HOTEL SERVICES QUALITY IN DEVELOPING COUNTRIES MEASURED BY SERVQUAL MODEL

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Quality assessment represents one of the most challenging issues in services, particularly in the area of tourism and hotel management. This study applies SERVQUAL model to the perception of hotel services quality by guests in the context of one developing country. Main aim of the study is to explore the level of expectations and perceptions of different quality dimensions, as well as their importance, and in that way increase the understanding of what is valued by guests in the hotel's offer. We conduct the empirical research in Bosnia and Herzegovina. Results of the research show that tangibles and empathy are the two dimensions where perceived quality is not at the level of expectations, while reliability, responsiveness and assurance dimensions exceeds the expectations of guests. When it comes to the importance, reliability is confirmed to be the most important dimension. We then look at the relative and weighted gaps between perception and expectations and discuss potential implications for theory and practice.

Keywords: service quality, tourism, hotel services, SERVQUAL, developing countries

INTRODUCTION

Changes in hotel industry are mostly caused by growing globalization and increased competition. Global hotel chains dominate the hotel industry despite increasing number of small and medium hotels and other accommodation capacities. These changes resulted in occurrence of new forms of management and performances measurement in the industry.

Traditionally hospitality organizations (subjects in hotel industry) measure their business results in terms of service and product efficiency, level of occupancy and financial performances. But from 1980s the focus was changed from the efficiency performances to the customer needs and whishes satisfying (Paraskevas, 2001). Hotel industry is more and more focused on the customer perception of service quality. Knowing customer perceptions gives hotels possibility to develop strategies which lead to customer satisfaction (Saravanan and Rao, 2007, p. 437). However, this becomes more and more challenging as customers increase standards of requested quality, expect additional services and conditions for development of long term relationship all the time expecting companies to make an adequate

response. "The survival of hospitality industry in the current competitive environment where most hotels have quite similar luxurious physical facilities much depends on delivery of service quality aiming to result in customer delight" (Manhas and Junior, 2011).

In discussion about company's performances specifically relations among competitiveness and customer-oriented performances many authors suggest role which service quality has for customer satisfaction and loyalty building. (Aaker and Jacobson, 1994; Gilbert et al., 2004; Gilbert and Veloutsou, 2006). Some of those researches are specifically focus on hospitality sector and organizations participating in tourism service offering (Kara et al., 1995; Lee and Ulgado, 1997; Brady et al., 2001; Qin and Prybutok, 2008).

Hospitality services make combination of three groups of elements – material/tangible products, employees' behavior and attitudes, and surrounding environment (Reuland et al, 1985). New market conditions in globalized economy (hotel industry) and changing of tourist demand make quality assurance in hotel industry very difficult especially because of hotel services nature and specific characteristics: intangibility, customers' inability to evaluate service outcomes and process as well as their perception of risks in the prepurchase phase.

Therefore all those factors make difficult to measure service quality since companies firstly have to research and evaluate customers' previous expectations and after that they experience and perception of the quality. According to previous studies those problems are complicated even more because of complexity of human behavior i.e. interaction between tourism customers and employees which is also very important characteristic of tourism services.

LITERATURE REVIEW

Nature of services and service characteristics

Challenges of measurement of service performances and service quality in contemporary businesses are related to the nature and meaning of services, not only to demand changes and competitors pressure. There are several approaches of service definition, the first group starts with actions and performances as the bases for service definitions (Hill, 1997) the next approach is based on service characteristics; authors assume that this way of defining will make the nature of services clearer (Kotler, 1987; Kotler, 2003; Singh, 2005). Also there is a group of authors who advocate defining services based on essential relationship among service provider and service user (Berry, 1998). Finally, some authors integrate all mentioned attitudes.

For example Grönroos (2001) offers a comprehensive definition of services where service is "an activity or series of activities of a more or less intangible nature than normal, but not necessarily, take place in the interaction between the customer and service employees and/or physical resources or goods and/or systems of the service provider, which are provided as solution to customer problems".

For discussion about the service and service nature one have to be aware of some issues related to customers and competitors roles in the service interaction process. Customers cannot predict the service process or results of the process before they use them, since services do not exist before and unless customers ask for them (Babić-Hodović, 2010). Therefore service characteristics, intangibility, heterogeneity, inseparability, perishability

and lack of ownership increase perception of risks in the decision making process about service purchasing and service provider choosing. On the other hand all of service characteristics will impact customer perception of service quality (Douglas and Connor, 2003, p. 166; Ladhari, 2008, p. 172). Since differences among service industries are based on service characteristics and service concept, while at the same time customers hardly can compare competitive service offer, service organizations face with challenges how to define service offer to be differentiated from competition.

Also in hotel industry for competitive advantages building companies are forced to find out strategies and instruments to differentiate from their competitors (Wong et al. 1999). Since the industry itself has no many ways for differentiation, management focuses their attention to increasing of service quality and customer satisfaction as the bases for creating and developing long-term relationship with customers and customer loyalty. Both dimensions, service quality and on the other side customer satisfaction and loyalty have positive implications on companies' business performances and market positions. Many researches in different areas had conformed these relations and importance of service quality, but in the hotel industry just few of them were applied (Sila and Ebrahimpour, 2002).

From the abovementioned arises that service-based companies have to provide excellent services in order to attract and retain customers i.e. to build a sustainable competitive advantage. Apparently those organizations have to understand nature of service quality and the way how to employ the quality for marketing strategy implementation and objectives achievement.

