

Quality management in the 21st century in the hotel industry

Does the guest move closer into the focus?

Author: Sandra Burckhardt

Supervisor: Leif Arnesson

Examiner: Lars-Anders Byberg

Abstract

In the last century the quality management was developed and reached its peak with the Total Quality Management. The current century was characterized by an enormous development of technology like the internet. The guests came closer to the hotels and are better informed. The main aim of today's hotels had to be having satisfied guests, to survive on the market in the 21st century. The quality management had to change towards guest satisfaction, but the science hadn't recognized it yet. The internet made it easier to control the satisfaction of guests and quality. The aim having satisfied guests had to be reached with the knowledge of expectations, a high service quality and an operative guest reward program. A total change from the concentration of quality towards a concentration to guest satisfaction was needed, but the hotel industry hadn't changed towards it at all.

Acknowledgement

The last few weeks have been really busy and exhausting and a lot of people deserve a special thank you.

Above all my parents who made it possible for me to study at all and to go abroad. Without you I would not be the person who I am and without your help I could not have stayed in Sweden for studying. Therefore special thanks to my mother for always believing in me, be worried about me and trying to support me whenever she can. Further special thanks to my father for the financial and other support and of course all the good advices he gave to me. Sometimes it was the two of you who made me go on and strengthen me wherever you can in all live situations especially during the time of writing the thesis.

Named should be also my grandmother who supported me as much as she can. Thank you for your financial and other support and all the love you gave to me.

Special thanks to my closest and oldest friends who believed in me and let me go away. Thank you for all the postcards, letters, e-mails and chocolate which let me know that you are there to Stephanie, Anika, Michelle, Caro, Ann-Katrin, Simone and Michèle.

Another thank you is meant for Lisa who sent me a wonderful letter which recharged my batteries and give me new power in the last days of the thesis. Thank you.

A very special thank you to my cousin Silke who always send me funny postcards, pictures and e-mails. I also want to thank you for your support, the presents, for knowing me so well, opening new perspectives and helping me making live changing decisions.

Another special thank you to Anna who didn't left me high and dry even during her not easy stay in Bulgaria. We both know that we are a good team and help each other wherever we can. I will always support you in your study and live like you supported me. Thank you.

A last thank you applies to Carina which I think was the person who missed me most. I am sorry to leave you, but I will be back soon. Thank you for less than I hoped but still enough phone calls and a lot of e-mails and text messages. Further thank you for all the good times we had in the past and will have in the future and of course a special care packet.

To all of you thank you very much and thank you for a very wonderful Christmas 2010.

Table of content

1. Introduction	1
1.1 Background	1 – 3
1.2 Questions	3
1.3 Aim/Purpose	3
1.4 Limitations	4
1.5 Disposition	4
2. Theory	5
2.1 Theories about Quality management	5 – 6
2.1.1. Development of quality management to total quality management	6
2.2 Challenges in the hotel industry	7
2.2.1. Inseparability	8
2.2.2. Perishability	8
2.2.3. Selling process	8
2.2.4. Heterogeneity	8
2.2.5. Individuality and Variability	8 – 9
2.2.6. Bound to the position	9
2.2.7. Uno-Actu-Principle	9
2.2.8. Summary	9
2.3 Service Quality	9 – 10
2.3.1. Expectations	10 – 11
2.4 Measurement of service quality	11 – 12
2.5 Guest satisfaction	12
2.5.1. Classification system	12 – 13
2.5.2. Dissatisfaction	13
2.5.3. Online holiday review	13 – 14
2.5.4. Measuring guest satisfaction	14
2.5.5. Summary	14
2.6 Summary.....	15
3. Method	16
3.1 Believe	16

3.2 Quality study	16 – 17
3.3 Cluster Scandinavia	17
3.4 Selection of theory	17 – 18
3.5 Selection of the hotel chains	18 – 19
3.6 Research of empirical data	19
3.7 Reliability	20
4. Results	21
4.1 Largest Scandinavian hotel chains	21 – 22
4.2 The hotel chains	22
4.2.1 Best Western	22
4.2.2 Choice hotel	22 – 23
4.2.3 Countryside	23 – 24
4.2.4 First	24
4.2.5 Radisson	24 – 25
4.2.6 Rica	25
4.2.7 Scandic	25 – 26
4.2.8 Thon	26
4.3 Guest Reward Program	27 – 28
5. Analyse	29
5.1 The 21 st century	29
5.2 Porters competitive strategy	29
5.3 Quality management	29 – 30
5.4 Standards	30
5.5 Quality Awards	31
5.6 Employee	31
5.7 Service Quality	31 – 32
5.8 Guest Satisfaction	32 – 34
5.9 Challenges in the service sector	34
5.10 Guest reward program	34 – 35
6. Discussion	36 – 37
6.1. Conclusion	38
6.2. Future researches	38 – 39

I. References

II. Internet References

Table of figures

Figure 1: Porters competitive strategy, Source: http://www.ifm.eng.cam.ac.uk/dstools/paradigm/genstrat.html	5
Figure 2: Development of quality, Source: Sandholm, 2000, Page 22	6
Figure 3: The eight largest hotel chains in Scandinavia, divided by each country and total, Source: own research	21
Figure 4: The eight largest hotel chains in Scandinavia, total amount divided by hotel chains, Source: own research	21

1. Introduction

1.1. Background

In the last century the economy made a lot of important changes and went through an enormous development. In the 1920s the industry was dominated by the industrialization and engines were built to produce products and the assembly belt was used for manufacturing.

For this reason the market changed and the former seller market converted into a buyer market. The buyer market is characterized by the fact that there are more sellers and products in the market than buyers or customers. The competition in the market was since then harder and if a company wants to survive on the market, it has to work very strong for it. The word “buyer market” also suggests that the buyer became more important and a lot of things are dependent of his decision. The companies need to know what the buyer wants and how to satisfy his needs.

Therefore the quality of a product came into the focus of the companies, because it is one aspect of a product which the buyer can compare and which often judges a purchase decision. In the last years a few strategies have been published which all include the quality as one important aspect. The concentration on quality made it happen that there was a fast development of the quality management. Furthermore a lot of strategies about quality have been published and how to focus on them. The industrialization made the quality more important, because the products were made of engines and a good control of the quality was needed. The fast development of the market during the industrialization made the management to react on it. Therefore the quality management was developing very fast and the climax was reached soon.

Another very important change of the market was the development of the three-sector hypothesis by Jean Fourastié in the economy. Fourastié developed this hypothesis in the 1930s and he was right with his assumption, that the sector of services became more and more important in the last decades. It can be said that today about 75% of the employees work in this tertiary sector and the manufacturing and the extraction of raw materials is decreasing. This development changed the whole market and of course the management.

Now the focus is on the service sector and there are a lot of challenges this industry needed to deal with. The quality management had to change, because of different aspects of the service industry. The special characteristics of the service industry had to be discovered and the challenges had to be named. It was obvious that the service industry have to deal with special challenges and problems a manufacturer doesn't have.

A third very important factor is the technology which has made the fastest development of all things in the last years. This development made the work easier and more controllable, although it can be said that the humans are dependent on the technology of today. Therefore a new fourth sector in the economic sector theory of Fourastié have been developed: the information sector. A reason for this fast development was the introduction of the Internet.

Today this medium is used in several ways and in today's world it is quite easy to get information about whatever one searches. This technology makes it easier for customers to compare products and accomplishments. Further the customer can find out specific product information and it is possible to see the prices of different sellers. For the buyer it has several advantages and the market becomes transparent and clearer. At the same time this is a disadvantage for the seller, because the customer is more receptive and is better informed.

Further the seller has some advantages of the development of the technology. It is possible for the seller to compare the own products to others and see what information can be found of the competitor. It is also possible to see some strategies of the competitor and react to these strategies or maybe invent new strategies based on the knowledge of the competitor.

The hotel industry is one of the largest industries in the service sector. The quality aspect is a really important fact in this industry and in the last years it has been in the focus of the management. Producing quality is a hard hurdle in the hospitality industry and this hurdle has to be cleared and the quality management had to change again. The special challenges of the hotel industry made it even more complicated to deliver a high quality.

A lot of hotels concentrate on the quality aspect and want to deliver a high quality. It is also clear that some customers make a purchase decision just because of a different or higher quality. The aim of all hotels is to increase the occupancy and to have a high turnover.

The 21st century made the customer and the companies and their products more transparent. The new technologies are an advantage for the companies to inform their guests or customers in an easy and fast way. The quality and the price of products are playing an enormous role in the competition about guests and customers. The relationship between a new quality management, the guest and the Internet is a new challenge for the hotel industry.

1.2. Questions

The question which has been asked during the study and research are:

- How did the quality management developed in the last century?
- Does the focus of the hotel industries is still on service quality? What is about guest satisfaction?
- What is the aim of the quality management in the 21st century?

1.3. Aim/Purpose

In the last century the focus on quality was quite high and every company tried to deliver the best quality. During the last years nothing changed or new had been added to the quality management, because everybody seems to be aware of the importance of quality and the peak of development at the quality management had been reached.

The aim is to present the development of the quality management and how it can develop in the 21st century. The internet will be used as only information source in the empirical data which should point out the development of the technology and how the industry uses it. Further the importance and complexity of the guest satisfaction and how it is possible to control it should be pointed out. The aim of quality management in the 21st century should be presented in the end.

