šabac, Phone: 015344580; Email: grujicd68@gmail.com

development and growth of this sector has virtually experienced a revival. The first period is seen as unlicensed and uncontrolled development of tourism, without a clear plan and conceivable progress. The next period is characterised by the interest of the competent authorities and planned approach (Vojnović & Grujić, 2013, p. 99). In this concept, there is a request for a better quality of products and services, as one of the most important strategic priorities that tourist industry encounters. The example of Japan, and other developed countries, clearly demonstrates that the improvement of the quality of products and services and the creation of values for the consumer/customer, makes the inseparable unity, which should have a priority in business strategy and policy of the service companies. Tourist systems which choose to implement the concept of quality as a key factor of success, need to achieve an increase in customer (guests) satisfaction, and to position themselves successfully in the market and thus make more profit. In an effort to improve the quality of tourist services, there are very often problems of measuring the quality of tourist services. First, it is necessary to know what is considered important in assessing the quality of tourist services and secondly, managers often do not have reliable methods for determining the expectations and perceptions of tourists in terms of service quality (Blešić, et al., 2010).

The quality of tourist services will be outlined in several chapters:

- defining, elements of quality and its features,
- computerized marketing of tourism services,
- training of employees in tourism and
- management of the business process.

Defining and Understanding of the Quality of Tourist Services

In terms of determining the contents and substance of tourist services, many theories have appeared. Their approaches may be non-uniform in terms of width and inclusion of elements, which essentially determines the term tourist offer.

Generally speaking, all these theories can be classified into four groups, namely those that:

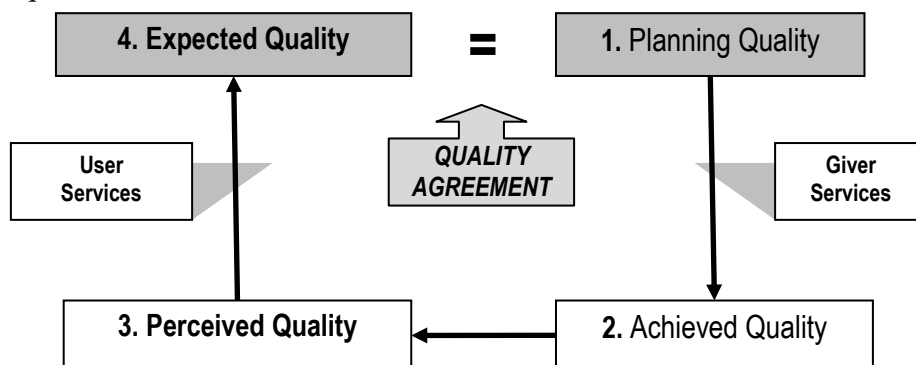
- consider tourist service a mix of many different elements, which are its constituent parts,
- view tourist service as one or several elements, i.e. from the standpoint of individual offer providers (catering, hotel services, etc.)
- emphasize the original and derivative elements of the tourist offer and

- interpret the tourist offer as integral or partial. (Vojnović & Grujić, 2013, pp. 112-113)

The concept of quality of tourist services is defined differently, depending on the point of view. For tourist businessmen the concept of quality can have rounded definition, which does not have to, and often does not, match the perceptions of service users. First of all, it is necessary to know that there is not only one type of service users, but that the number is higher, as well as that each of them has different requirements and expectations of the services provided. Other important elements in defining the concept of quality of tourist services are constant acquisition of knowledge, experience and introduction of new services, which leads to the new expectations of the users (Vojnović & Jevremović, 2007, p. 628).

The logical question that follows is how to define a tourist service that is acceptable to all? The answer can be found in the fact that the quality is achieved only if it satisfies the expectations of the guests, and the quality assessment is transferred in large part from those that ensure the quality to the tourist services users.

Figure 1: *Quality of service in terms of companies and users according to requirements ISO 9000:2000*



Source: *Vojnović, Kutin, 2007. p. 203.*

In this context, and in order to achieve good quality, first of all, the expectations of users should be met, which is only possible if we are familiar with their needs, habits, social environment they come from, lifestyle, living standards and so on.