**Service quality in hotel industry**

Today service quality represents the most important factor for market and business success of hotels and tourism companies; such as the cases with other industries' sustain and success. Therefore quality defining and measurement become extremely important for business development and management, and finally positive results (performances) achievement. Studies about relations between service quality and company's profitability have started with the Profit impact of marketing strategy (PIMS) (Buzell and Gale, 1987). After them, many other authors have investigating correlation among the quality and business performances (profitability) and made conclusions that service quality has positive influences on both, offensive marketing, i.e. acquiring new customers and defensive marketing, i.e. retention previously acquiring ones. It means that through the offensive marketing strategies implementation, companies increase revenues while through defensive activities decrease costs; both dimensions positively impact profitability.

Unfortunately there is no consensus about quality nature and meaning, and even less about possible way for quality measurement. In service marketing literature the concept of service quality in most cases has discussed as the concept of perceived service quality. Zeithaml et al. (1990) have been explaining perceived service quality as the extent to which a firm successfully serves the purpose of services. Eshgi et al. (2008) define service quality as overall services assessment from the customer point of view or customer service audits (Takeuchi and Quelch, 1983).

On the other hand for the perceived service quality definitions scholars often use theory of disconfirmation (Figure 1). According to the theory they defined perceived service quality as the level of customer's needs and expectations satisfying (Asubonteng et al. (1996). Parasuraman et al. (1985) use customers' expectations for defining of perceived service

quality suggesting that the perceived quality is "The discrepancy between consumers' perceptions of services offered by a particular firm and their expectations about firms offering such services" (Parasuraman et al., 1985). Therefore in the case that customer expectations are higher than performances and if they are not meet the customer perceive that quality is less than acceptable (satisfactory) so result will be customer dissatisfaction. Based on their study, Ghobadian et al. (1994) claim that perceived service quality is influenced by customers' expectations, service delivery process and the result of the process, i.e. service outcome. Similarly, Edvardsson (2005) suggests that service quality perception is the result of customers experience during service providing and service using while Balin and Giard (2009) defines services under a process oriented attack angle.

In the process of reviewing service and service quality meaning it is important to stress that Yoo and Park (2007) insist on the fact that employees, as an integral part of the hospitality services providing have critical role in the process itself, especially for service quality improvement and customer retention. They are the most visible, active participants in the process and the first address to which customer deliver their comments or complaints about the service process and the result of the process. Therefore they have one of the critical factors influencing perceived service quality and quality measurement process.
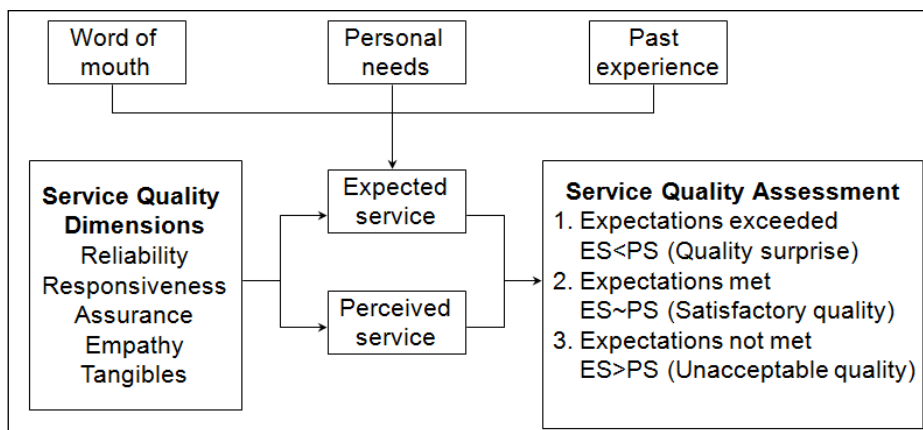
Figure 1: Expectation and perception in service quality assessment
Source: Zeithaml, V., Parasuraman, A. and Berry, L. L. (1990). Delivering service quality – balancing customer perceptions and expectations. New York: The Free Press.

According to different understanding of service quality two approaches are created in theory and applied in empirical researches - attitude-based measures and disconfirmation models. In the first case service quality measurement is based on the authors' understanding of service quality as overall service assessment from the customer point of view (Eshgi et al., 2008; Takeuchi and Quelch, 1983).

On the other hand the group of authors defines service quality based on theory of disconfirmation defining service quality the difference among service experience and previously formed expectations regarding the service offer. These approaches are origination for two main groups of models for service quality measurement.

Models for service quality measurement

Service quality evaluation is more complex than product quality measurement primarily because of their previously explained characteristics, starting from customers' participation in the service process, heterogeneity and intangibility, as well as others (Frochot and Hughes, 2000).

Previously presented concepts of service quality were used as the bases for different models of service quality measurement developing, but still scholars and practitioners do not agree about their reliability, possibility for application and importance. The most known and used model is SERVQUAL model created by Parasuraman et al. (1988), previously thanks to the assumption of being able to measure perceived service quality in different service industries (Parasuraman et al., 1988, 1991, 1994; Brown and Swartz 1989; Gilbert and Wong, 2002). Therefore many researchers have been using quality dimensions originated in SERVQUAL model for their studies that makes SERVQUAL the most influential in academic and business communities (Buttle, 1996). The truth is that despite many criticisms SERVQUAL model is still the most popular among academics and empirical researchers (Caruana et al., 2000).

