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## Factors determining the improvement of hotel service quality as seen by customers of Sheraton Hotel in Warsaw

**Abstract.** The aim of this article is to investigate the determinants and conditions influencing the quality of hotel services. After defining the essence of quality, the author presents the main reasons and conditions for relatively high costs of these services incurred by hotel companies and the need to systematically improve the quality of hotel guest services. Regarding the research method, the article is based on results of a survey conducted in 2015 and 2017 on a randomly selected sample of guests of the Sheraton Hotel in Warsaw. Survey results indicate that the hotel staff received the highest ratings for their kindness and competences. They also appreciated the high quality of rooms, conference rooms and their equipment. The author concludes that the quality of hotel services – including the Sheraton Hotel – is the main reason why many customers choose them. Consequently, the owner of the Sheraton hotel should continue to improve the hotel's equipment, its conference facilities, restaurants and bars, should select, train and improve basic staff, and should continue to conduct systematic satisfaction surveys among current and future hotel guests.

**Keywords:** quality of hotel services, customer opinion surveys

**JEL Codes:** A11, D12

### 1. The essence of quality

In highly developed countries, quality constitutes the main determinant of competition and the basic factor affecting the degree of customer satisfaction, and, consequently, the success of the manufacturer (service provider). The author of

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this study has attempted to demonstrate empirically that hotel owners should constantly examine opinions of their guests and enhance the hotel's infrastructure to improve the quality of their services and increase customer satisfaction.

E. Deming understands "quality" as a predictable degree of uniformity of reliability at the lowest possible cost. However, not all of these conditions can always be met.

Another great "quality guru", i.e. J. M. Juran [1999], provides four definitions of this concept, which can be understood, among others, as a degree of satisfaction of customer requirements (market quality), a degree of user satisfaction, a degree of compliance with requirements (compliance quality), as a preference in comparison to other products (preference quality), as a feature or a set of features relevant to a given product (quality characteristics) [Garczarczyk 2000: 9]. According to the EN 28402 international standard, quality should be understood as comprising all features and properties of a product or service that determine its capacity to satisfy stated or anticipated needs, whereas the concept of quality in the European Union is primarily understood as the ability to meet customer requirements and expectations as well as the ability to meet them in the design, production and service processes in a manner consistent with applicable law, in this case, European law [Regulation (EU) No 1025/2012 of the European Parliament and of the Council of 25 October 2012 on European standardisation]. Another definition worth mentioning is the ISO 8402 standard, which defines quality as "the totality of characteristics of an entity that bear upon its ability to satisfy identified needs" - as cited by Wierzbic [2002: 335].

The definitions of quality show how many factors are involved in its development and that each of these factors is necessary to maintain and improve quality. The essence of quality is continuous improvement, work and control of the factors responsible for its development. When referring to quality and quality assurance today, we are not only talking about the characteristics of a product or service. Nowadays, quality is primarily associated with a certain new "philosophy" of conduct. In this sense, it is an important element of the company's culture, as quality assurance includes all its achievements, which include dominant values, behaviours, norms, principles and the internal climate. For many companies assuring the proper quality of goods and customer service has become a strategic goal. This is achieved by introducing **Total Quality Management systems** [Zikmund, Amico 1996: 9] in enterprises, which relate not only to all products and services, but also to all employees, processes within the enterprise, as well as relations with its partners in the supply chain.

In recent years, the majority of entrepreneurs have been interested in quality, which has become the most important element in the competitive struggle, and a factor affecting image and trust building with respect to current and future customers of the company.