What we have in particular insisted on lately, are ecology and sustainable development. Nowadays tourists want ecologically clean environment

where they can spend their free time. Therefore, the requirements for environmental quality of products and services have strengthened and as well as the needs of residents to preserve their own natural surroundings. These dual interests are met in sustainable tourist development (Vuković, et al., 2010).

Providing and controlling quality services make some of the key tasks in tourism. For this reason, in addition to proper management and orientation to the market, quality of service is classified into one of the key areas, which makes support to the complete success in the tourism business.

For the purpose of understanding the importance of quality tourist services, it is necessary to:

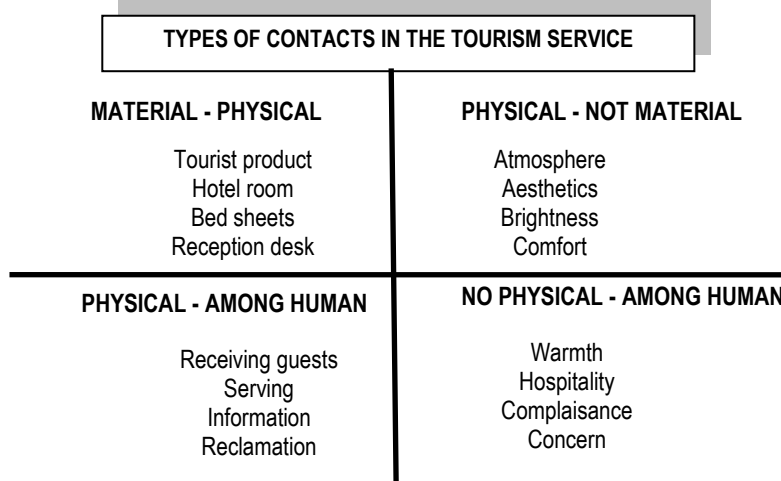
- understand the concept of quality in the tourist industry,
- recognize the quality elements,
- follow the instructions and involve individual interests at all stages of the design of quality tourist services, because it is the basis of overall quality management.

The tourist market is a very competitive area where it is important to collect income from consumers. As a rule, the competition is not primarily focused on price, but it is focused on the additional offer in the form of image and quality of tourist services. This led to the creation of competitiveness based on quality service, whereby it became a strategically important element of the overall development of tourism.

The problem of measuring the quality of services is especially up-to-date from the viewpoint of spa tourism, which is often mentioned as one of the prosperous industries in Serbia, and perhaps it is precisely the area where this model should be tested in practice (Blešić, et al., 2010).

Essentially, tourist service is a combination of material, non-material elements and human relationships. When designing the service quality, as a rule, the physical aspect is always emphasized, while the other, no less important, is considered secondary. For example, in each of the tourist offer, primarily emphasized are the size of the hotel, its rooms, reception but to a lesser extent the atmosphere, comfort, brightness, warmth, kindness... (Vojnović, Cvijanović, Stefanović, 2012)

Figure 2: *The elements of service quality model*



Source: *Vojnović, Cvijanović, Stefanović, 2012.*

The issue of the quality of tourist services is very complex and demanding, as suggested by its specificity.

The following ones are considered important (Vojnovic & Jevremović, 2007)