1.4. Limitations

The research of the future of quality management has been very difficult, because almost no theories about this topic have been published. Therefore this thesis deals with the development of the quality management in case to explain the future of the quality management. Furthermore it is necessary to understand the functions of the service sector and the hotel industry, to have a better understanding of the development of the quality management.

This research may seem a bit superficial because of the wide range of theories and the development of quality management which have been used. This was necessary to understand how the future can be of the quality management and what kind of new challenges there are in the 21st century. Therefore a total overview over the service sector, the quality management and the guest satisfaction was needed.

The research was done through hotel chains and no individual hotels have been used. The results are just valid for the industry of hotel chains and not for the individual hotel industry.

1.5. Disposition

The next chapter will give an overview to the development of quality management in the last century and the perspective of the quality management and its aim. Further the challenges of the service sector and especially the hotel sector will be presented. Additionally the guest satisfaction and guest reward programs will be explained.

Afterwards the results of the research of the eight largest hotel chains in Scandinavia and also the results of the research of guest reward programs will be shown.

The analyse should give a summary over the results and theory and explain the context of both. In the end the aim of the quality management in the 21st century should be presented and where the focus will be in the future.

2. Theory

In this chapter the different theories of quality management will be presented and the development will be shown. Afterwards the theory of Service Quality and the special challenges will be pointed out. The theory part ends with the possibility how to measure quality and the guest satisfaction.

2.1. Theories about Quality management

In the last century a lot of theories about quality have been developed. For the hotel industry it is important to know, that most of the quality theories have been developed in the manufacturing industry and therefore it is important to differentiate between manufacturing and service products. Quality is a very important factor in the industry either service or manufacturing.

A first introduction in quality strategies is porter’s competitive strategy which has been developed for manufacturers. This strategy can be divided in two different strategies: cost leadership or differentiation through quality. This is a quite simple strategy where the company concentrates either on costs or on quality. A company can differentiate with a certain specialisation to the competitors and normally the quality is one quite good aspect for differentiation.

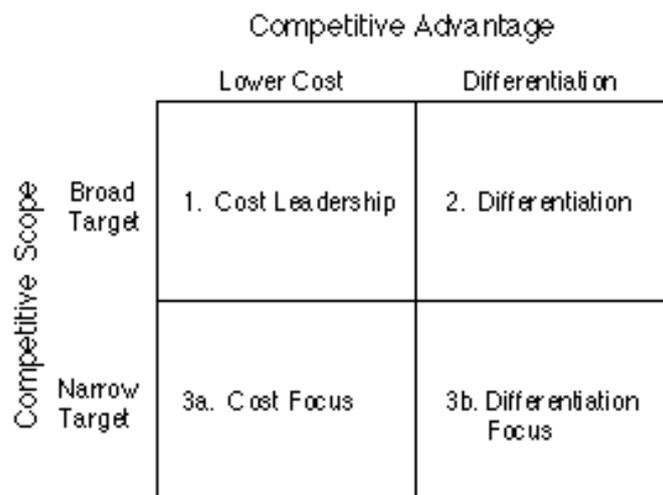


Figure 1: Porters competitive strategy,

Source: <http://www.ifm.eng.cam.ac.uk/dstools/paradigm/genstrat.html>

Although the competitive strategy has been invented for the manufacturing industry, the simple aspects of it can also be transported to the service industry and the hospitality. As simple as this theory is, the separation in cost leadership a differentiation is still in the market and it is the basis of a distribution of competitors.

2.1.1. Development of Quality management to Total Quality Management

The quality management was launched with the industrialization and through the time it developed. The Totally Quality Management (TQM) is a strategy which was designed out of several other quality strategies and was a last consequence of the development. This development is illustrated schematically in Figure 2.

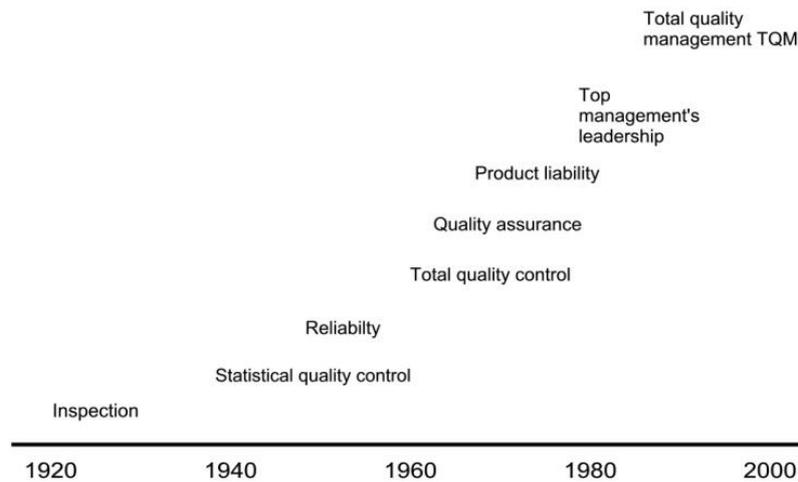


Figure 2: Development of quality (Sandholm, 2000, Page 22)

In the beginning of the last century the manufacturing industry was increasing and then it was necessary to look about the quality of the products. Through the stages of quality inspection, quality control and quality assurance as a last step the total quality management was developed (Williams, 2003).

The total quality regards the supplied products and everything that can come with the products (supplementary services). It is related to external and internal customers and it includes all processes. The total quality engages all people in the organisation and the aim of the work with quality is at all parts or functions of the organisation. It is also important that everyone in the organisation is part of the training of total quality. Therefore it can be said

that the total quality management responds to every employee of the company and every customer/consumer of the products or services of the company. (Sandholm, 2000)

In the 90s the concentration has been on three main areas of interest in quality. These areas are total quality, ISO 9000 and quality awards. The total quality concerns about the quality not only in the product, but it also “includes the quality of all internal processes and functions and the involvement of all the people in the organisation” (Sandholm, 2000).

The ISO 9000 is an international series of standards for quality systems. These standards have been used “as a basis for developing and introducing procedures” (Sandholm, 2000) in companies for their own quality activities. They are a big help for companies to standardize their processes and increase the quality.

The quality awards have been developed in the USA to give an incentive to companies to do more effective and goal-orientated quality work. In 1988 Europe followed and developed the European Foundation for Quality Management (EFQM) which “was formed to promote quality development at a managerial level” (Sandholm, 2000).

Finally in 1991 the organisation set up the European Quality Award. Nowadays countries have their own Quality Awards and there are also some regional or sector-specific awards which all try to reward the best company for improving quality. A very important fact is to know that a company has to apply for the EFQM Excellence Award and an individual initiative is needed.

At the end the quality management has reached the peak and other advancements seem to be not possible respectively it is really hard to do. The next step to reach more customers is to increase the guest satisfaction and concentrate on the customer instead of the product.

2.2. Challenges in the hotel industry

The service sector has to deal with a few special challenges the manufacturing industry doesn't have. To understand the importance of quality, service quality and the guest satisfaction it is necessary to define those special challenges. All these characteristics can influence the quality of the end product and the satisfaction of the customers.

2.2.1. Inseparability

The inseparability deals with the phenomenon that “customers to a greater or lesser extent need to be present when the service is being performed” (Williams, 2003). In all parts of the service sector a so called external factor is needed and within the hotel industry this external factor are the guests.

2.2.2. Perishability

The perishability is important with the fact that the products of the service sector are mostly intangible products because it is a service that is offered to a person or a thing. It is due to the fact that “services cannot be stored” (Williams, 2003) and in the hotel industry this means that an unsold room cannot be sold the next day.

2.2.3. Selling process

The selling of service products is always before the customer consumes it and even before it is produced. Therefore it is important to know that the service industry does sell only promises of a service. So, the quality aspect is really important for the hotel industry, because the customer needs to trust the company to by the “product” in advance. (Maleri, Frietzsche, 2008)

2.2.4. Heterogeneity

The interaction of the front-line member of staff with the customers is one of the most important aspects when managing the service delivery process. A standardized process can help to satisfy a customer's needs, but the staff needs to know and follow them in a strict way. A direct contact between customer and seller is necessary in the service industry. The staff of a hotel company can be a really important factor in quality and that the customer feels comfortable in the hotel. (Williams, 2003)

2.2.5. Individuality and Variability

In the hotel industry it is crucial to know, that every customer is different and has different needs which have to be satisfied. Therefore a service has to be always individual and it is variable with the customer. There might be some customers, who have the same needs, but they are still individual persons with different characters and they need a different

treatment. Additionally a service has to be variable because of the individuality of the customer. (Maleri, Frietzsche, 2008)

2.2.6. Bound to the position

A service can only be offered at a certain place and normally the company and the offered service is bound to the position. In the hotel industry it is logical that a Hotel built in Stockholm can not be transferred to Östersund, because all other hotels there are fully booked. A service company does have a certain catchment area and for the hotel industry tourists from all over the world are a potential customer, but still is the hotel dependent of the catchment area and the attractiveness of an area or region. (Maleri, Frietzsche, 2008)

2.2.7. Uno-Actu-Principle

This principle deals with the fact that a service company is dependent of several thing like mentioned before. After all the Uno-Actu-Principle points out that it has a certain aim in the service industry. This aim is to have the most useful effect for the customer and that the customer has a benefit of using a service product. (Maleri, Frietzsche, 2008)

2.2.8. Summary

Finally all those special characteristics are a big challenge for the service industry especially that the production of the product and consumption of the customer are simultaneously. Therefore the front-line employees play an enormous role in quality and guest satisfaction. All challenges play an important role in selling a service product and a company has to be aware of them. These challenges characterize the service industry and therefore the hotel industry as well.

