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THE RESEARCH OF CONSUMER SATISFACTION, CASE: MONTENEGRO STARS HOTEL GROUP (MONTENEGRO)

ISTRAŽIVANJE SATISFAKCIJE POTROŠAČA, SLUČAJ: MONTENEGRO STARS HOTEL GROUP (CRNA GORA)

Summary: *The purpose of this paper is to gain the insight into consumers' satisfaction and the measures undertaken by hotel management of the prestigious Montenegrin Company, Montenegro Stars, in order to improve the quality of customer relationships. The special focus is to emphasize the significance and causality of marketing research of consumer satisfaction in marketing decision-making process in the hotel industry in Montenegro. Approach- The basic principle of successful business involves an adequate marketing response to the increasingly sophisticated demands of the "new consumer", who more or less fits into the framework of a consumer society. It is possible to anticipate consumers and their needs by knowing them, and thus gain a strategic and competitive advantage in the market. Findings- The current international market situation is still influenced by the negative effects of the economic crisis. In this situation, most hotels in Montenegro find it difficult to achieve defined business goals. The answers should be sought primarily in the consumer, who is the center of all marketing activities, and therefore the marketing research. The subject and scope of this research define the methodology of the scientific research paper. The primary research is consisted of the test method, and the questionnaire is used as the instrument of research. It is expected that this research will initiate further research in this very actual and under-researched area, which "paves a new path" for contribution to science and to further interest in marketing research and tourism in general.*

Keywords: *satisfaction, consumer, hotel industry, marketing research*

JEL classification: Z3

Резиме: *У савременом свијету који све више подсјећа на „глобално село”, основни задатак маркетинга јесте да спозна, задовољи и надмаши очекивања потрошача и то на профитабилан начин. Основни принцип успешног пословања подразумева адекватан маркетинг одговор на софистициране захтјеве „новог потрошача”, који се све мање уклапа у оквире потрошачког друштва. Тренутна међународна тржишна ситуација је и даље под утицајем негативних ефеката економске кризе. За већину хотелских предузећа у Црној Гори, то је ситуација у којој није једноставно постићи утврђене пословне циљеве. Изазови са којима се суочава хотелска индустрија Црне Горе представљају веома актуелно питање и чине се веома интересантном темом за истраживање. Одговоре треба тражити прије свега у потрошачу, који је центар свих маркетинг активности, а самим тим и маркетинг истраживања. Предмет истраживања рада је управљање односом са гостима као императив успешности пословања, на примјеру компаније Монтенегро Старс Хотел Гроуп, престижне хотелске компаније у Црној Гори. Сам предмет, сврха и домен истраживања опредељују методологију научно-истраживачког рада. У примарном истраживању примијењена је метода испитивања, а као инструмент истраживања анкетни упитник. Циљ и задатак спроведеног истраживања усмјерени су у правцу подстицања менаџмента у хотелијерству и туризму Црне Горе, да путем интерактивне комуникације са потрошачима, континуирано преиспитују понуђени квалитет услуге. Такође, очекује се да ће спроведено истраживање иницирати даља истраживања из ове веома актуелне и недовољно истражене области, чиме се „крчи нови пут” за допринос науци и даљем интересовању за истраживања у области маркетинга и туризма уопште.*

Кључне ријечи: *маркетинг, очекивања потрошача, туризам, маркетинг истраживање*

JEL класификација: Z3

1. INTRODUCTION

Applying the marketing concept has always been not only a need but a necessity in all areas of business, and therefore also the hospitality industry as an important part of tourism. The key to success lies in the skill of the hotel company to meet the needs of guests, to identify those services that are of interest for the target groups. In a situation where it is difficult to retain customer loyalty due to the intense competition, the Market Research becomes a must for a sustainable development.

The purpose of marketing research is to make right decisions. Without properly conducted research it is not possible to make strategic or tactical decisions.

Guest satisfaction research represents the key element to long-term business success. Without conducting a survey on consumer satisfaction, the hotel company does not have the crucial information necessary for designing the marketing mix. The results of the research carried out in order to manage guest relationships provide the Hotel Management with the information necessary in decision making process aimed to improve the service quality, select the market segments, target groups and similar. As the clients' expectations grow, so does the obligation of the hotel company to meet their requirements.

2. MONTENEGRO STARS HOTEL GROUP CASE

High quality tourism means high quality accommodation capacity. The choice of Montenegro Stars Hotel Group as an example is not surprising since it is the best case in order to demonstrate the impact of tourism on the Montenegrin economy. This company has, in a little more than 11 years of existence, managed to create a recognizable brand in the international market, thus giving a new dimension to tourism of Montenegro.