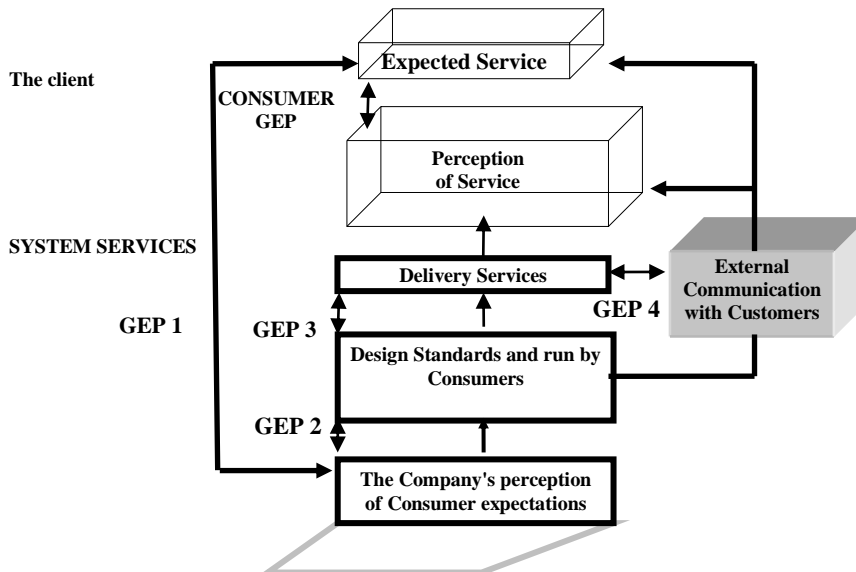
- *Intangibility of services.* It primarily includes adventures and certain experiences. Also, you cannot try them before buying, so evaluation of their quality is possible during or after the process of providing services. Their quality can be improved only if repeated, i.e. in the second cycle.
- *Heterogeneity of services.* Tourist services are difficult to standardize and ensure their uniformity. The service is carried out in different temporal and spatial conditions, and can be considered an almost unique venture. Quality depends on many uncontrollable factors, because there is no reliable knowledge that the service delivered corresponds to the one which is planned and promoted, and the delivery and motivation of consumers depend largely on the involvement of employees.
- *Simultaneity of provision and use of services.* The service is simultaneously provided and estimated. Services cannot be stored and delivered at a later date. The main implications of the simultaneity of production and consumption are that consumers participate and influence the transaction to other consumers, while employees affect the utility score (Laws, 1995).

- Tourist business in most cases is carried out through direct contact, on the spot, between the providers of tourist services and consumers, i.e. tourists (Vojnović & Grujić, 2013, p. 101).

According to Parasuraman, there are five gaps which are unfavourable for the quality of services, and visible in the difference between:

- Assumptions of service providers and the wishes of the users,
- Consumers expectations and perceptions of managers regarding the expectations of the consumers,
- Provided and promised,
- Specifications and quality of provided services,
- Consumer expectations and perceptions of the quality of provided services.

Figure 3: *The gaps in the quality of services*



Source: Parasurman, 1989.

The problem appears with a consumer gap. The gap is as big as the difference between the expected and provided service, i.e. what is the difference between consumer expectations of the service and perceptions of provided service.

$$\mathbf{GAP\ 5 = GAP\ 1 + GAP\ 2 + GAP\ 3 + GAP\ 4}$$

Consumer GAP (**GAP 5**), in fact, represents a function of the gap of knowledge.

GAP 1 is the difference between what users expect from the service and what management perceives that users expect - standards gap.

GAP 2 refers to the difference between what management perceives that users expect and specific quality of service - delivery gap.

GAP 3 makes the difference between the quality of service delivery and the actual quality of delivered services and communication gap.

GAP 4 is the difference between the actual quality of service and quality of the services described in the means of companies communication.

Stages of Creating Services

Customer satisfaction is a feeling that occurs in the phase after the purchase and consumption of products, usage and service experience (Živković, 2011). Consumer spends the two factors necessary for the implementation of tourist activities - time and money to purchase tourist services. When purchasing services, the consumer goes through three stages:

- anticipatory,
- current,
- retrospective.

The first phase is pre-purchase, one in which the consumer sums up all the benefits offered by a certain service. The current phase is the result of the previous, more precisely, it is dependent on the stage before buying. On the outcome of the first one depends whether you get to the other. In the case of a positive decision it comes to buying, or to the current phase. Retrospective stage is a retrospective assessment of the level of satisfaction with the purchase (J.E.G. Bateson et al., 2012).

The service is successful, if the user's expectations are met or exceeded. Service experience is an internal affair of each individual, so there is a very complex requirement of the service provider. What is good for one consumer and caused internal satisfaction, at another can cause the opposite effect. This satisfaction of the consumer is a short-lived feeling of quality service. However, it is not known for sure what is "older" - quality service or satisfaction. If it comes to satisfaction with quality products, which includes the goods and services at the same time, which is quite true, then we can also claim that the quality of service is the attitude that is formed on the basis of customer satisfaction.

The term satisfaction is of Latin origin from the word "satis" (enough) and "facere" (to do or to be made). Satisfaction is associated with customer's efforts to achieve (feel) satisfaction with the purchase and use of goods and services. It is essential that consumer satisfaction is defined and analyzed from the perspective of the consumer (Živković, 2011).