2.3. Service Quality

The service quality is mainly dependent of two factors: the guest and the employee. These two factors need to understand each other, because it exist an interdependency which influence the cognition and the level of satisfaction and quality. In the hotel industry the front-line employees play the most important role. The guest as the user of the product has

to be taken to mean something really important. For a better understanding of the guest, it is necessary to know him/her and his/her expectations and how these work.

2.3.1. Expectations

The expectations of the service quality are one of the most important facts when you deal with quality. For example a couple go on a holiday and it is just the perfect holiday for them, but another couple senses the exact same holiday as the worst they ever had. The main aspect of the expectation is how the commercial is made and what it transports to the customers. It is important to know, that the commercials are one part of the expectations a person has of a certain service quality. Another important fact is, that the product is sold before used and that production and using is at the same time. Therefore the expectations are crucial, but they can also destroy everything. The “guests are the judges of service quality (...) (and) their expectations of service quality influence their resulting level of satisfaction” (Wuest, 2001). It is important to treat the guest in the right way and every employee of a hotel should be aware of the fact, that he/she can influence the resulting level of satisfaction. Furthermore it is also necessary that the management knows about the expectations the public image shapes to the guest with commercials, adverts or the internet presentations. It is valid, that “it is far easier to please guests with lower expectations than those with higher expectations” (Wuest, 2001). It is also very important to be aware of the fact that expectations can change over the time. This changing can be due to the fact of a new lifestyle situation or a new trend which is developed. A collected data of customer’s wishes or expectations should be updated every year or at other regular intervals.

In general it can be said, that the expectations can be divided into three different categories: essential, expected and optional (Lewison, 1997). The essential part is compelling necessary for the satisfaction and it symbolises the essence of the service business. Every guest expects these parts to be there. In hotels this can be for example, that staffs are present for check-in at a certain hour, towels and bed linen should be included or a room cleaning is offered. The expected services are those “which guests assume the service provider should offer in order to provide adequate service” (Wuest, 2001). These services can be for example certain payment conditions, information about the local opportunities and sights or the possibility of reservation during the telephone. Furthermore it is important to know, that the expected services over the years increase and that the offered services can then be commonplace. The

advancement of the services is therefore quite crucial. The last part of the expectations is the optional. This part contains the services which a guest doesn't expect and which are optional. The development of this optional part is also very important, because optional parts can become expected parts. These services can be for example ironing service, the bar is opened during the whole night or a welcome drink at the hotel room. However guest "ordinarily will not fault the service provider if such services are not available" (Wuest, 2001). There is the chance for the hotel management to surprise the guest in their expectations.

Finally it is important to know that the expectations are mainly addicted to the quality and how the presentation of a hotel is. If guest have a high expectation of a hotel, they may be disappointed with their stay and the quality plays an important role in the expectations, because it is a main part.

2.4. Measurement of service quality

After service quality came into the focus of the hotel industry, they needed to develop strategies or methods to measure the service quality. This was a really hard process, because of the characteristics of service and the service product. It was found out that a questionnaire of the guests can be a good opportunity and so the SERVQUAL scale was invented.

The SERVQUAL scale was introduced by Parasuraman (1988) in the middle of the 1980s and "is a survey instrument which claims to measure the service quality in any type of service organization on five dimensions which are tangibles, reliability, assurance, responsiveness and empathy" (Akbaba, 2006). There are a few studies which criticized this survey instrument (e.g. Babakus and Boller, 1992, Carman, 1990, Cronin and Taylor, 1992 and Cronin and Talor 1994, Teas 1993 and Teas 1994), but it still has the attention of both academics and people out of the practice. That's also a reason why the SERVQUAL instrument "has emerged as the most popular standardized questionnaire to measure service quality" (Akbaba, 2006). The standardized questionnaire contains two sections which each contains 22 statements. A seven-point Likert scale ranging from "Strongly Agree" to "Strongly Disagree" is used to measure the opinion of the customers of quality.

This scale is a good method to measure quality and how the customers feel about it. The SERVQUAL scale is “still regarded as a leading measure of service quality” (Akbaba, 2006).

2.5. Guest satisfaction

In the last decades the development of quality and quality management in the hotel industry is strongly connected to guest satisfaction. To understand guest satisfaction it is important to know, that a good quality does not automatically satisfy a customer (Williams, 2003). The “satisfaction is a psychological outcome emerging from an experience” (Crompton and Mac Kay, 1989) and service quality is strongly connected to the attributes of service itself. According to the *gap analysis theory* or also known as *Oliver’s expectancy-disconfirmation* a customer is satisfied if the appraisal of the service is equal or higher to the service they expected. The expectations of a customer play a quite important role in the satisfaction and measurement of the quality and have been mentioned in a former chapter. Therefore it can be said that the expectations shape the guest satisfaction or even that those two are twined to each other. Guest satisfaction “is a complex phenomenon to monitor, as it is a collection of events and emotions” (Williams, 2003) and many of them are outside of the control of the service provider.

2.5.1. Classification system

The classification system in the hotel industry is an additional fact in guest satisfaction. The expectations of a guest at a five star hotel are higher than the ones in a one star hotel. According to a study of López Fernández and Serrano Bedia (2004) one star hotels are delivering a higher quality and therefore they have a higher guest satisfaction than five star hotels. This is due to the fact, that the demanding service of the luxury hotel industry has a higher expectation of quality than the ones at the one star hotel industry. The expectations of a customer can be shaped by the category of the hotel which he/she is staying. An interesting fact is that in the middle-class hotels or three star hotels the expectations are fulfilled by the quality and the guest are highly satisfied with their stay. Therefore the management has to know what guests expect of a hotel of a certain category and fulfil these wishes. Otherwise the customer’s satisfaction will be very low, although maybe just a little thing is missing. In the luxury hotel industry or five-star hotel industry for example the time

can be a really important factor in the guest satisfaction. It is important “to make the client the focus of attention (personalization) and not to keep the client waiting more than a minute (speedy service)” (Wilkins, Merrilees, Herington, 2007). The management of a higher classified hotel needs to know that details can influence the guest satisfaction enormously and therefore it is important to write down certain standards of the hotel chain.

Another important fact which is addicted to the hotel classification system is the delivery of basic facilities. In a hotel chain certain facilities needs to be guaranteed which a guest can find in every hotel of the chain. The basics have to be clear and have to be fulfilled.

(Williams, 2003)

2.5.2. Dissatisfaction

Additionally the dissatisfaction is another crucial fact to know about in the management. It is clear that “dissatisfaction occurs when customer perceptions of a service do not meet their expectations” (Williams, 2003). The important fact is that a once dissatisfied guest is hard to turn in a satisfied guest again. Normally guests avoid the hotel where they have been dissatisfied and this is what makes it so difficult to change the once made opinion. It is also a fact that a guest who have a long developed relationship with a hotel is harder to dissatisfy, because situations that would normally lead to dissatisfaction may not have that effect. This can be due to the fact that the opinion of the guest is influenced by previous encounters which satisfied the customer. Therefore the previous satisfaction can reduce “the impact of an unsatisfactory event” (Williams, 2003).

2.5.3. Online holiday review

In this century another very important factor has to be mentioned: the online holiday reviews or online assessment portals. This is due to fact that the internet is changing the reservation system and a lot of holidaymakers use the easy way and book their accommodation from home via the internet. With this phenomenon the portals where holidaymakers can give their feedback came along. Some internet pages are just used for giving feedback, but there are others which are connected to an online reservation system. The systems connected to an online reservation system are more reliable than the ones without a connection to a reservation, because it can be trusted, that the critic has been in the hotel. On other portals or review pages it is not guaranteed that the critic has stayed at

the appraised hotel. Those assessments can also be used of the management of the hotels to get to know the guests and the level of satisfaction the guests have experienced in the hotel. Furthermore the understanding of the expectations of the customers can be better and can be used for the future. Although the content of electronic holiday reviews is not that controllable anymore, the utilization is manageable and it implicates a huge advantage for the hotel industry. Finally in the future the expectations of guests can be understood and in a certain way calculated. (Papathanassis, Knolle, 2009)

2.5.4. Measuring guest satisfaction

A good method to measure the guest satisfaction is a questionnaire within the hotel. In every hotel room a questionnaire is available and the guests can fill it out voluntary. Normally a hotel chain promises a certain lottery with the entire questionnaire which has been returned, which gives the guests a certain stimulus to write down their opinion. The hotel knows immediately the opinion of the guests can collect these opinions and improve their service, quality or anything else. Another possibility is an e-mail after the guest has left the hotel with a questionnaire. This is especially common in large hotel chains, when the e-mail-address is known or the customer has booked over the company homepage. Another possibility is a guest reward program, where the data can be easy collected.

2.5.5. Summary

Finally it is necessary to point out that customer service is the key operational variable. If a company improves the service quality, the customer satisfaction will be higher and the profitability will be improved (Soutar, 2001). This clarifies the strong connection and relationship between service quality and guest satisfaction which is very important for the future.

2.6 Summary

The quality management had the peak with the total quality management and after that no new strategies about quality have been published. The future of quality management could be to concentrate on guest satisfaction where the quality places an important role.