## 2. Quality costs

Because of its inherent vagueness, the concept of quality costs is differently defined by many theorists dealing with the quality issue. Nowadays, a company that wants to survive and remain competitive needs to be aware of the existence of quality costs, and this awareness should permeate the entire organization. In order to meet the conditions of competition, it has to produce products of the highest quality at the lowest possible prices, and it needs to measure and control all quality costs associated with the production of goods and services. **Quality costs are the basic tool for measuring the company's effectiveness and development and is used to identify the organizational level of achievements in the field of quality.** Quality costs are also the basis for making strategic decisions. They comprise expenditures incurred to obtain the proper quality of a product and inform about the degree to which the quality control system has been implemented in the company. They express the aim of quality control, which comes down to choosing a structure of expenditures for which the sum of costs incurred to maintain quality is the lowest. Quality costs have an economic significance and affect the financial result (profit). Information on the development of quality costs in a company affects the thoughts and actions of management and individual employees [Skrzypek 2002: 227]. Improving quality is one of the most significant determinants of competition, leading to a greater demand for manufactured goods and services, which in turn translates into higher sales and profit. The realisation that the cost of quality assurance is visibly lower than the costs of its absence is the basis for introducing a control system of quality and related costs in the company [Skrzypek 2002: 227]. The increase in profit achieved through the increase in sales is associated with higher operating costs, while improvements in quality guarantee higher profit with lower operating costs. Thus, it can be concluded that quality pays off thanks to cost reduction [Skrzypek 1995: 198; Reinartz, Kumar 2002]. Quality in hotel services that meets customer needs is an important factor affecting profitability and competitiveness. If quality is treated as a global and important control indicator, then the following benefits can be achieved: quality improvement, cost reduction and productivity increase, price reduction, increase in sales and profits, more investment in research and development of new products (services) or professional development of employees [Barfield 1994: 9]. In the literature this problem is referred to as E. Deming's chain reaction, where improvements in quality lead to cost reduction, then to productivity growth, enabling the company to win the biggest possible market share and offer flexible prices.

J. Sitting [as cited by Skrzypek 2002] defines quality costs as costs of prevention, evaluation and reject loss. According to F. Nixon [1974: 38], quality costs

are the costs of gaining certainty that only products that are made in full compliance with the specifics of the requirements reach the consumer. J. Juran and E. M. Gryna [1989: 70-72] define quality costs as certain expenses related to ensuring the usability of products. According to J. Juran [1999: 2.5-2.7], the account of quality costs includes not only items directly related to quality, but also those that must be incurred for the product to be created at all. More specifically, the quality cost structure looks as follows: costs of adapting quality to the needs and expectations of customers, including costs of prevention and quality assessment, costs of non-conformance together with the costs of lost opportunities, which are the consequences of a lack of perfection in the manufacturing process and its external effects. The ISO 8402 standard defines quality costs unambiguously as “those costs incurred in ensuring and assuring satisfactory quality as well as the losses incurred when satisfactory quality is not achieved”. These definitions of quality costs clearly show the multiplicity of determinants that affect them.

According to the International ISO standard from 1987, quality costs can be divided into two types: operational quality costs and external assurance quality costs.

The most detailed breakdown of quality costs is presented by K. Lisiecka [1999: 113], who also distinguished between:

- Internal quality assurance costs (operational costs),
- External assurance quality costs (Fig. 1).

The quality cost accounting system must correspond to the objectives of quality management (e.g. hotel services), while the purpose of the quality cost accounting system is to identify the cost situation, observe and stimulate pro-

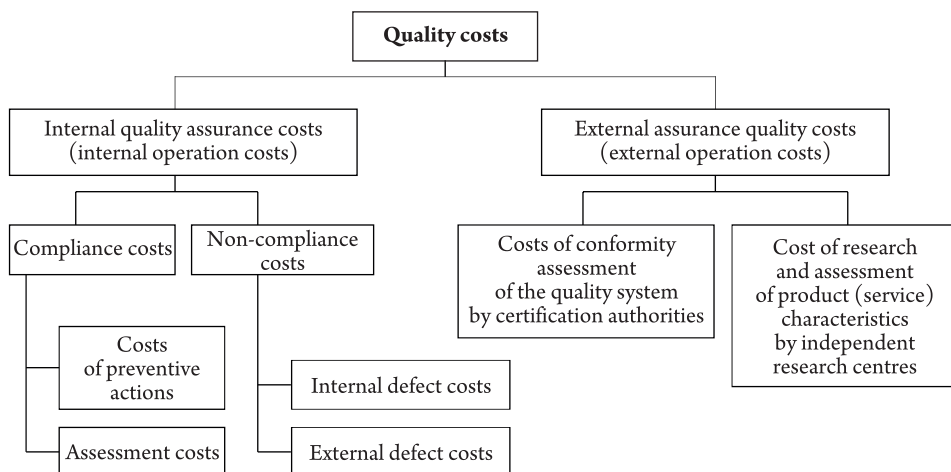


Fig. 1. Classification of quality costs

Source: Lisiecka 1999: 113.

gress in quality improvement, and gain the benefits of implementing a quality improvement programme [Skrzypek 2002].