SERVQUAL model

SERVQUAL evaluate service quality as the difference among customers experience of received service and customers expectations for the offered service (Parasuraman et al., 1988). Essentially the model measures customer perception as the result of several phases of services designing and delivering. As the consequence their perception, i.e. the gap/ differences among experience and expectation will depend on several gaps that could be appear during the service process providing. They may start with wrong management perception of customers' expectations, and continues with performances gap, delivering and communicating one, to the final experience gap (the 5th one) in the form of difference between customer experience and expectations. For the service quality management and measurement is very important to be aware that first four gaps are under control of service company. Therefore, in order to provide higher quality service companies and companies in hotel industry have to research potential customers'/guests' expectations and according to them design specifications and directions for services delivering and service process management. Finally they have to be very careful about external marketing, communication and promises which they are sending to customers in prepurchase phase (Babić-Hodović, 2010).

As we said the model is the most known and used one; and it is developed through gap identification and analyses (Figure 1). The SERVQUAL scale includes 22 statements grouped into five dimensions: reliability, assurance, tangibility, empathy and responsiveness (RATER acronym) (Table 1).

All items in SERVQUAL model are evaluating two times; firstly when expectations about certain services in general measure and secondly for measurement of perceptions regarding the particular services and the service company. The quality (Q) gap will be calculated by subtracting the expectation (E) from the experience or perception (P) – P-E=Q

(Parasuraman et al. 1988), non-weighted or weighted average sum of dimensions evaluation is an indicator of perceived service quality.

SERVQUAL model initially designed and tested in four different industries (banking services, credit card services, maintenance, ….) (Parasuraman et al., 1985), but through years it was using, checking and often criticizing in many others: banking, telecommunication industry, retailing, education, hospitals, local government and different tourism areas – hotels, restaurants, airline industry, catering, casinos and similar (Buttle, 1996). Buttle (1996) explains that service quality measurement and the model are important for theoretical studies and empirical measurement because of their relations and influences to business performances – financial ones, such as costs and profitability, and marketing performances – customer satisfaction and retention, positive word of mouth and customer loyalty.

Table 1: Presentation and meaning of SERVQUAL dimensions

RELIABILITY Delivering on promises	Your ability to perform the promised service dependably and accurately	• Timeliness • Consistency/Regularity • Accuracy
ASSURANCE Inspiring trust and Confidence	The knowledge and courtesy of staff; their ability to inspire trust and confidence	• Staff competence • Respect for stakeholders • Credibility • Probity and confidentiality • Safety and security
TANGIBLES Representing the service physically	The physical representations or images of your service	• Physical facilities • Equipment • Technology • Employees • Communication materials
EMPATHY Treating customers as individuals	The caring individualized attention you provide your stakeholders	• Access (to staff, services, information) • Communication (clear, appropriate, timely) • Understanding the stakeholder • Services appropriate for stakeholders' needs • Individualized attention
RESPONSIVENESS Being willing to help	Your willingness to help customers and to provide prompt service	• Willingness to help • Prompt attention to requests, questions • Problem resolution • Complaint handling • Flexibility

Source: Zeithaml, A. V., Parasuraman, A. and Berry, L. L. (1990), Delivering Quality Service. The Free Press

Therefore service quality measurement and improvement present the most important factor for achieving strategic, marketing and financial objectives of the service company. Ladhari (2009) also suggests that SERVQUAL is a good scale for service quality measuring in different industry, but he adds that the most important dimensions of the model have to be adjusted to industry characteristics.

SERVPERF model

We said that SERVQUAL is the most known and used model, but side by side to him is SERVPERF, developed as the result of criticism of SERVQUAL model (Cronin and Taylor, 1992). Their attitudes regarding uncertain benefits from collecting and calculating expectation and perception scores for each item lead them to decide to use SERVPERF – the "new" model that use the-one stage form of the SERVQUAL survey – only performance component of Service Quality scale (that is the reason for quota "new").

For their research they made minor wording change i.e. converted negatively worded items to positive ones (Fogarty et al. 2000). That was consistent to previous authors' recommendations (Babakus and Boller, 1991; Parasuraman, et al. 1991).

Starting from the assumptions that measurement of expectations does not provide unique information for estimating service quality they argue that performance-only assessment of quality has already taken into account most of this information (Cronin and Taylor, 1992; Babakus and Boller, 1992). These authors also advocate standpoints that SERVPERF model is better predictor of service quality (Cronin and Taylor, 1992; Babskus and Boller, 1992). However, opposite arguments are used by the authors finding that SERVPERF scale is deficient in diagnostic power. Therefore when companies want to identify areas where customers perceived quality shortfalls, those which request managers' interventions and improvement the SERVQUAL model would be the preferable option because of its superior diagnostic power (Nadiri and Hussain 2005).

Both SERVPERF and SERVQUAL are the instruments for measuring service quality in different kind of businesses (Cronin and Taylor, 1992; Bojanic and Rosen, 1994; Fu and Parks, 2001; Furrer et al., 2000; Gounaris, 2005; Heung et al., 2000; Lassar et al.,2000; Lee and Ulgado, 1997).