2.1. Basic information about the company

The company of Montenegro Stars Hotel Group was founded on the 15th of July, 2003 with the headquarters in Kotor. However, the headquarters were soon moved to Budva for practical reasons, since all three hotels are located there. Within the Company there are three hotels: Hotel "Splendid" category 5*, beach hotel "Montenegro" category 4*, and city hotel "Blue Star", category 4*.

The ownership structure of the company is a mixed capital.

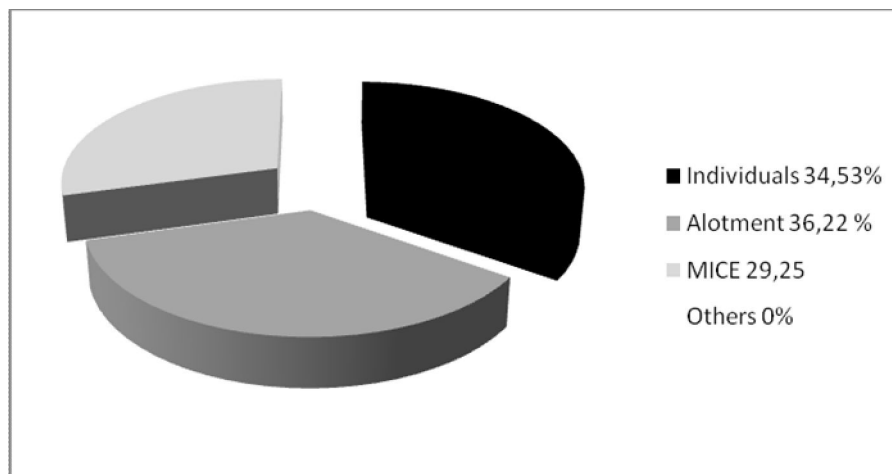
Hotel "**Splendid**" category 5 * was opened on July 13, 2006. It is undoubtedly one of the most representative buildings in Montenegro and abroad. The hotel has 322 superior rooms, 13 wellness suites, penthouse suite, the presidential suite and a total of 688 beds. It was designed as a Conference & Spa Resort. Congress Hall has a capacity of 782 seats and is equipped with the latest audio - visual equipment. Wellness and SPA center on the surface of 3000m² offers many features for the most sophisticated tastes of upscale clientele. The hotel has two indoor and two outdoor swimming pools of over 1000m². The main restaurant has 600 seats. The helipad is located above three panoramic elevators. In the hotel and outside the hotel there are other supporting facilities for providing food and beverage services. The garage has 230 parking lots on three levels.

2.2. Occupancy rates and guest structure

Hotel "Splendid" has achieved 113.356 overnights in 2013. The total overnight consists as follows:

- individual guests make 34.53%,
- allotment - 36.22% and
- business guests make 29,25%

Taking into consideration the elevated commissions that the company needs to pay to the Agencies and Tour Operators according to the allotment agreements, note that the individuals represent a significant benefit for the Company (almost a third of the total overnight stays).

Figure 1 Overnights by sales channel

Source: author calculation

If, however, the analysis is made by evaluating the overnights by the country of origin, we notice the dominance of guests from Russia with a total of 56.331 overnight stays (49.69%). The guests from the countries in the region follow with: Serbia – 9.499 (8.37%), Albania – 6.978 (6.15%), domestic guests – 4.721 (4.16%) of overnights stays etc. The analyzed material shows that the Western European countries, especially Germany as a very important travel market, are still not sufficiently present. This fact brings us to note the necessity to create an important marketing strategy for this segment in the future.

3. THE RESEARCH OF CONSUMER SATISFACTION

For the purpose of obtaining data on the customer satisfaction and loyalty in the past, a number of surveys were conducted both in-house and also by the tour operators.

The questionnaire for the survey conducted in the hotel "Splendid" as the most representative hotel at the Montenegrin tourist market for the months of July, August and September of 2014 is represented below.

3.1. The questionnaire

The questionnaire, as the main instrument of the research, included the four sets of issues that are related to the basic functions of the hotel:

- Welcoming
- Accommodation
- Food and beverage services
- Other services.

120 guests selected randomly were surveyed. A numerical scale for the assessment of attitudes was applied, so that the guests gave grades on a scale from 1 to 5 (5 - excellent, 4 - very good, 3 - good, 2 - satisfactory and 1- unsatisfactory).

The research lasted 50 days ending with the 10th of September. Domestic and foreign tourists were surveyed. Overall structure of the guests was as follows:

According to **the sales channel**, 65% of respondents declared as individual customers, while 35% said they are agency guests.

Gender structure - a total of 55% of women and 45% of male respondents were surveyed.

Age structure percentage - surveyed by age included in total 10% under the age of 25 years, 25% between 26 and 35, 45 % between 36 and 45, 15% from 46 – 55 years and around 5% over 55 years.