### 3. Assessment of the hotel infrastructure in Warsaw

The hotel service market in Poland is undergoing a profound transformation in an effort to adapt to the needs of new consumers and standards set by competitive foreign hotel companies [Panasiuk 2007; Panasiuk, Szostak 2018].

A characteristic feature of tourist traffic in Poland is the dynamic development of the hotel infrastructure in the last decade [Rapacz 1994], especially in Warsaw, and in many other Polish cities. In July 2018, a report *Tourism in 2018* [2019], published by Statistics Poland covered 11076 tourist accommodation establishments in Poland (an increase of 3.7% compared to the previous year), including 4179 hotels and 6897 other establishments. As in previous years, hotels were the most numerous category of accommodation facilities (2592), showing a 2.0% increase compared to the number recorded in July 2017 (2540). The second biggest group, described as “other accommodation facilities”, which includes hotels, motels and boarding houses without any category details, as well as other facilities providing accommodation services – including castles, inns, etc. According to the same report, the number of such facilities (1057) in July 2018 was 2.6% higher than one year earlier (1030).

Warsaw is the fastest developing hotel service market of all large metropolitan centres, both in terms of the number of foreign tourist arrivals and the number of Poles using registered tourism collective accommodation facilities. In 2017, Warsaw was visited by approx. 2.9 million foreign tourists, which is equivalent to 60% of all domestic tourists who use accommodation facilities in the entire Mazowieckie province.

The volume of tourist traffic in Warsaw is closely related to the presence of two large international airports and the fact that many international companies have their branch offices in the city. Table 1 presents the general characteristics

Table 1. The hotel infrastructure in Warsaw in 2010 and 2017

Category	2010	2017
Number of hotels	62	86
Number of bed places	18 778	24 280
Number of overnight stays (in thousands)	3325	5252

Source: Rocznik Statystyczny Warszawy 2018: 48-49.

Table 2. Characteristics of selected Warsaw hotels

No.	Hotel name	Number of rooms	Number of rooms for the disabled	Number of suites	Star category	Number of employees	Restaurants	Cafés, bars	Swimming pool	Pet friendly
1	Novotel	710	4	23	****	–	2	2	–	+
2	Marriot	488	10	35	****	1000	4	4	+	–
3	Jan III Sobieski	380	4	33	****	450	1	2	–	+
<b>4</b>	<b>Sheraton</b>	<b>333</b>	<b>5</b>	<b>19</b>	<b>*****</b>	<b>385</b>	<b>3</b>	<b>2</b>	<b>–</b>	<b>+</b>
5	Victoria Intercontinental	329	3	11	*****	532	3	2	+	+
6	Holiday Inn	326	2	10	****	–	2	3	–	+
7	Mercure Fryderyk Chopin	242	6	9	***	–	3	1	–	+
8	Felix	234	4	8	**	–	1	1	–	+
9	Europejski	234	–	13	***	286	2	2	–	+
10	Hotel Polonia	201	3	25	***	–	1	1	–	+
11	Hotel Metropol	176	3	16	***	–	1	1	–	+
12	Le Royal Meridien Bristol	174	2	31	****	300	3	1	+	+
13	Vera	154	2	7	***	260	1	1	–	+
14	Solec	135	–	2	***	–	1	1	–	+
15	Warszawa	126	–	3	***	–	1	1	–	+
16	Gromada	117	–	12	***	105	1	2	–	–
17	MDM	115	1	4	***	64	2	1	–	+
18	Reytan	84	1	2	***	36	1	1	–	+

Source: *Warsaw Business Journal* 2018.

of the hotel infrastructure in Warsaw. Table 1 shows that between 2010 and 2017, the number of hotels increased by 39%, the number of hotel beds – by 29% and the number of overnight stays – by 57%.

Hotels of the highest category (four and five stars) are facilities that were built mostly in the 1990s. In 2000, six hotels of this category (Marriot, Victoria, Forum, Holiday Inn, Jan III Sobieski, Zajazd Napoleoński) provided 26.4% of all hotel beds in Warsaw. Today, there are nine hotels of this class, including four 4-star and five 5-star facilities.