LODGSERV, DINSERV and HOLSERV – Adaptation of SERVQUAL
model for hotel industry

Similarly as SERVPERF, LODGSERV is an adaptation of SERVQUAL model, a model tailored to hotel industry and service quality evaluation (Knutson et al., 1991). LODGSERV is also based on consumers/guests' experiences and expectations comparison. It confirmed the same generic dimensions of service quality originating from SERVQUAL model (Parasuraman et al., 1985), also importance of dimensions are different – reliability was followed by assurance, responsiveness, tangibles and empathy; in original SERVQUAL model the rank was different: reliability, responsiveness, assurance, empathy and tangibles (Parasuraman et al. 1985). Knutson et al. (1992) had applied LODGSERV model in three different groups of segments – economy, mid-price and luxury hotels and founded that quality dimensions maintained same ranking positions in all hotels and guests segments; but the level of expectations has been increasing along with the category of hotel increasing. As a way of further exploration of LODGSERV model another group of authors, Patton et al. (1994) used LODGSERV model for hotel industries and service quality measurement in different economic and cultural environment and several countries – UK, Australia, Hong Kong, Japan. In their studies reliability of LODGSERV model has confirmed.

After the LODGSERV Knutson et al. (1995) had developed another model for hotel industry specifically. It was again an adaptation of SERVQUAL scale for restaurant business and named it – DINSERV. DINSERV model has confirmed high degree of reliability in different types of restaurants – fast food restaurants, self-service and fine dining ones. Contrary to the conclusions about customers' expectations in different hotel categories that were findings of LODGSERV model applying, here the researchers didn't find significant differences in customers' expectations regarding service quality in different types of restaurants.

Next SERVQUAL adaptation for hotel industry was the one designed by Mei et al. (1999) for research in Australia. They have used SERVQUAL model, but the result of their analysis was the new scale called HOLSERV having three dimensions of quality related to

employees, tangibles and reliability. According the authors the employees was the best predictor of overall service quality.

Validation of SERVQUAL model in hotel industry

Following recommendation that service quality measures suppose to be adjusted to the industry specificities many authors develop their researches focused on service quality in the hotel industry (Juwaheer, 2004; Ekinci et al., 2003; Tsang and Qu, 2000; Mei et al., 1999). Results of those studies in many cases confirmed relevance of original SERVQUAL dimensions but also found that some additional (different) dimensions have to be included in hotel business. They also proved that different segments (types) of hotel industry which have distinguish characteristics request different quality dimensions using for example resorts hotels, motels, airport hotels, convention hotels, etc.

Fick and Ritchie (1991) have tested the SERVQUAL instrument and its predictors and diagnostic potentials in major sectors of the tourism industry – airline and hotel industries, restaurant business and ski area services. Here once again, the research confirmed results of many other studies – the most important category was reliability and after that assurance in all sectors. Obviously despite many different adaptations SERVQUAL instrument is still relevant for different industries and sectors. Contrary to those conclusions, Armstrong et al. (1997) using the SERVQUAL model, had researched influence of expectations on the service quality perception in Hong Kong hotel industry and founded differences in expectations exist between cultural groups.

In his research Akan (1995) had applied adapted SERVQUAL questionnaire to investigate possibility of the SERVQUAL scale application for measurement of the hotel service quality in Turkey. Results of the study were identification of seven dimensions: a) knowing and understanding customer, b) solutions of the problems, c) accuracy and speed of service, d) communication and transactions, e) courtesy and competence of the staff, f) accuracy of hotel reservations and g) tangibility; according their responses the courtesy and competence of the hotel staff was the most important dimensions in quality perception.

Ap and Lee (1996) used SERVQUAL model in airline industry. The results of their research found out three relevant service quality dimensions: interaction between employees and customers, tangibility/assurance and time. Obviously that here strong relations with original model still exists which means that SERVQUAL is applicable to the airline service industry.

Despite different adjusted models some authors often use SERVQUAL for measuring service quality in different types of hospitality services. Bojanic and Rosen (1994) have used SERVQUAL in the research conducted in restaurants. The results of their research confirmed SERVQUAL model effectiveness in measuring customer perceptions and expectations of restaurants services quality.

Studies that have been focusing specifically on hotel services confirm importance of SERVQUAL dimensions for service quality measurement. Atkinson (1988), Gundersen et al. (1996) have stressed security and safety (assurance in SERVQUAL model); results of several studies (Atkinson, 1988; Knutson, 1988; Choi and Chu, 2001; Markovic, 2004) showed that employees' empathy and competence are very important elements of service quality perception (empathy, and also dimensions of reliability and assurance in SERVQUAL model) while Choi and Chu (2001) and Markovic (2004) pointed physical facilities as

important element of hotel service quality perception (tangibility in SERVQUAL). Other studies include additional elements related to specific nature of hotel services, such as cleanliness (Atkinson, 1988; Knutson, 1988) or value for money (Atkinson, 1988; Gundersen et al., 1996; Choi and Chu 2001).

Comparing the most used model for service quality measurement in hotel services, as well as adjusted ones we decided to apply SERVQUAL model for our research. Also employees have extremely high importance and influence on customer experience. Finally customers' behavior impact productivity and final results of the hotel service delivery. In previous discussion all those elements have stressed as factors having huge importance for service quality evaluation.

Moreover those factors make customers' (guests') experience as the crucial element of future expectations about hotel services quality and hotel industry in general. These are the arguments supporting our decision to choose SERVQUAL for our research about customers perception of service quality provided by a hotel which is the member of global hotel chain.