Therefore it is necessary to look what kind of values do the hotel chains of today in Scandinavia have and how they are connected to the quality. The values of a hotel chain are an indicator for the management and the strategies. It is further important to find out if the hotel chains still concentrate mainly on quality or if it is something else which came into the focus.

3. Method

3.1. Believe

The theories about quality management which have been published in articles and books are all quite old. In the last ten years no new theories have been published. All articles and books dealing with the theories of quality management have been developed and published in the last century or dealing only with the old theories.

Therefore the theories about guest satisfaction and guest programs have been added as well. Quality management and guest satisfaction are two different factors which influence each other mainly. Nonetheless the theories are old and there should be more theories about those two topics in the future.

The internet makes it possible to research about management and decisions or programs of companies. According to this transparency the customer and guest comes closer to the companies and hotels. This is the reason why it was decided to take only information from homepages of hotels and others. It was expected that all needed information was available on the internet, because of today importance of it.

3.2. Quality study

The study has been made as a qualitative study. The basis of the research is a quantitative research of the largest hotel chains in Scandinavia. Therefore the number of hotels of a certain hotel chain in Scandinavia has been the decisive factor.

The number of hotels has been preferred to the number of rooms, because of the difficulty to collect the number of rooms and that the research has been done through three countries. Therefore it is also important to know how the hotels of the different hotel chains are distributed through the countries. The number of rooms would not be so representative than the number of hotels belonging to a hotel chain.

The empirical Data have been collected in a qualitative way on the websites of the largest hotel chains in Scandinavia. The information which has been published by the companies and where everybody has a free access to it was used for the study.

For the reason that this is one of the first studies made with the aim to give a view of the future of quality management a survey study wasn't made. Another reason for not doing a survey study is the short time which was available and the complexity of this new topic.

3.3. Cluster Scandinavia

A limitation of area was used to reduce the number of possible hotel chains. The research was done about the largest hotel chains in Sweden, Denmark and Norway. These countries were chosen because of their culture and the authors current stay in Sweden. Therefore it was decided that a cluster of Scandinavia is needed which contains these three countries. This decision was made because of the almost equal culture, lifestyle and management. In the past a cluster containing Sweden, Denmark and Norway have been often set as a Scandinavian-cluster (Hofstede, 2003).

Even other authors, for example Schramm-Nielson (2004), used this cluster of Scandinavia with the three countries Norway, Sweden and Denmark for their researches. The culture of the three countries is very similar and building a cluster of Scandinavia is a quite simple one. Furthermore this cluster has been admitted by the science in further researches.

It was also decided to make the research over three countries, because of the higher number of hotel chains and therefore a more representative study.

Speaking of Scandinavia in this thesis it is always meant the three countries Norway, Sweden and Denmark.

3.4. Selection of theory

For the theoretical study the used primarily data was out of the lectures hold at Mid Sweden University at Campus Östersund and Fachhochschule in Worms. Further it was searched for additional articles which have been published in the last years or decades. The website Scencedirect.com was mainly used for the research of articles and only refereed articles have been chosen which was verified through Ulrichsweb.com.

The used search words have been: “quality”, “quality management”, “SERVQUAL”, “hotel”, “hospitality”, “classification”, “holiday review” and “guest satisfaction”.

First it was searched after articles with one of the above search words. Afterwards different combination of the search words have been made to get different articles and results. The articles which have been chosen are dealing mainly with quality management and the influences on it.

Additionally books of the library at Mid Sweden University at Campus Östersund have been used to concrete the research. The books were searched with the same search words like the articles.

3.5. Selection of the hotel chains

Finding the hotel chains which are operating in Scandinavia an incoming tour operator of Nordic countries have been used named Nordic Partners (<http://www.nordicpartners.no/index.htm>). Then all hotels operating in Sweden, Norway and Denmark (<http://www.nordicpartners.no/HotelschainsNordiccountries.htm>) have been searched. Afterwards a research of every hotel operating in Scandinavia was started and how many hotels they offer in the three countries. The data was collected at the homepages of each company (<http://www.bestwestern.se/boka-hotell.aspx>, <http://www.bestwestern.no/vare-hoteller.aspx>, <http://www.bestwestern.dk/en/find-a-hotel/hotel-list>, [http://www.choicehotels.com/en/hotels-in-denmark?sid=HV2Mi.5fcSrg\\$C4.8](http://www.choicehotels.com/en/hotels-in-denmark?sid=HV2Mi.5fcSrg$C4.8), [http://www.choicehotels.com/en/hotels-in-norway?sid=HV2Mi.5fcSrg\\$C4.8](http://www.choicehotels.com/en/hotels-in-norway?sid=HV2Mi.5fcSrg$C4.8), [http://www.choicehotels.com/en/hotels-in-sweden?sid=HV2Mi.5fcSrg\\$C4.8](http://www.choicehotels.com/en/hotels-in-sweden?sid=HV2Mi.5fcSrg$C4.8), <http://www.countrysidehotels.se/en/hotels>, <http://www.firsthotels.com/en/Our-hotels/>, Radisson Location Directory, Updated: November 2010, <http://www.rica-hotels.com/About-Rica-Hotels/>, <http://www.scandichotels.com/Hotels/>, <http://www.thonhotels.com/hotels/>).

The eight largest hotel chains were chosen, because these chains have more than twenty hotels operating in Scandinavia. All other found hotel chains have less than twenty hotels in

Scandinavia and are not that representative for this study. The number of hotels of the hotel companies has been found at the homepages of each company.

The decision to do the research at the largest hotel chains in Scandinavia was made because of the better resources of the hotels and the success which the hotels have. Further it was expected that large hotel chains have more information available at the homepages than small hotels. Normally it is possible to find information about management and marketing decisions at the homepages of large companies. Another reason for choosing Scandinavia was the close culture between the three countries, but still there are three different countries to handle with. The close culture made it easier to understand all hotel companies and a similar or equal statement of values, management and organization was expected.

Additionally it is important to know that some hotels are just operating in one of the three countries or have just a few hotels in a second country. Therefore the collected data of the number of hotels in each country of Scandinavia will be published as well.

3.6. Research of empirical data

The information which was used for this investigation was taken from the official homepages of the eight hotel chains. It was focused on what kind of values the hotel chains present and what image they want to show to the public. The aim was to find the important things for the hotel chains and where they concentrate on. Therefore slogans and values presented to the public and possible future guests can be a good opportunity to understand where the focus is. Additionally the guest reward programs of the different hotel chains will be presented shortly. This is necessary because the guest reward programs are a method to get guest information, wishes and needs.

In first place the results should illustrate if the focus of the hotel chains was still more on quality or on guest satisfaction. Further the advantages of the guest reward system and the relationship to quality management should be pointed out.

3.7. Reliability

The data which have been collected should be truthfully. It is trusted to the hotel chains that the collected data is correct and that it is the latest available data.

Nonetheless two problems have been found during the research. In both cases the same problem appeared. During the research of the number of hotels of the hotel chains in Scandinavia different figures have been found.

In the case of Countryside three different figures of hotels in Scandinavia have been found. These figures are 44, 45 and 46. For that reason the average value of 45 was used.

The second hotel chain where different figures have been found was Scandic. Scandic states the number of all hotels in their chain at 160. During the count of the hotels in the three different countries two different count methods have been used. First a count of all hotels operating out of Scandinavia was made. This count led to a total of 10 hotels which are not operating in Scandinavia. Therefore Scandic hotels should have 150 hotels operating in Denmark, Norway and Sweden. Afterwards the hotels of the three countries have been counted. The result showed just a total amount of 120 hotels in Scandinavia. It was decided to take the last number of hotels, because it was more trustful.

4. Results

4.1. Largest Scandinavian hotel chains

The Scandinavian hotel industry is influenced by eight large hotel chains. All other hotel chains have less than 20 hotels operating in Scandinavia, therefore the concentration of the research was made on the eight largest ones. It is important to be aware of the fact that some chains are quite big in one of the three Scandinavian countries and have just a few or even don't have hotels in the other countries. Therefore it is important to know the central meaning of the cluster of Scandinavia, which illustrates a strong cultural connection between these three countries.