Useful methods in achieving and controlling the quality of tourist services are:

- determining the type of tourist visitors, as well as their needs,
- informing the service staff of the habits of guests,
- timely preparation for possible surprises, because it is not always possible to foresee everything in advance,
- preparing staff to constantly be in the function of quality.

Dimensions of the Quality of Tourist Services

The management has a crucial role in achieving the quality of service. In creating the environment for quality, they should possess knowledge, skills and abilities. The most common problem that the management encounters is designing the first steps in improving the quality.

Activities aimed at improving quality are classified into two groups:

- **Hard measures**, or a group that is focused on defining quality and its documentation. Determining and documenting appear in the form of procedures, specifications, instructions, and the like.
- **Soft measures** aimed at incentives, organization and education of employees. The aim of these measures is understanding the importance of the changes and their acceptance as inevitable, because the adaptation to changes is the condition for success and survival in modern business trends.

The concept of quality service, is conditioned to a large extent by skills and knowledge of managers responsible for quality improvement. In this procedure three basic dimensions appear: human dimension, the relationship with the service users and technological dimension.

- *Human dimension of quality* is the least explored dimension. It requires the involvement of all employees in the concept of quality. Basic actions are aimed at: motivation of managers, staff education, training for quality, change of the organizational culture and the like.

- *Dimension of the relationships with service users* provides a great role to the marketing process. Integration of quality in relations with customers has the task to create an image based on the complete satisfaction of customers, check the quality system from the standpoint of customers, and build a partnership and agreement to ensure quality.
- *Technological dimension* of quality is directed towards: quality of service, process and quality system of supplier.

Computer Aided Marketing in the Creation of High-quality Tourist Services

From the standpoint of concepts, it is necessary to point out the differences in the content of tourism marketing research and the market. The main difference between these two categories refers to the scope of research and to the benefit of marketing research. It is believed that market research is an integral part, i.e. one of the elements, of marketing research (Vojnović & Grujić, 2013, p. 107).

Marketing activities in tourism are mainly focused on the planning, promotion and sale of services, in order to satisfy customers' needs in the best way possible, while achieving the defined objectives of tourist enterprise (Riznić et al., 2010, p. 97). The development of technology and the emergence of information era has not bypassed tourist industry. In a study carried out in 2010, on the question - *Do you have an internet site?* - 64% of surveyed firms responded to have a website, which is satisfactory, although this percentage could be higher (Riznić et al., 2010, p. 113). Especially significant are information technologies that have found their use in tourist marketing activities, providing them significant support in the creation of high-quality tourist services.

The rapid development of technology at the end of the twentieth century and move into the information age has created serious competition. Also, a large number of market participants require additional efforts and new research activities in order to maintain the competitiveness of tourist companies.

For the same reason, there has been a change in the way of buying travel arrangements. Classical methods of buying have been facing a continuing decline, unlike online shopping (Vojnović & Grujić, 2013, p. 108).

Marketing aims to gather relevant resources of the organization to plan and carry out the provision of customer satisfaction (Vukotić & Vojnović, 2016).

Basic activities in support of information systems are related to:

- Which tourist services to offer,
- Which price to set for the services offered,
- Where to place the service,
- Which channels to use and how to advertise tourist service (Vojnović et al., 2012. p. 236).

IS marketing in tourism uses three main subsystems:

- Marketing subsystem for environment,
- Marketing subsystem of internal data,
- Marketing subsystem with components for services, distribution, promotion, pricing and forecasting (Jokanović, 2001).