The majority of Warsaw hotels (approx. 70%) are located in the city centre, mostly in the vicinity of the Palace of Culture and Science, Krakowskie

Przedmieście, Krasiński Square, Bank Square, Warsaw Uprising Square and near Warsaw Chopin Airport. The concentration of hotel facilities in the central part of the city is the result of the city layout from before the Second World War. However, one can observe a gradual trend for a more disperse location, with new hotels appearing near stations and highways.

The ranking of major hotels in Warsaw prepared for *Warsaw Business Journal* published in 2018 includes characteristics of 18 hotels in Warsaw presented according to specified values (see Table 2). The star category of hotels is of secondary importance in their ordering, as most of them are 3- and 4-star hotels, and the ranking depends on the number of hotel rooms. The main feature that distinguishes hotels from each other and makes it possible to determine their size and standard are hotel rooms. The number of rooms itself does not provide any indication of their character, size or equipment, but only indicates the size of a hotel. Some hotels, e.g. Sheraton, do not specify the number of beds in individual rooms, which makes it difficult to compare the actual number of guests in a given hotel. For example, Novotel Warszawa Centrum hotel has the largest number of rooms (710). Sheraton Grand Warsaw, with 333 rooms, is ranked fourth, excluding hotel suites, which are in another category.

Another important feature, especially for 4- and 5-star hotels, is the number of suites, which are designed for customers with higher requirements, and their number is indicative of the type of customers the hotel caters for. In Warsaw, the Marriot Hotel has the largest number of suites (35), followed by Jan III Sobieski Hotel (33) and Bristol Hotel (31). Sheraton Grand Warsaw has 19 suites, which puts it further down the ranking.

#### **4. Sheraton Grand Warsaw and its offering**

Sheraton Grand Warsaw was opened on September 22, 1996, first as a 4-star hotel and since 1999 – as a 5-star hotel. In February 1998, the hotel changed its main investor as a result of the merger between the ITT Sheraton Corporation and Westin Hotel & Resorts with Starwood Hotels & Resorts Worldwide, Inc. Sheraton received the highest category on account of the level of service achieved mainly thanks to its staff of 385 employees.

An important element of any hotel's image is its location. It largely determines the type of customers the hotel product is targeted at as well as the direction of its marketing strategy. The hotel's location and accessibility are very important factors influencing choices made by customers. Information about the hotel's location should be generally available and easily understood for both domestic and foreign tourists.



Sheraton Grand Warsaw is mainly dedicated to business tourists, given the hotel's location near many international institutions and offices, embassies, ministries, the Sejm and Senate building complex, the Stock Exchange, which is of great importance for business tourists and other guests.

## 5. Evaluation of survey results

The quality of service offered by Sheraton Grand Warsaw in 2015 and 2017 was assessed using a questionnaire survey. In 2015, 800 questionnaires were distributed and 344 were returned, while in 2017, 496 correctly completed questionnaires were returned of 800 that had been distributed, which is in line with the principles of tourism market research [Tokarz, Lewandowska 2004]. The questionnaire consisted of 15 questions and the part with respondents' personal data. Every 5<sup>th</sup> guest was chosen to take part in 2015 and every 10<sup>th</sup> guest in 2017. The sample included more or less the same number of male and female respondents [Ambler 2000]. The response rate was 43% in 2015 and 63% in 2017. When assessing the quality of services received, such a survey is a simple way of finding out what hotel guests think.

The aim of the survey was to collect opinions of hotel guests about their assessment of the quality of services available at the Sheraton hotel. This is very important as the hotel wants to maintain the highest quality services and meet the needs of customers.

The first part of the questionnaire respondents were asked 3 questions to evaluate tangible aspects of hotel service such as the appearance of their hotel room, its equipment and the appearance of the reception.

As can be seen in Figure 2, the tangible components of the hotel service were highly and positively received by the majority of respondents (the best rated element was the reception, with 72% of respondents giving it the good rating, and the overall appearance of the room – with 68% of good ratings). This demonstrates the hotel's excellent knowledge of the taste of their potential customers as well as great care attached to the appearance, functionality and quality of all equipment.