Chain/Country	Denmark	Norway	Sweden	Total
Best Western	22	29	76	127
Choice	17	81	63	161
Countryside	0	0	45	45
First	6	9	32	47
Radisson	8	21	9	38
Rica	0	72	8	80
Scandic	24	21	75	120
Thon	0	61	1	62

Figure 3: the eight largest hotel chains in Scandinavia, divided by each country and total, Source: own research

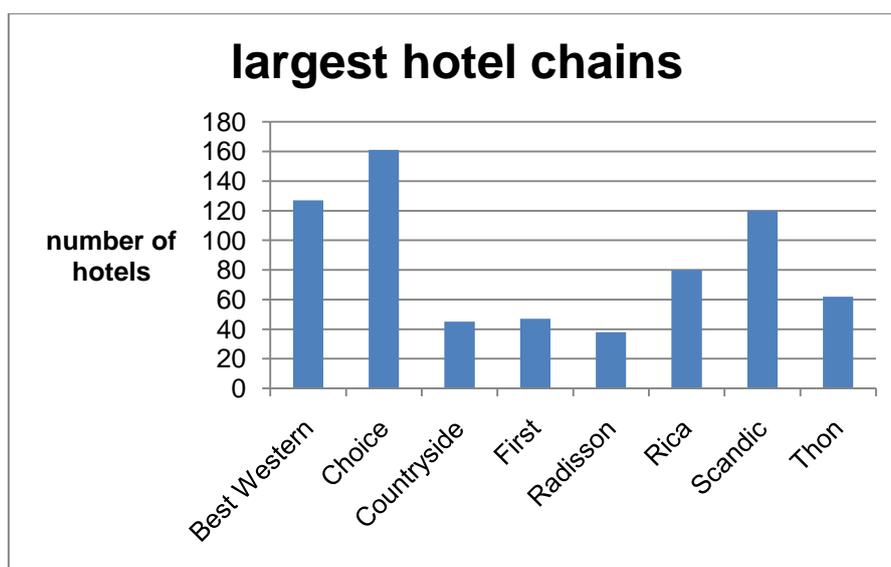


Figure 4: the eight largest hotel chains in Scandinavia, total amount divided by hotel chains, Source: own research

Further there are three hotel chains (Best Western, Radisson and Choice) which are operating worldwide and therefore it is important to know that they have more resources available. First a short introduction to each hotel chain will be given and then the results of quality and guest satisfaction will be presented. Afterwards a short overview of the guest reward programs will be given.

4.2. The hotel chains

Now the results of the hotel chains will be presented in an alphabetical order to protect the equality of the results.

4.2.1. Best Western

The world largest hotel chain Best Western has more than 4000 hotels in 80 countries and has its roots in the United States. Each hotel is unique because of the franchise system, but there are several standards which every hotel has to fulfil.

The commitments of Best Western are quality, service and values. There are 17 standards for all hotels in the chain and 14 are valid for all international hotels. These standards are a precondition for being part of the Best Western hotel chain. This program is called *Best Request* and should be a step forward in guest satisfaction. Although these amenities are quite simple and they are not especially oriented to a certain target group. Finally it can be said, that Best Western is concerned about their guests and how satisfied they are, but because of the large size of the hotel chain it is just possible to satisfy general needs. Nonetheless the chain delivers a high quality standard in all hotels and does global researches about the guest satisfaction.

(http://www.bestwestern.com/newsroom/programs_detail.asp?ProgID=9/
http://www.bestwestern.com/newsroom/factsheet_countrydetail.asp/
<http://www.bestwestern.com/aboutus/index.asp>)

4.2.2. Choice hotel

The company of the Choice hotel chain contains eleven different types of hotels and it is a franchise enterprise. In Scandinavia there are just three different types of hotels: Quality,

Comfort and Clarion. All three of them have different main focuses and some have also different categories of Hotels (e.g. Quality Resort, Quality Hotel, Quality Inn, Clarion Collection, Clarion Hotel). Therefore it is clear that the various hotel categories address to different target groups. The slogans of the three hotels are: Quality: *Everything you expect at an exceptional value*, Comfort: *Relax and Unwind* and Clarion: *Business travel in your own terms*. The Quality hotels addresses mainly to guests who prefer a high standard and good quality. For business travellers it is the Clarion hotel and for leisure tourists it is the Comfort hotel addresses to. All three hotels belong to a program within Choice Hotels which is called *Commitment to Your Satisfaction*. This program addresses to all guests which are unhappy with their stay. This program is committed to make the guest feel understood, welcome and important. It is an invitation to let the front desk know without delay if the guest is not satisfied with the accommodation or service. Quite interesting is the fact that the program speaks of “let the staffs know right away” and the guest should give them an opportunity to correct the situation. Further it is said that if the problem cannot be solved, the staff of the front desk will may credit the guest up to one night’s free stay. This leads to the statement that the guest is quite important for the Choice hotels and how satisfied they are with their stay. Additionally it has to be said that not all international hotels participate in this program. This message gives the *Commitment to Your Satisfaction* a little negative tendency, because it is not explained why all hotels aren’t part in this program. Finally it can be said that you can see the endeavours of the Choice Hotel Group with guest satisfaction, but there could be more about it. Nonetheless it can be said that the quality is an important factor especially at the hotel chain Quality which names it.

[\(http://www.comfortinn.com/en/comfortinn-guarantee?sid=wTmZg.tvM9rgAWH.4 /](http://www.comfortinn.com/en/comfortinn-guarantee?sid=wTmZg.tvM9rgAWH.4/)

<http://www.comfortinn.com/en/brand-info?sid=wTmZg.tvM9rgAWH.4 />

<http://www.qualityinn.com/en/brand-info?sid=wTmZg.tvM9rgAWH.4 />

[http://www.clarionhotel.com/en/brand-info?sid=fhxljg.Kt09rgu4cg.11\)](http://www.clarionhotel.com/en/brand-info?sid=fhxljg.Kt09rgu4cg.11)

4.2.3. Countryside

Countryside represents a member-owned hotel group with 45 hotels in Sweden. The locations of the hotels are unique and every hotel has something special. The hotels are situated in mansion, castles, villas or guest houses with their own story and past. Service standards and high quality service is the greatest goal to reach for this company. The

kitchens of the hotels belong to the best restaurants in Sweden and the chefs have won several awards. Countryside characterizes their hotels out of hospitality, exceptionally good service, a familiar atmosphere and consistently high standards. All this leads to the assumption that the main focus is on quality and on high level quality. According to the unique hotels the target groups are clearly wealthy people which want to have a high level quality served and they await a high level of service quality. Finally it can be said, that the quality plays an enormous important role within the Countryside hotels, because of their target groups. Serving high level quality seems to be their highest goal.

(<http://www.countrysidehotels.se/en/kitchen> / <http://www.countrysidehotels.se/en/about> / <http://www.countrysidehotels.se/en/node/258>)

4.2.4. First

The First hotel chain was founded in 1993 and is operating in Norway, Sweden and Denmark. They describe themselves as committed to providing quality experience and individual choice. The vision of First Hotel is *Your second home is First!* and in this case it is more addressed to the customer. Furthermore their mission focuses more on the quality aspect, because it is called *quality over quantity*. This shows how important the quality is for this company. Although it can be said that this mission leads to satisfied guests who want to have served a good quality. It is not important how many guests there are, as long as they are satisfied, can be the essence of this mission. The First Hotel chain also describes three core values which define the First Hotel's way of working: Joy, Care and Innovation. These values are mainly important for their treatment with each other, the customers and the business partner. Therefore it can be said, that the importance of the guests are known and they try to deliver the best quality and have satisfied guests.

(<http://www.firsthotels.com/en/About/Vision-Mission-Core-Values/>)

4.2.5. Radisson

The Radisson hotel chain is part of the Carlson Company which encompasses more than 1075 hotels in about 77 countries. The Carlson Company focus on hospitality and describes it as the essence of what they do for their guests. (<http://www.carlson.com/our-company/>)

Radisson has got a clear definition of their value: 100% guest satisfaction. Their focus is on the guest and if he/she feels comfortable during his/her stay. Radisson guarantees their guest that if they are not satisfied with something, the guests should tell the staff and they will make it right. If they cannot fix the problem Radisson furthermore guarantees, that the guests won't pay for it. The focus of Radisson is clearly the guest and how satisfied he/she is. It is the highest goal to reach and everybody is included. Therefore Radisson offers a dynamic guest service training program to their staff called *Yes I Can!* The core of the company's service philosophy for hospitality excellence is presented to the front-line service employees and translates the philosophy clearly to everyone.

(<http://www.radisson.com/section/aboutus.franchise/aboutus.sidemenu>)

4.2.6. Rica

The company Rica was founded in 1975 and has got nearly 80 hotels in Sweden and Norway. Furthermore there are a few restaurants owned by this company which don't have any hotel attached. The slogan of Rica is *Your friendly host* which addresses mainly to the customers and guests. It is also said that Rica welcomes every guest like a dear guest is welcomed at home. This leads to the opinion that the hotels are quite polite and familial. Additionally the quality plays a role in their management and their values. The values are described out of four topics: quality, hospitality, flexibility and teamwork where one can see that quality is written in the first place. They also state that they want to deliver quality hotel services, which also implies that their main focus is on quality and not in the first place on guest satisfaction. Rica hotels want their guests feel like home in a polite and friendly surrounding. Finally it can be pointed out that quality plays an important role at Rica hotels and they want to reach a high guest satisfaction out of the other values and of course quality.

(<http://www.rica-hotels.com/About-Rica-Hotels> / <http://www.rica-hotels.com/About-Rica-Hotels/Your-friendly-host/>)

4.2.7. Scandic

Scandic is the leading hotel chain in the Nordic region. They have over 160 hotels in nine countries, within Scandinavia they offer 150 hotels for the customers.

The business concept of Scandic addresses mainly to the guests and states that Scandic wants to help people to recharge their batteries with their easy and accessible services. Therefore it can be said, that Scandic focuses on the guest and tries to give him/her a comfortable stay at one of their hotels. Furthermore Scandic also presents a quality assurance to the public and customers. These assurances state that Scandic aims to guarantee equal quality at all their hotels. Really crucial is the statement *It is important that you know what to expect* which deals with the expectations of customers. These expectations have a great influence on the customer's opinion about a stay. Additionally Scandic points out that they focus on quality assurance in every area at all hotels. This leads to the assumption that Scandic is familiar with the Total Quality Management System and tries to implement it in their hotel chain. Further it is interesting that Scandic speaks of a control system in the quality assurance where the help of external parties and their own audits is carried. Finally it can be said that the main focus of Scandic is the quality assurance which are made towards the customers.