METHODOLOGY

Service quality within the hospitality industry in Bosnia and Herzegovina has not been widely researched. We provided the research in order to investigate service quality perception in the hotel industry in Bosnia and Herzegovina.

Data collection[∗]

Data for the empirical part of this study were collected through a quantitative survey with guests of the one selected hotel in the capital city of Bosnia and Herzegovina. Hotel was selected based on the following characteristics: newness, proximity to the centre and to the business part of the town, member of the international hotel group and orientation towards business clients.

Questionnaires were printed and brought directly to the hotel, over the period of one month (low-season period) in year 2015. During this period, a total of 39 filled in and valid questionnaires were collected for the analysis. This enables a preliminary exploratory analysis of the collected data.

Measures

Constructs used in this study were operationalized by using already developed, tested and validated measurements scales. Service quality was measured by adapting the SERVQUAL instrument (Parasuraman, Zeithaml, & Berry, 1988). Expectations of the hotel services as well as perceptions were assessed.

Furthermore, respondents were asked to rank the importance of each service quality item, so the importance-performance analysis (IPA) could be performed (Enright & Newton, 2004). Constructs of overall satisfaction, word of mouth and repurchase intentions were also adapted from the literature (Maxham & Netemeyer, 2002). Finally, a set of demographic

questions were asked in order to profile respondents and gain more insights into their tourism behavior.

Description of the sample

Sample consists of 39 randomly selected guests of the hotel. When it comes to gender (see Figure 2), majority of the sample were male (64%), while when it comes to age (see Figure 3), majority of sample is middle-aged (40-49 years old, 49%), followed by younger working people (30-39 years old, 28%) and older-working people (50-59 years old, 18%).
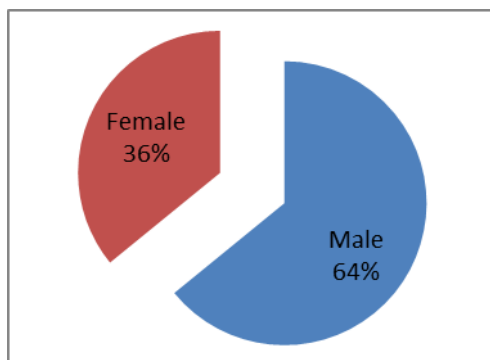

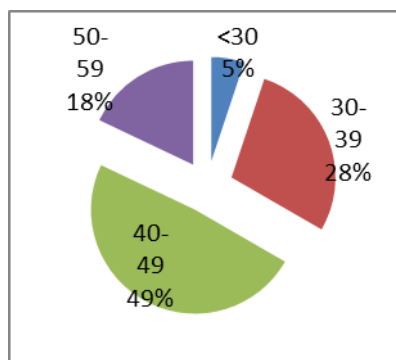Figure 2: Gender profile of respondents

Figure 3: Age distribution of respondent

Education level of respondents (see Figure 4) is high, as all respondents except from one have either I, either II/III level of higher-education completed. Consequently, when it comes to the employment status (see Figure 5), 97% of respondents are full-time employed and only 3% unemployed. Knowing only these descriptive parameters, we see that the average guest of the hotel is highly educated middle-aged male who is fully employed.
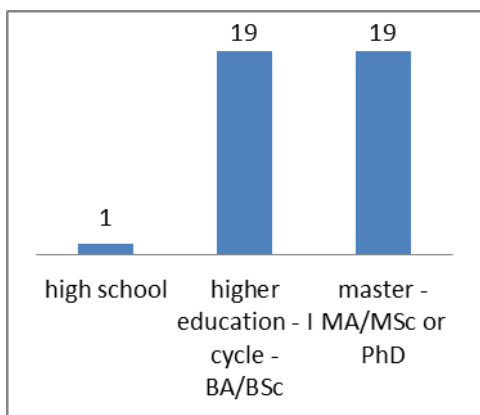

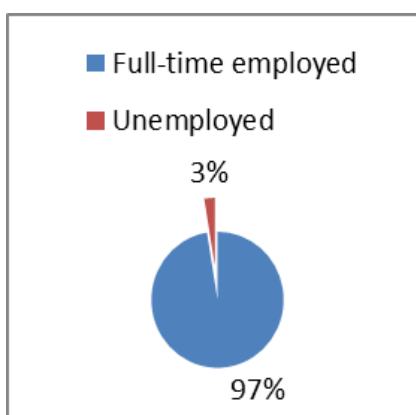
Figure 4: Education level of respondents

Figure 5: Employment status of respondents

Additional interesting variable, which is also of importance for hotel management policies, is the type of employer of respondents (see Figure 6). Vast majority of the sample (74%) is employed in big firms – corporations, hence we may conclude that the selected hotel is the best choice for corporate people, followed by the governmental institutions (15%), SMEs (8%) and NGOs (3%).
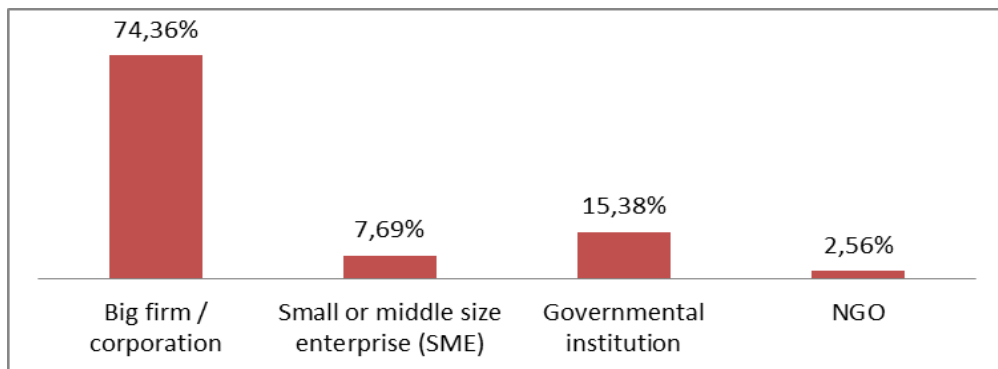