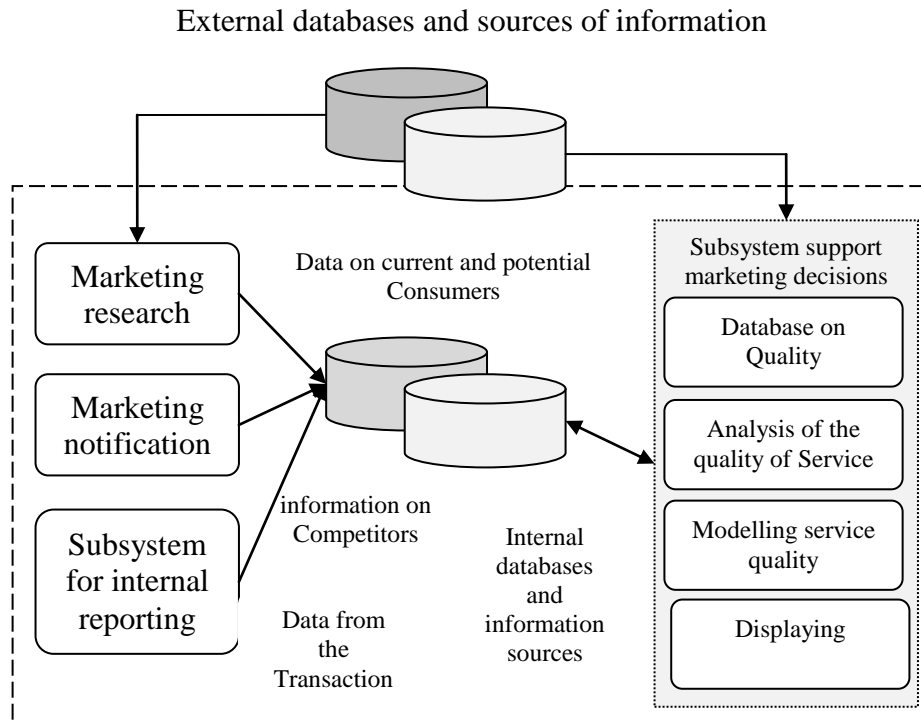
Marketing subsystem for environment explores the behaviour of potential buyers of tourist services. Through subsystem for environment important notices of the competitors are received, which can be reached from the annual reports on the operations of the individual companies. The Internet in this case is a source of good information.

Marketing subsystem that uses internal data mainly uses information of tourist enterprises that are directly related to the accounting information systems. The data used refer to the following information: current sales, costs, demand, seasonal and off-season sales and the like.

Marketing subsystem with components for services, distribution, promotion, pricing and forecasting establishes activities related to: planning sales of tourist offer according to types the and introduction of the new ones, distribution planning in terms of the way, time and place of distribution, promoting the planning of sales and marketing services, cost of tourist services and the proper determination due to changes in the market, sales forecasting based on pre-established elements.

In tourism, the most complex, most interesting and most challenging is the component of promotion. It is used for advertising and sale of travel and other services.

Figure 4: *Marketing information systems in tourism*



Source: *Vojnović et al., 2012.*

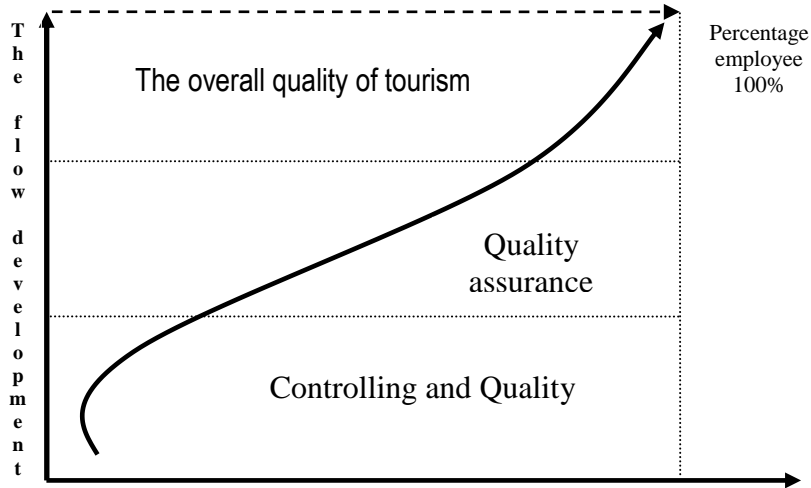
Staff Training and Creation of High-quality Tourist Services

Training of employees in tourism in shaping the quality of services, is aimed at the management and includes responsibility for the management of individual processes, as well as a complete business system. In problem solving, motivating employees, increasing the level of service, improving work processes and individual processes, there is a constant process of education and training of employees in tourist organizations.