(<http://www.scandichotels.com/settings/Side-foot/About-us-Container/Corporate-information/>
<http://www.scandichotels.com/settings/Side-foot/About-us-Container/Corporate-information/Quality-assurance/>)

4.2.8. Thon

Thon Hotel is part of the Olav Thon Group and offers 60 hotels in Norway and one in Sweden. There are four different hotel types which cover different customer needs: Budget, Resort, Conference and City. This differentiation allows the guest to decide in which kind of hotel they want to stay and what kind of needs they want to have covered. This is a clear statement of the Thon Hotel to accommodate to their guests. The different target groups are served and special need of these groups is covered. The values of this hotel chain are Local, Informal, Professional and Engaged. The four values are defined through the guests and addresses directly to the them. Finally it can be said that Thon cares about their customers and wants to satisfy the special needs of the different target groups, although quality is not directly named it plays an important role in it.

(<http://www.thonhotels.com/about-thon-hotels/#tabmenuanchor/> ,
<http://www.thonhotels.com/about-thon-hotels/>)

4.3. Guest Reward Program

All eight hotel chains offer a certain guest reward program to their customers. They have all in common that a guest can get points during his/her stay and afterwards they can turn it into free nights or other offers.

Best Western Rewards is the reward program of Best Western hotel chain. There are several partners where the guests can earn points and redeem them. It is a cooperation between Best Western and several airlines, companies and others. The reward system is free for all guests. (<https://goldcrownclub.bestwestern.com/>)

The hotel chain Choice is offering a reward system which is called *Choice Privileges*. Points for the reward system can be earned and redeemed in the hotels of Choice and at other cooperating companies. This reward system is not valid in eight European countries including the three Scandinavian countries Norway, Denmark and Sweden.

(<http://www.choicehotels.com/en/choice-privileges?sid=z9rM. oVHrgiC6.13>)

Countryside is one of the smallest hotel chains in this research, but they are also offering a *loyalty card*. Therefore it is a simple reward system, where you get stamps for every stay in a hotel of countryside. Having five stamps of at least two different hotels the guest can get one free stay at one of the countryside hotel. There are no other cooperating partners included. (<http://www.countrysidehotels.se/en/node/267>)

First hotel chain is a member of the Global Hotel Alliance and rewards system which includes several hotels. Although different offers in the First hotels and the other member hotels are made. It has a three tier scaling and offers special privileges for all members.

(<https://www.firsthotels.com/en/First-Member/>)

Radisson is offering a reward system which is called *goldpoints plus*. It is possible to earn and redeem points at the hotels of Radisson and with other companies like airlines or car rental.

(<http://www.radisson.com/gpp/sectiontemplate.do?sidemenu=gpp.sidemenus§ion=gpp.home&moreinfo=gpp.moreinfo>)

Rica hotels loyalty program is the reward program of Rica hotels. Members can earn points during their stay and after ten stays it is possible to get one night free. This reward program has also a three tier scaling which is divided by the number of nights a guest stayed at the

hotel. Additionally it is possible to get other privileges for free which depends on the level of the membership. (<http://www.rica-hotels.com/Bonus/Membership-benefits-and-levels/>)

Scandic is also offering a reward program which is called *Frequent guest program*. This reward program has four different tier levels. Points can be earned and redeemed in all Scandic hotels. Special privileges are offered during the first level of membership. After five stays at a Scandic hotel it is possible to redeem the points to a free night stay.

(<https://www.scandichotels.com/Frequent-Guest-Programme/>)

Thon hotel chain's reward program is called *Thon Member* and has a four tier scaling which have to be fulfilled within a twelve month period. The points can be collected just in the Thon hotels and can be redeemed in free nights or other offers from different companies.

For the guests it is free to join the Thon reward program. (<http://www.thonhotels.com/thon-member---benefits-from-day-one/>)

5. Analysis

5.1. The 21st century

In the present time the technology is getting more and more important. The hotel chains use the new medium Internet as a stage to spread the information and reach the customer directly. Even corporate information is presented at the homepages and even special corporate programs are presented. The internet presence of all eight hotels is really clear and obvious. Each hotel chain present their hotels and the customer can look up everything he/she needs. The facilities and amenities of each hotel of the different chains are visualized. The *About-us*-page is at every hotel chain available which is due to the fact that the research was done about the eight largest hotel chains in Scandinavia.

Finally it can be said that the advantages of the Internet and the cheap possibility to present the company are used of each of the eight hotel chains.

5.2. Porters competitive strategy

The strategies which were named by Porter are still in the market. There are some hotel chains which concentrate on a clear cheap price instead of quality. The eight largest hotel chains in Scandinavia don't focus on this strategy. All eight hotel chains concentrate more on the opportunity to deliver a high quality and a high standard. Although there are some differences in the delivering of the quality the focus is more at the quality part. All companies have a certain quality assurance program or a certain program to guarantee standards.

Nonetheless it is important to know that there are differences in the different quality programs, but it is clear that a certain focus on quality is in every hotel chain.

5.3. Quality management

The development of the quality management found its peak in the Total Quality Management. The strategies which have been evolved during the last decade are all very important for this development and without them a so fast development might have not be

possible. For a better understanding of the Total Quality Management it is necessary to see the whole process of it.

It seems also to be clear that the Quality management has reached the climax and it is hard to evolve a newly concept of Quality management. Therefore the past strategies of quality management are still important because a company can still go back to these roots of the quality management. Sometimes it is good to focus on fewer things, but it is more effective.

The countryside hotel chain has a clearly alignment on quality. The focus of this hotel chain is the quality and how to increase it. The high quality of the restaurants and the several awards of the hotel are a clear indicator for that. Further the countryside hotel has a special offer to their guest with the extraordinary architecture and history of their hotels. This leads them to a unique selling position with a high standard of quality which addresses to a luxury target group.

5.4. Standards

In the hotel industry of today standards are a really important thing and for a hotel chain it is good to concentrate on these standards. The ISO 9000 played a main role in the development of those standards and it still has some good advices for creating standards.

The strategy of Best Western is a really good example how these standards work. The company guarantees the customer certain facilities and amenities in every hotel within the chain. In Scandinavia only the international standards are used, but still there are 14 standards which can be found in every hotel of the Best Western hotel chain. Using standards make it easier for a guest while staying in different hotels of a chain. The guests know what they can await of the hotel chain and which facilities and amenities they offer. Therefore the ISO 9000 is a good chance for hotels to find a start in quality management and in writing down their own hotel standards.

5.5. Quality Awards

The Quality Awards are a good possibility to show a company's performance to the public. The awards are a symbol of good corporate work. Regardless no one of the eight hotel chains has been awarded with an EFQM Excellence Award.

5.6. Employee

The employees are one really important factor in the quality performance of a hotel. This is due to the fact that the hotel industry has these characteristics, which makes it really hard to perform quality. The expectations of the guests are also very crucial and the front-line employees are the one who have to fulfil these expectations.

A certain employee program where the staff gets to know this importance and their responsibility towards the quality performance of a hotel is a good possibility to reduce the risks.

Radisson hotel chain has a quite good program where the staff gets to know the difficulty of the connection between guests and front-line employees. The program *Yes I Can!* is elaborated very well and mediates the importance to the employees. Therefore the expectations of the guests can be better understood of the employees and the needs can be satisfied in a positive way.

5.7. Service Quality

In the last years there was a clear difference between serving quality and having a low price. This gap has also been reduced in the last years, although it is really complicated in the hotel industry to serve good quality for a low price. The quality aspect still plays an enormous role in the hotel industry and especially in the luxury hotel industry. The eight hotel chains which have been researched belong all to a group of hotels who want to deliver a high quality.

For the management of a hotel chain it has to be clear that a development of quality has always something to do with satisfying the guests and this through serving quality. Therefore it is really important to know and understand the special challenges in the hotel industry.

These challenges make a huge difference to the manufacturing industry and make it even more complicated to produce a service product. Serving quality is also dependent of the characteristics of the service sector and the management needs to know them.

All hotel chains seem to know about the importance of quality and serving quality in the hospitality. The representation of the hotels in the internet suggests a certain knowledge of the importance of service quality and the expectations of the guest.

In Scandinavia the hotel industry is characterized by huge hotel chains and especially by the three biggest ones which have all over 100 hotels in Scandinavia. As found in the results all hotel chains have different values and relationships to guest satisfaction and quality.

5.8. Guest Satisfaction

The guest satisfaction is the important factor for the future and although it has been in the focus in the last years, a high guest satisfaction is still hard work for all hotels.

Best Western has the special guest program which indicates a certain understanding of the importance of the guests. Although with such guest review programs details about the guests can be used to find out more about the needs, wishes and expectations. Therefore it can be said that Best Western is concerning about the guests in a high way, although this might be due to the fact, that Best Western is a company which operates worldwide.

The three hotel categories which are operating in Scandinavia under the chain of Choice hotels have different target groups and addresses to different people. Therefore each hotel category has its own slogan and certain orientation. All three hotels have the *Commitment to your Satisfaction* program of Choice hotels in common. This program addresses highly to the satisfaction of the guests and the needs and wishes. The guest seems to be in the focus of the chain and is the main actor in their concerning.