Figure 6: Type of employer of respondents

Sample respondents have relatively high amount of the income on their disposal – between 1.000,00 and 1.999,99 EUR per month for more than 51% of respondents. Furthermore, more than 30% of respondents have the income higher than 3.000,00 EUR (see Figure 7).

Finally, when it comes to stay-specific variables, it is interesting that the respondents from the sample so small as N=39, come from 24 different countries, namely: USA, Turkey, Norway, UK, India, Bahrain, UAE, Saudi Arabia, Israel, Canada, China, Sweden, France, Belgium, Denmark, Italy, Spain, Kuwait, Qatar, Slovenia, Croatia, Montenegro, Serbia and Bosnia and Herzegovina. We can group these countries to four big groups geographically: (1) Western Balkans region, (2) Europe, (3) Asia, and (4) North America.
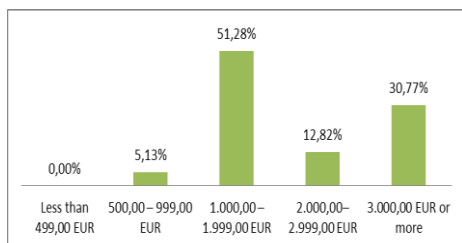
Figure 7: Income level of respondents
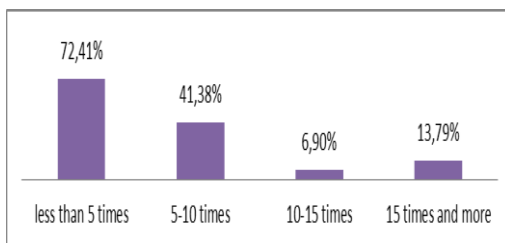
Figure 8: Frequency of hotel services usage

In terms of frequency of hotel services usage (see Figure 8), we see that majority of respondents (70%) use hotel for less than 5 times per year, followed by 41% of respondents that travel 5-10 times per year. However, there is a relatively large group of respondents

(14%) who travel very frequently (15 times and more) which signals that they are most likely business travelers.

Respondents engage in short visits to the city and hotel (51% stays less than 5 days), while only 5% of the sample stays for more than 10 days (see Figure 9). Main purpose for majority of respondents (see Figure 10) is tourism (49%), followed by business (43%) and participance at conference and seminars (3%).
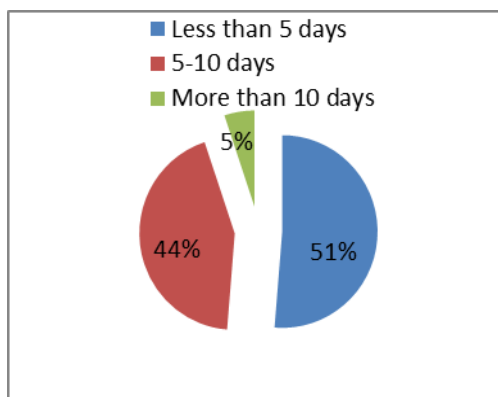

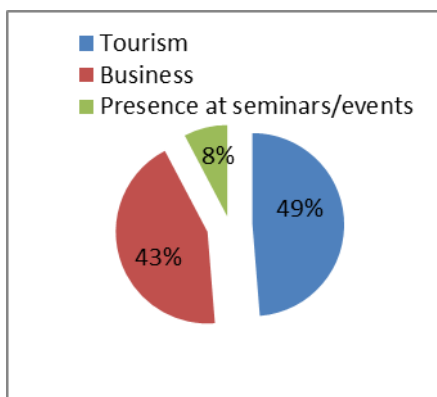**Figure 9: Length of stay**   **Figure 10: Purpose of stay**

RESULTS AND DISCUSSION

We analyzed the data in terms of the service quality expectations; perceptions and importance (see Table 2). Primarily, we assessed the difference between perceptions and expectations (deltas) for each service quality item and for each of the five SERVQUAL dimensions.