Structure by country of origin – according to the indicators of national structures 15% were domestic and 85% foreign tourists. The largest percentage of visitors were from Russia 61,67%, then Serbia 12,5%, Germany 7,5%, Croatia 5 %, U.S. 2.5 %, England 1,67 %, Belarus 0,83% and others.

3.2. The research results

The main results of the research are presented below graphically and described in accordance with an analysis and data processing.

The time frame of the research enabled the selection of representative samples as well as the objectivity of the results obtained.

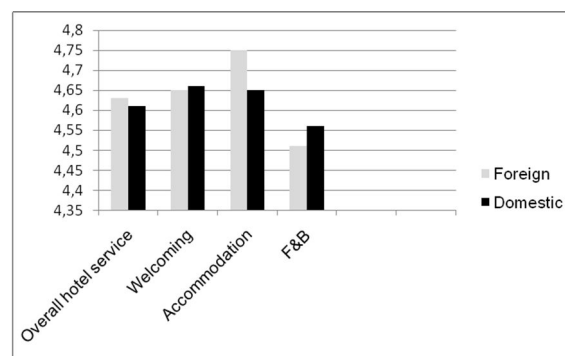
Given the shortcomings of ordinal scale for measuring and assessing attitudes in processing the collected data it is assumed that the intervals between ratings are equal, therefore the arithmetic mean was used

Table 1 Satisfaction rating of hotel basic functions

Hotel basic functions	Domestic	Foreign
Overall hotel service	4,61	4,63
Welcoming	4,66	4,65
Accommodation	4,65	4,75
Food & Beverage	4,56	4,51

Source: author calculation

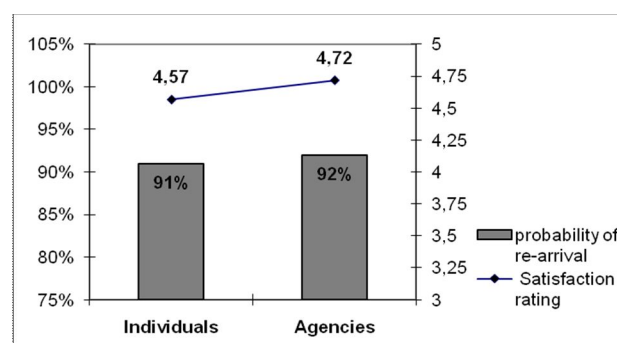
Figure 2: Satisfaction rating of hotel basic functions



Source: author calculation

High average rating of the overall hotel services indicates the high quality of the individual services included in the structure of the general ratings. When asked how they rate overall hotel service, domestic customers have expressed satisfaction giving the score of 4.61, while foreign visitors rated 4.63. The minimal difference in the level of satisfaction was observed, according to which the local guests were slightly more critical. Welcoming services and accommodation are top rated, while Food and Beverage services received the lowest score of 4.56 by domestic tourist and 4.51 by foreign.

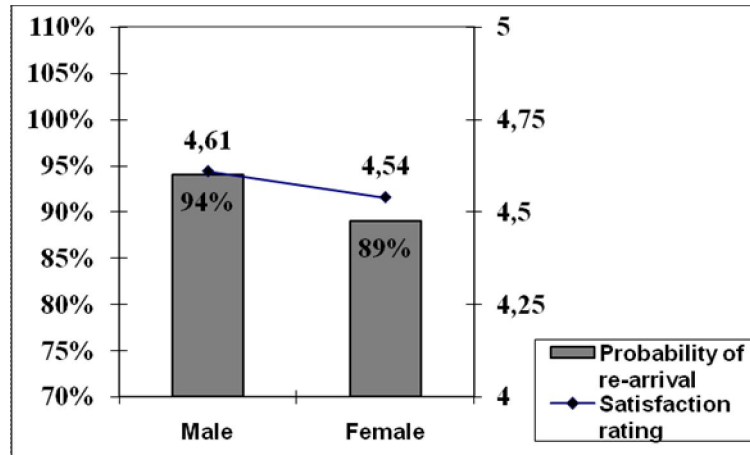
Figure 3 Satisfaction rating of the overall hotel service and probability of re-arrival at the hotel



Source: author calculation

Given the relatively high proportion of individuals in the total overnight stays, it is important to compare the satisfaction rating of overall hotel services with the score of agency guests. The enclosed shows that individual customers have been critical in assessing the overall hotel services, which will initiate and encourage management to take action to fully meet the expectations of individuals.