The purpose of training of employees in tourism is focused on:

- gaining confidence in performing service process,
- better performance of the delegated tasks,
- greater knowledge of the tourist industry and its importance,
- better solving of everyday problems appearing in the process of service,
- increase in profit of enterprises, of their own salaries and the like (Bizjak, 2002).

Figure 5: *The share structure of employees in providing TQS in tourism*



Source: *Živković et al., (adapted) 2012.*

Management and design of the quality of tourist services is a continuous process, so that training needs to be active and acquired through work and study. Acquired skills need to be updated and upgraded.

Business Process Management in Creation of High-quality Tourist Services

The following activities for business process management in the tourism sector are classified as important:

- it is necessary to define the quality with description of its characteristics,
- to define and explain the benefits of the activities that ensure quality service to all customers,
- to include all employees in assurance of quality services, with special engagement of the head of service entity (Vojnović et al., 2012, p. 240).

Model of service business system consists of two parts:

- **Hidden part** related to the organization of the service system to provide management support to service staff, in immediate implementation of services.
- **Visible part** which refers to the environment people buy and sell and where services exist, and the main actors are: the physical environment, staff and consumers.

Management of the business process in the creation of high-quality tourist services includes management, guidance and monitoring.

In the procedure of managing the service process, manager performs the following activities:

- Directs and ensures the implementation of established procedures and programs.
- Directs tasks and takes care of achieving the set goals.
- Supervises staff in accordance with the requirements, procedures and standards of tourism as a whole.
- Gives his/her own contribution to the training of newly engaged employees. For new workers, manager is the main link and connection with business system. He/she is the person who gives them confidence and makes it easier to start in the exercise of responsible business in the design and realization of high-quality tourist services. Effects of proper performance and introduction into working process are in the feedback from the perpetrator who wants to meet the expectations of himself/herself. At the same time this is the best way that employees become good members of the team and be successful in creating a high-quality tourist services.

It is necessary to train people who will lead the business process and create high-quality tourist services.

The training is aimed at:

- Understanding the importance and responsibility of managing business in tourism,
- Introduction to the management and use,
- Cooperation with superiors and subordinates.

The Value of Tourist Services for Consumers

The feeling of satisfaction is a real value for the consumer. In this case, from the standpoint of a consumer, we measure and sum up: product, services, personnel and image.

The consumer is also interested in the total amount of expenses to pay, which will in any case be comparable to the offer of the competition. The real factor that participates in the decision to purchase, in addition to basic costs, includes lost time and energy.

$$V (\text{Value}) = \frac{K (\text{Benefit})}{T (\text{Costs})}$$

Value is defined by the consumer, but the goal of each company should be to increase the perceived value of products and services in time (Živković, 2011).

Tourist Services Control

To control tourist services, you first need to determine their characteristics, in order to meet a particular customer or aimed market.

Methods of control are as follows (Vojnović et al., 2012. p. 242):

- the introduction of specific criteria in the tourist service,
- obtaining information on the achieved quality,
- comparing the quality achieved with the established criteria,
- if the established quality is different from the established criteria, introduce measures for their harmonization,
- check the effectiveness of the adopted measures.

The effectiveness of controls is dependent on:

- assistance to service personnel to improve the quality of tourist services, when necessary,
- prevention failures and errors in the beginning to avoid later correction,
- implementation of programmes in accordance with the plans,
- change of operating procedures whenever necessary in order to achieve the planned objectives.

Conclusion

There are many difficulties in the implementation of the quality of tourist services. As the basic and most important the following can be distinguished:

- the concept of quality is mainly focused on manufacturing, while in the domain of services it is not yet at the required level, especially in tourism,
- there is not sufficiently developed teamwork, essential for the creation of high-quality services, which is particularly important in the evaluation of tourism,

- lack of skilled personnel, competent managers and employees in the tourist industry,
- inability of many companies to engage in a process of adjustment, which is dictated by changes in a turbulent tourist environment, information technology era of development and the like.

From the aspect of tourist enterprises, the benefits that should ensue from the application of the concept of quality of tourist services are in the increased competitive capabilities and economies of scale, and consumer motivation to repeat the service, as well as winning new customers. This approach to quality produces high profit effects, which undoubtedly enhances the business performance of tourist enterprises and directly affects the overall development of Serbian economy.

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