Table 2: Assessing differences between expectations and perceptions as well as importance of each service quality dimension

	Expectations	Perception	Delta	Importance	Delta* Importance
	E	P	P-E	I	(P-E) x I
	(1)	(2)	(3 =1-2)	(4)	(5=3*4)
Tangibles	6,54	6,39	**-0,15**	6,56	**-0,98**
…up-to-date equipment.	6,64	6,31	**-0,33**	6,56	**-2,2**
…visually appealing physical facilities.	6,41	6,41	**0**	6,64	**0**
…well dressed employees that appear neat.	6,56	6,46	**-0,1**	6,49	**-0,7**

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…appearance of the physical facilities in keeping with the type of services provided.	6,54	6,38	**-0,15**	6,56	**-1**
Reliability	6,45	6,54	**0,09**	6,77	**0,61**
…when promise to do something by a certain time, they do so.	6,56	6,62	**0,06**	6,82	**0,41**
…when customers have problems, they are sympathetic and reassuring.	6,42	6,54	**0,12**	6,84	**0,8**
…be dependable.	6,46	6,41	**-0,05**	6,71	**-0,34**
…provide their services at the time they promise to do so.	6,37	6,53	**0,16**	6,68	**1,05**
…keep their records accurately.	6,42	6,61	**0,19**	6,79	**1,29**
Responsiveness	6,42	6,47	**0,05**	6,6	**0,33**
…tell customers exactly when services will be performed.	6,35	6,51	**0,16**	6,68	**1,08**
…expect prompt service from employees of these firms.	6,63	6,38	**-0,25**	6,63	**-1,66**
…employees are always willing to help customers.	6,26	6,54	**0,28**	6,44	**1,81**
…not busy to respond to customer requests promptly.	6,44	6,45	**0,01**	6,64	**0,07**
Assurance	6,25	6,75	**0,50**	6,25	**3,13**
…to trust employees of the hotel.	7	6	**-1**	6	**-6**
…to feel safe in my transactions with the hotel's employees.	6	7	**1**	7	**7**
…to have polite employees.	6	7	**1**	7	**7**
…to have adequate support from hotel to employees to do their jobs well.	6	7	**1**	7	**7**
Empathy	7	6,8	**-0,2**	6,4	**-1,28**
…to give individual attention to customers.	7	6	**-1**	7	**-7**
…to give personal attention to customers.	7	7	**0**	5	**0**
…to know what the needs of the customers are.	7	7	**0**	6	**0**
…to have the customer's best interest at heart.	7	7	**0**	7	**0**
…to have operating hours convenient to all customers.	7	7	**0**	7	**0**

Firstly, we assessed the dimension of tangibles. For this dimension, perception (real experience) is at the overall level lower or at the level of expectations. Namely, highest discrepancy is in terms of up-to date equipment where perceptions deviate from expectations for -0,33 points. At the overall level, perceptions deviate from expectations for -0,15 points.

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Reliability of hotel's services was then assessed. This dimension is evaluated positively for 4 out of 5 items. Slight discrepancy on the negative side is in terms of the level of dependability of respondents (delta = -0,05 points). At the overall level, this dimension is assessed positively (delta = 0,09 points). Then the responsiveness of the hotel services was assessed. Here, we see that the observed hotel services excel in comparison to expectations on all except for one item. Namely, promptness of the service is the only item perceived at the lower lever than that it is expected (delta = -0,25 points). At the overall level, responsiveness is assessed slightly positive (or just above the level of expectations) with the difference of 0,05 points.

The same is true for the quality assurance. The only negatively assessed item was the level of trust to the hotel employees (delta = -1). At the overall level, assurance is assessed positively with the highest positive delta = 0,50. Finally, when it comes to the last dimension, empathy, it was assessed negatively with the overall difference of -0,2. It is interesting to note that at the item level, there were no discrepancies at 4 out of 5 items, while one item is different with delta = -1. Therefore, if we were to assess only gaps (differences) between perceptions and expectations, we could say that the highest negative gap is for the dimension of empathy, followed by the dimension of tangibles. At the rest of dimensions the hotel excels at the overall level, by being the best in terms of assurance, then in terms of reliability and finally with responsiveness.

We then proceed with the analysis by introducing the ranking of importance of each item by the respondents. Relationships between the level of perception, expectation and importance of each of the five dimensions can be seen on a Figure 11 below. We may see that the assurance dimension, for which the perceptions are the highest, actually has the lowest score when it comes to its particular importance to respondents. On the other hand, we see that the reliability has the highest importance (which is in line with other service quality research) while its perceptions are at the lower level (however they surpass the expectations in general). When it comes to perceived gaps, Figure 12 shows differences with and without importance ranking included.
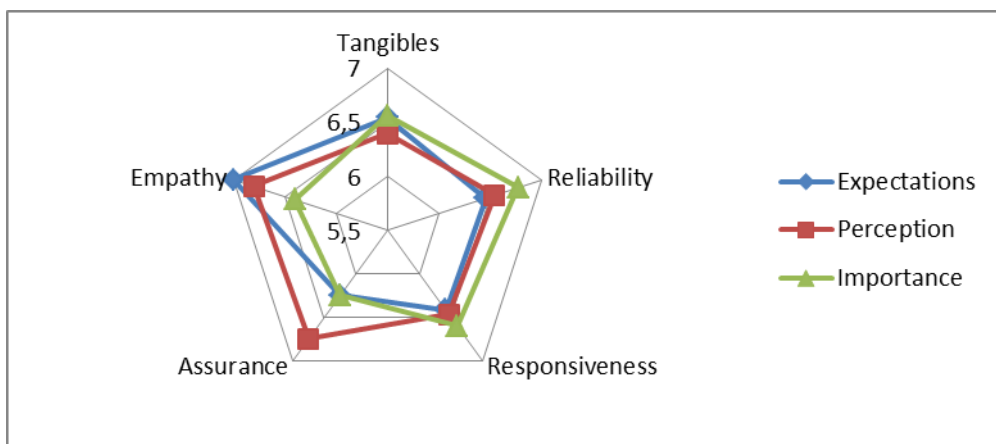