The Countryside hotel chain has a clear focus on quality and the exceptional locations of their hotels. This locations characterize the hotel chain and addresses highly to good situated guests which like to pay more for their hotels. The high quality of the kitchen shows also that the focus is mainly on quality and on delivering a high service quality.

The values of First hotel chain points out that the guest still is on the focus of the hotel chain, but the main focus is on quality. Although, as often said before, a high quality can lead to satisfied guest. The differentiation to quality over quantity is a first step to have satisfied guests. First also addresses to the employees and describes their style of working. The employee is the key to the guests and First seems to know that. Therefore it looks like that a certain awareness of this importance is existing in the company.

Radisson has this enormous focus on guest satisfaction and the aim to reach 100% satisfied guests. This is a goal which can be reached, if you know how to do it. Of course the quality management influences the guest satisfaction and it is necessary to have a high quality to satisfy guest. Radissons aim is a really unique one of the eight hotel chains.

Another good example of the connection between guest satisfaction and quality is Rica hotels. The slogan of Rica addresses directly to the customer and mediates a certain feeling of home. Additionally the values of Rica are characterizing different parts of a hotel company. Quality is mentioned as one and this indicates a certain understanding of the importance of a good quality management. The values Hospitality and Flexibility addresses in the first sight to the customer, because the guest is the person who uses the hospitality of the hotel chain. The value flexibility initiated a special understanding of the needs of the guest and a fast and uncomplicated reaction of everything the guest says or needs. Although these values also address to the employees, because they are the persons who have to show the hospitality towards the guests. Further it is the responsibility of the employees to react flexible on guest's wishes and needs. The last value of teamwork can be seen as an address to both, but in the first place it is addressed to the employees. The teamwork between different departments is crucial and need to work out in a positive way. On the other side the guests can be seen as a part of this teamwork, because the guests are needed to produce the product of the service industry. Finally it can be said that Rica hotels is concerning about both, guest satisfaction and quality, in a same strong way.

Scandic uses the word "expect" in their slogan and this is a really interesting fact. The importance of the expectations of a guest seems to be clear at the management of Scandic. The importance of the expectations of the guests and the connection to the guest satisfaction is clear and Scandic seems to focus on this importance and on the guests. The company also gives a quality assurance which shows again the importance of the quality.

This quality assurance guarantees the guests that in every hotel of the Scandic hotel chain the same standards can be found. Therefore the quality assurance is more addressed to the guest satisfaction and the expectations of the guests. In this hotel chain both is important, although the focus is a bit more on the guest and his/her satisfaction.

Thon seems to be very clear in their orientation towards the guests. Through the offer of four different categories of hotels, it is easier to satisfy the guests. This is due to the fact that the guests know what facilities, amenities and standards they can await in one of the four hotel categories. Thon Hotels also points out the difference between the four hotel categories which makes it easier for the guests to decide. Furthermore the values of Thon Hotel address directly to the guests and mediate a certain feeling of concerning about the guests. The information given on the homepages is quite easy and is completely oriented to inform future guests.

5.9. Challenges in the service sector

The Internet made it possible and easier to inform customers. The hotel industry uses this mainly advantage of the Internet. This is necessary because of the challenges of the service sector.

The selling of the product is before it is used and the customers want to know exactly what they are buying. Therefore the hotel chains use the possibility of the Internet to present themselves.

The intangibility of the product of the hotel industry is another huge problem. Especially the time and the phenomenon of perishability are very difficult to handle in the hotel industry. Nevertheless the Internet made this problem also more transparent and guests can find out about free hotel rooms even late in the evening.

5.10. Guest reward program

The fact that all eight hotel chains in Scandinavia offering a guest reward program shows the importance of this management strategy. The advantages which a company can have out of

such an award program are very high. It is easier to understand the guests needs and wishes and how to satisfy the guests. The advantage for the guests to get free nights, other privileges or other free offers of different company is a stimulus for the guests to join the reward programs.

Another important fact of the reward program is the advantage to turn normal guests into regular guests. As a member of a special reward system of a hotel chain or another company where a hotel chain is included in the reward system, customers decide in first place for the hotel in the reward system than for another one.

The only hotel chain which has different conditions about the reward system is Choice hotels where Scandinavia is not included in the system. It is unclear why Scandinavia and the five other European countries are excluded of the reward system. Normally it should be offered in these countries as well especially when a reward system is offered in other countries. The advantages for the guests and the company are getting lost.

6. Discussion

Quality management in the hotel industry in the 21st century has got some new challenges. The old and known challenges are still there, but because the science knows about it, it is possible to defeat them or to control them. Even the internet made it easier to defeat these challenges. The new challenges within the 21st century are the use of the internet and that the customer can come closer to the hotel than before. The high information flow on the internet is a challenge and presents some advantages and some disadvantages for customers and hotels.

Therefore it is necessary to know about the advantages of the internet and use them well, especially for the quality management. Quality should not be any longer the main aim of a hotel company. Delivering a good product can only be possible when a customer is satisfied and his/her expectations have been fulfilled. Therefore the customer should move into the focus of the companies, especially when they are dealing with a service product.

There is a co dependence between having satisfied guest and deliver a high quality. Both factors are needed to increase the turnover and to survive on the market. Today it is not possible to satisfy all guests because of the special needs, wishes and expectations. Therefore it is important to get to know the guests and the personal wishes. Just with knowing them in detail it is possible to serve a high quality and have satisfied guests.

In my opinion Radisson has the best values and aims to reach the goal of satisfied guests. The reason for this is that their slogan is pointing out that the guest has to be the centre of everything. The special employee program is also composed to learn how a guest can be satisfied in 100% and this is where the future is.

Of course a high quality can lead to a high guest satisfaction, but it is necessary to understand the guest and the special needs of him/her. A guest satisfaction of 100% cannot be reached only with the aim to serve a high quality. Quality is a part of guest satisfaction and it is a part of what a guest can expect of a hotel. Therefore it can be said that the quality management needs to focus even more on the guest satisfaction. It is possible to get to know the needs and wishes of guests and hotel companies should use this offer. The internet plays an important role in this and it can be used for the hotel company to understand the guests in a better way.

An online reservation review or a survey handed to guests who stayed at a hotel is a very good opportunity to know and understand them. It is also an easy way for the guests if they want to complain about something, but they don't want to do it personally.

Special customer programs can be one good opportunity to know the guests and the wishes and needs they have. Therefore it is really important that every hotel company uses this method to get information about the guests.

In this survey it was found out that all eight hotel companies use a special customer program. This may be due to the fact that the eight largest hotel chains in Scandinavia have been chosen for the study. Maybe some smaller hotels don't use this opportunity. It was very surprisingly that there are special customer programs in all hotel companies, because this was not expected. Although it is possible to see the differences between small and larger companies in the customer programs.

For a hotel company it is necessary to fulfil the three phases of expectations: basic, expected and unexpected. These three phases are the centre of guest satisfaction and therefore even for quality. The basics are needed in every hotel and it contains out of the core values the hotel industry has. This basic is to offer an overnight in a hotel room which has got a bed and washing facilities are also available outside or inside the room. The expected factor is a very hard one to find out for the hotel owners, because this is the factor which is influenced by the expectations of the guests. As mentioned before it is absolutely necessary to know the guests and their expectations of the hotel. It is highly important to be in a close contact to the guests and a hotel need to know the wishes of the guests. The unexpected factor is quite simple if the expectations of the guests are known. Unexpected offers of a hotel can be the newspaper in the morning, free coffee or other services which are not expected in the hotel category. The difficulty is that those unexpected factors can turn into expected factors. Therefore a hotel company should clearly think about what their unexpected offers are and should always look at the competitors. In this case studying the competitor can be a good possibility to know about future expectations of guests which stayed at a competitor's hotel.

6.1. Conclusion

Serving a high quality in the hotel industry is a very difficult thing because of the special challenges in the service industry. In the past the concentration was mainly on serving high quality, but in the last decades it changed and the guests got into the focus of the hotel industry. This was a very important step to increase the turnover for the hotel industry.

In my opinion it is not only the quality a hotel should concern about. The guests should be the focus of everything and each guest should be treated individually. Just with this it is possible to survive in the 21st century in the hotel market and to increase the turnover to a maximum. This research pointed out that the concentration of the hotel industry today is still both quality and guest satisfaction. A decision of the science about where the main concentration should be hasn't been made yet. The future is the guest and special guest programs are very important to get to know the guest in detail.

The hotel industry should concentrate on guest satisfaction and see quality management as a part of the aim to reach 100% guest satisfaction. Radisson Hotel Company is the only one who points directly their values to this aim. Therefore it can be said that Radisson is the only hotel group in this research which knows where the future will lead.

6.2. Future researches

In further researches it could be interesting to do a survey study in the hotel chains and see what they are thinking about the quality management and the guest satisfaction. Another possibility for further researches is to find out about the use of questionnaires in the hotels and what kind of questions are used and which differences there are in the different hotel chains. A third really interesting point for further researches could be the use of the special guest program and how the collected data is used. Some special guest programs are just offering the possibility to earn free nights and the hotel doesn't do anything with the information about the guests. In other hotel chains it is possible to use the collected data and use it for a better understanding of the expectations of the guests. A last possibility for further researches is the controlling of the values which the different hotel chains have and

how the realization is working and how the employees are factory-trained to this important factor.

The complexity and complicity of the expectations of the guests can also be another possibility for a research.