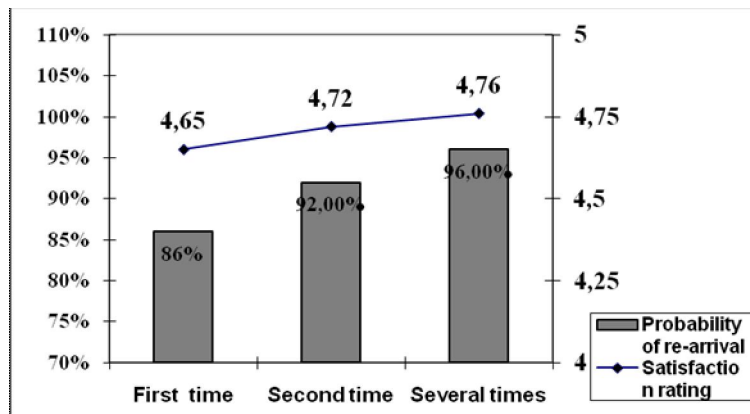
Figure 4 Satisfaction rating of service and probability of re-arrival at the hotel by gender



Source: Marusic a Prebrezac. 2004, 287

In comparing the satisfaction ratings of overall hotel service by gender, it is evident that females were slightly more critical compared to males. This fact is encouraging, since women generally decide on the destinations and hotels. Furthermore, the high percentage of probability of re-arrival is noted.

Graphic 5: Probability of re-arrival by the number of visits



Source: Marusic, Prebrezac. 2004, 287

From the perspective of customer loyalty analysis, it is particularly important to analyze the customer satisfaction according to the number of visits. The guests who stayed at the hotel for the first time expressed their satisfaction of the overall service with 4.65 and the probability of return to the hotel in the amount of 86%, while the guests who have stayed several times at the hotel expressed their satisfaction with a score of 4.76 and a high level of probability of returning to the hotel, 96%.

The distribution of answers on re-arrival matched, taking into account the specificity of the tourism product and the fact that some customers do not return to the destination (hotel), despite expressed satisfaction because they want to visit some new destinations and experience something different.

Entertainment, recreation and excursions are rated relatively high, although there were objections in the questionnaires to the variety of programs. The arrangement of the facility with its close environment has also received relatively high marks. However, a number of objections to the arrangement of the surrounding area still point to a low standard of wider utility conditions.

Taking into account the fact that the questionnaires are filled-in only by the "most motivated" guests, it is clear that, on the basis of the research it is not possible to give a general assessment of the real situation of the guest satisfaction. Therefore, the company, in addition, applies other systems for monitoring guests' satisfaction like the following:

- **Pay TV survey**, which the customers can fill in their room via Pay-TV systems. After filling it in, the marketing services receive an e-mail on how the customers have rated their stay at the hotel.
- **Software Libra**: each guest who stayed at the hotel and left his or her mail, gets online questionnaire which they fill out and automatically send a note to the software that arrives on the company's e-mail address. Every Friday, the company receives the summarized results of these questionnaires.
- **System of complaints, compliments and suggestions**

3.3. Proposed measures

The adoption of the marketing concept, integrated marketing communications and customer service perspective are the premises that are the backbone of Montenegro Stars Ltd. business.

Customer service perspective includes the following: an employee who anticipates the needs of the customer, an employee who is sensitive to individual exigencies and requests of the guests, the staff which makes an extra effort to meet the specific necessities of the customer and the attention that makes the customer feel special and important.

The conducted research shows very good results as well as directions where the improvements should be made in order to improve the quality of service. In accordance with the new concept of customer loyalty, in the literature known as "two-way street," it is necessary to define a series of action-oriented measures such as:

- implement the ISO Quality System Management
- create a specific offer according to characteristics of the target group of high quality tourism
- work continuously on the implementation of the standards in all areas of business, commitment to the guests as individuals
- apply the "Product Development" strategy in order to generalize the development of other areas of business

4. CONCLUSION

The analysis of consumer satisfaction through a questionnaire is an important and highly prevalent supplementary method of control and improvement of the tourism services quality. The mere fact that researches are conducted with the appropriate presentation of results to the company management, helps improving the quality through timely removal of deficiencies.

As well known, in Montenegro there are only seven 5* hotels and they are, considering the accommodation capacity, the largest generators of economic development of the state (according to the Horvat Research in 2013.). The described company Montenegrostars Ltd has all elements to be the adequate representative of the Montenegrin tourism, taking into consideration not only its brand and the size, but also its revenues and number of employees. Therefore, by using the method of induction and starting from the example of microeconomics described above, it can be concluded that the marketing research is a very important instrument for the recognition of Montenegrin tourism in the region and beyond. A care for the guest, the diversity of content and a marvelous location, made hotel "Splendid" the nominee and the winner of numerous international and national awards (World Travel Award, Grand Prix Wild Beauty Award...) and made it an acknowledged host of many celebrities from the world of arts, culture, politics and sports from all over the globe.

This research is expected to initiate further research in this very real and under-explored area, which "paves a new path" for contribution to science and further interest in marketing research and tourism in general.

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