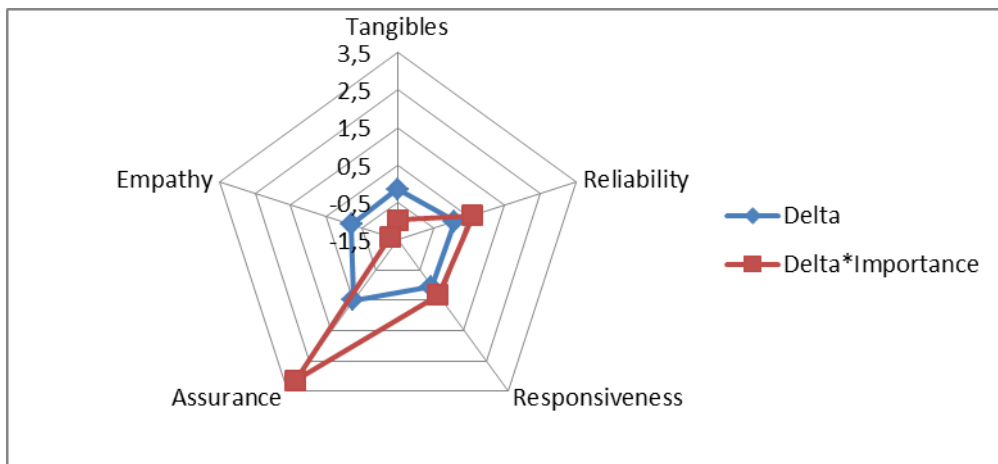**Figure 11: Levels of expectations, perception and importance**

Figure 12: Deltas of perceptions and expectations

Negative results of comparing perception and expectation in terms of *tangibility* could be caused by hotel's position and exterior, and it is hence context specific. Namely it is placed in the city centre but the area that it covers is very limited; that factor had influenced on the architectural design of the hotel's building. Also the hotel is new, and maybe some elements are not finished completely according hotel chain's standards. Similarly equipment probably wasn't in the focus of investment and designing before the hotel opening. Management of new hotels is always occupied with preparing accommodation facilities and employees who will contact with guests and visitors.

In the case of *reliability* we empirical results suggest positive experience – guests' expectations were high or very high, but perceived quality is even higher. The level of expectation is probably the result of general image of luxury hotels on global market; business people used to stay in similar hotels and their expectations are pretty high. On the other hand positive experience, since we calculated average values, could be caused by the fact that even in the new hotel placed in developing country all services are delivered according procedures, rules and promises.

Similarly to reliability, *responsibility* is graded positive. Guests' expectations are confirmed and in some cases exceeded. The exception is "prompt service" where visitors express negative experience. Maybe it is a consequence of the fact that employees have no enough experience in hotel business and one may expect that in the future some delay in service providing will be eliminated.

When it comes to *assurance* – guests/visitors expect to be secure in this type of hotel. Negative discrepancy of trust to the hotel employees could be a result of organic image of Bosnia and Herzegovina, its political, economic and business environment, and also working culture of local people. Respondents trust to the provider – the company (hotel) but they have doubt about employees, their commitment and professionalism, sometimes even honesty. Being in many developing and transitional countries they probably have been facing with problems of local people behavior; in similar cases people often transfer negative attitudes to local employees of similar countries.

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CONCLUSIONS

Presented research results confirmed theoretical assumptions that SERVQUAL model presents reliable model for evaluation of hotel services' quality. Respondents have high expectations as the result of previous experience and many visits, provider's (hotel's) marketing activities, positive reputation of high class hotels and positive word of mouth created by previous guests. Obviously, all those factors had influenced on the respondents expectations. On the other side most of those expectations are met and even exceeded thanks to the high performances and enjoyable experience created for visitors during their staying in the hotel.

Some unexpected results, especially regarding one or two negatively evaluated statements inside dimensions which are positively graded by guests at the overall level are probably results of external influences and situational factors. This pertains to the tangibility, and expectations regarding prompt services or employees' honesty. In this case we can assume that the location of the hotel and bad organic image of the country created doubts and dilemmas among visitors. As the consequences some parts of quality dimensions are evaluated differently in comparison with other similar elements.

Based on the research results we can conclude that guests had positive experience and perceived high quality of hotel services. According to the essence of SERVQUAL model that perception will positively impact customers (visitors) satisfaction. On the other side, if management decides to use results they can decide about future actions in order to decrease negative gaps in tangibility and empathy dimensions, focusing firstly to the empathy because it has higher negative delta. Since individual attention is the issue that guests are not satisfy with management should organized workshops and trainings focused to the employees psychoanalytical knowledge and skills improvement.

Next phase should be improvement of tangible dimensions, especially the part related to the hotel's equipment, since the location and external environment cannot be changed and improved. As certain kind of compensation they can offer some additional services, such as fitness centers, lounges and other elements that capitalize on the interior rather than on exterior.

This study is not without the limitations. Its exploratory nature and small sample size classify it in the preliminary studies in this field. Further research that will include a wider range of hotels in the area and involve bigger sample of guests would be desirable to confirm the empirical results. Additionally, an assessment of perceptions of first-line employees as well as hotels' managers jointly with the assessment of guests' expectations and perceptions would be beneficial for developing stronger managerial implications for service quality management in hotels. Service quality should also be related to guests' outcome constructs, both attitudinal and behavioral outcomes (e.g. guest satisfaction, guest loyalty).

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