The topic of a concentration to guest satisfaction either then quality is very new and it offers new perspectives to the hotel industry and the science.

I. References

Akbaba, Atilla; 2006; *Measuring service quality in the hotel industry: A study in a business hotel in Turkey*; International Journal of Hospitality Management, Volume 25, Issue 2, Pages 170-192

Babakus, E. and Boller, G. W.; 1992; *An empirical assessment of the SERVQUAL scale*; Journal of Business research, Volume 24, Issue 3, Pages 253-268

Carman, J.M.; 1990; *Consumer perceptions of service quality: an assessment of the SERVQUAL dimensions*; Journal of Retailing, Volume 66, Issue 1, Pages 33-55

Crompton, J.L. and MacKey, K.J.; 1989; *Users' perceptions of the relative importance of service quality dimensions in selected public recreation programs*; Leisure Science, Volume 4, Pages 367-375

Cronin, J.J. and Taylor, S.A.; 1992; *Measuring service quality: a reexamination and extension*; Journal of Marketing, Volume 56, Issue 3, Pages 55-68

Cronin, J.J. and Taylor, S.A.; 1994; *SERVPERF versus SERVQUAL: reconciling performance-based and perceptions-minus-expectations measurements of service quality*; Journal of Marketing, Volume 58, Issue 1, Pages 125-131

Hofstede, G., 2003, *Cultures and Organizations: Intercultural Cooperation and its importance for survival – Software of the Mind*, Profile Books LTD, London

Lewis, D.M.; 1997; *Retailing*; Sixth Edition, Upper Saddle River; NJ: Prentice Hall

López Fernández, M. Concepción and Serrano Bedia, Ana M.; 2004; *Is the hotel classification system a good indicator of hotel quality?: An application in Spain*; Tourism Management, Volume 25, Issue 6, Pages 771-775

Maleri, Rudolf and Frietzsche, U., 2008; *Grundlagen der Dienstleistungsproduktion*; Springer-Verlag, Berlin, Germany, 5. Auflage

Papathanassis, Alexis and Knolle, Friederike; 2009; *Exploring the adoption and processing of online holiday reviews: A grounded theory approach*; Tourism Management, Volume 32, Issue 2, Pages 215-224

Parasuraman, A., Zeithaml, V. and Berry, L.; 1988; *SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality*; Journal of Retailing, Volume 64, Issue 1, Pages 12-40

Sandholm, Lennart; 2000; *Total Quality Management*; Studentlitteratur, Lund, Sweden

Schlagel Wuest, Beth; *Service Quality Concepts and Dimensions Pertinent to Tourism, Hospitality and Leisure Services* ed. Kandampully, Jay; Mok, Connie; Sparks, Beverley; 2001; *Service Quality Management in Hospitality, Tourism and Leisure*; Bingham, New York, USA; The Haworth Hospitality Press; Chapter 3, Pages 51-64

Schramm-Nielson, J., Lawrence, P. and Sivesind, K.H.; 2004; *Management in Scandinavia: Culture, Context and Change*; Cheltenham, Edward Elgar

Soutar, Geoffrey N.; 2001; *Service Quality, Customer Satisfaction and Value: An examination of their relationship*; ed. Kandampully, Jay; Mok, Connie; Sparks, Beverley; 2001; *Service Quality Management in Hospitality, Tourism and Leisure*; Bingham, New York, USA; The Haworth Hospitality Press; Chapter 6, Pages 97-107

Teas, R.K.; 1993; *Expectations, performance evaluation and consumer's perception of quality*; Journal of Marketing, Volume 57, Issue 4, Pages 18-34

Teas, R.K.; 1994; *Expectations as a comparison standard in measuring service quality: an assessment of a reassessment*; Journal of Marketing, Volume 58, Issue 1, Pages 132-139

Wilkins, Hugh; Merrilees, Bill; Herington, Carmel; 2007; *Towards an understanding of total service quality in hotels*; Journal of Hospitality Management, Volume 26, Pages 840-853

Williams, Christine and Buswell, John; 2003; *Service Quality in Leisure and Tourism*; Oxon, UK; CAB International Publishing; Cromwell Press, Trowbridge

Figures

Figure 2: Development of Quality management, Source: Sandholm, 2000, Page 22

II. Internet References

Nordic partners

<http://www.nordicpartners.no/index.htm> 12.12.2010 / 18:03

<http://www.nordicpartners.no/HotelschainsNordiccountries.htm> 25.11.2010 / 13:43

Best Western

<http://www.bestwestern.no/vare-hoteller.aspx> 26.11.2010 / 12:24

<http://www.bestwestern.se/boka-hotell.aspx> 26.11.2010 / 12:28

<http://www.bestwestern.dk/en/find-a-hotel/hotel-list> 26.11.2010 / 12:32

http://www.bestwestern.com/newsroom/programs_detail.asp?ProgID=9 11.12.2010 / 15:02

http://www.bestwestern.com/newsroom/factsheet_countrydetail.aspx 11.12.2010 / 15:30

<http://www.bestwestern.com/aboutus/index.aspx> 11.12.2010 / 17:06

<https://goldcrownclub.bestwestern.com/> 18.12.2010 / 14:00

Choice Hotel

[http://www.choicehotels.com/en/hotels-in-denmark?sid=HV2Mi.5fcSrg\\$C4.8](http://www.choicehotels.com/en/hotels-in-denmark?sid=HV2Mi.5fcSrg$C4.8) 26.11.2010 /
11:32

[http://www.choicehotels.com/en/hotels-in-norway?sid=HV2Mi.5fcSrg\\$C4.8](http://www.choicehotels.com/en/hotels-in-norway?sid=HV2Mi.5fcSrg$C4.8) 26.11.2010 /
11:35

[http://www.choicehotels.com/en/hotels-in-sweden?sid=HV2Mi.5fcSrg\\$C4.8](http://www.choicehotels.com/en/hotels-in-sweden?sid=HV2Mi.5fcSrg$C4.8) 26.11.2010 /
11:40

<http://www.comfortinn.com/en/comfortinn-guarantee?sid=wTmZg.tvM9rgAWH.4>
10.12.2010 / 17:08

<http://www.comfortinn.com/en/brand-info?sid=wTmZg.tvM9rgAWH.4> 10.12.2010 / 16:48

<http://www.qualityinn.com/en/brand-info?sid=wTmZg.tvM9rgAWH.4> 10.12.2010 / 17:50

<http://www.clarionhotel.com/en/brand-info?sid=fhxlg.Kt09rgu4cg.11> 10.12.2010 / 16:55

<http://www.choicehotels.com/en/choice-privileges?sid=z9rM.oVHrgiC6.13> 18.12.2010 /
14:11

Countryside hotels

<http://www.countrysidehotels.se/en/hotels> 30.11.2010 / 10:37

<http://www.countrysidehotels.se/en/kitchen> 09.12.2010 / 17:29

<http://www.countrysidehotels.se/en/about> 09.12.2010 / 17:15

<http://www.countrysidehotels.se/en/node/258> 09.12.2010 / 17:01

<http://www.countrysidehotels.se/en/node/267> 18.12.2010 / 14:18

First

<http://www.firsthotels.com/en/Our-hotels/> 26.11.2010 / 11:33

<http://www.firsthotels.com/en/About/Vision-Mission-Core-Values/> 08.12.2010 / 14:00

<https://www.firsthotels.com/en/First-Member/> 18.12.2010 / 14:28

Radisson

<http://www.carlson.com/our-company/> 07.12.2010 / 12:56

<http://www.radisson.com/section/aboutus.franchise/aboutus.sidemenu> 08.12.2010 /
12:00

[http://www.radisson.com/gpp/sectiontemplate.do?sidemenu=gpp.sidemenu§ion=gpp.
home&moreinfo=gpp.moreinfo](http://www.radisson.com/gpp/sectiontemplate.do?sidemenu=gpp.sidemenu§ion=gpp.home&moreinfo=gpp.moreinfo) 18.12.2010 / 14:43

Rica

<http://www.rica-hotels.com/About-Rica-Hotels/> 26.11.2010 / 11:34

<http://www.rica-hotels.com/About-Rica-Hotels/Your-friendly-host/> 09.12.2010 / 14:43

<http://www.rica-hotels.com/Bonus/Membership-benefits-and-levels/> 18.12.2010 14:40

Scandic

<http://www.scandichotels.com/Hotels/> 26.11.2010 / 11:37

<http://www.scandichotels.com/settings/Side-foot/About-us-Container/Corporate-information/> 26.11.2010 / 11:40; 09.12.2010 / 13:31

<http://www.scandichotels.com/settings/Side-foot/About-us-Container/Corporate-information/Quality-assurance/> 09.12.2010 / 13:03

<https://www.scandichotels.com/Frequent-Guest-Programme/> 18.12.2010 / 15:01

Thon Hotel

<http://www.thonhotels.com/hotels/> 30.11.2010 / 12:19

<http://www.thonhotels.com/about-thon-hotels/> 08.12.2010 / 17:23

<http://www.thonhotels.com/about-thon-hotels/#tabmenuanchor> 08.12.2010 / 17:56

<http://www.thonhotels.com/thon-member---benefits-from-day-one/> 18.12.2010 / 13:35

Figures

Figure 1: Porters Competitors strategy

<http://www.ifm.eng.cam.ac.uk/dstools/paradigm/genstrat.html> 22.11.2010 / 11:25