The quality of the hotel product is mainly affected by the intangible elements of the service rendered to the guest by the hotel staff. How well hotel employees perform their duties determines whether the customer will be satisfied with the service or not. Even a hotel with the best equipment and beautiful interior will not be rated well if the services provided by the staff are not of a high standard.

There are many qualities that should be exhibited by employees of a high class hotel, the most important being competence, responsiveness, kindness and



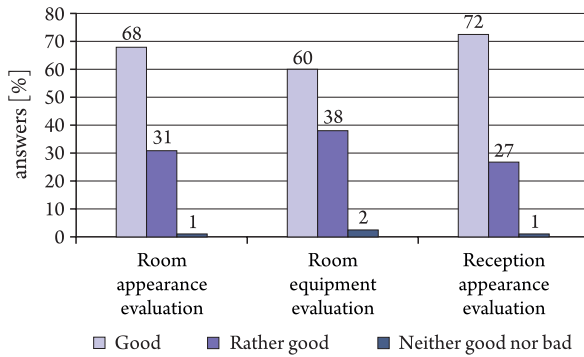


Fig. 2. Respondent’s assessment of the tangible components of the hotel service

Source: own research.

availability. The part of the questionnaire dealing with these aspects consisted of 4 questions. Although any assessment of these features is highly subjective, respondents’ answers give some indication of their perception of the quality of services provided by employees (see Fig. 3).

As we can see, the majority of respondents rated the staff as:

- kind – 95% of satisfied guests,
- competent – 91% of satisfied guests,
- quick to respond to guests’ wishes and expectations – 85% of satisfied guests.

A very important feature in the assessment of hotel staff is a very good and good command of at least two foreign languages. The staff working at the recep-

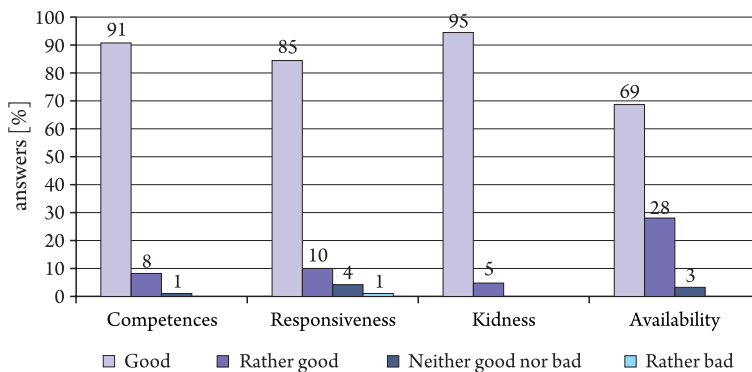


Fig. 3. Evaluations of selected characteristics of Sheraton employees

Source: own research.

tion, in restaurants, bars and conference rooms constantly improve their foreign language skills.

Results concerning the use of four conference rooms and answers to the next four questions suggest that 93% of institutional (business) clients, who rent the conference rooms, were satisfied because:

- they had a spacious room at their disposal,
- furniture and audio-visual equipment satisfied their expectations,
- simultaneous interpreting was available on request,
- the rooms could be used for other purposes, such as exhibitions, demonstrations of ancillary material and equipment.

In view of all this, it can be concluded that the majority of individual and institutional clients of Sheraton Grand Warsaw were satisfied with the quality of the services provided by the hotel and regard them to be of a high standard.

## 6. Conclusions

The following conclusions can be drawn from the above considerations:

1. The quality of service is an important determinant by which recipients of services choose their provider. This applies in particular to hotels, which strive to improve their services and make the best use of their hotel spaces.

2. One important method of quality improvement is to measure the satisfaction of hotel guests. This tool was chosen by the author to examine the quality of services offered at the Sheraton hotel in 2015 and 2017.

3. Respondents' ratings regarding the quality of services at Sheraton Grand Warsaw were good and very good. In particular, this was manifested by:

- a very good assessment of reception work and room quality: 68-72% of satisfied clients,
- a very good assessment of the employees for their kindness (95%), competences (91%) and responsiveness (85%),
- very high evaluation of the quality of rented conference rooms: 93% of clients regarded them as spacious, well equipped, and appreciated the availability of simultaneous interpretation and additional functions.

4. Marketing research carried out in recent years in selected hotels in Warsaw and other cities should be further improved, with the use of other methods, such as panel research or direct interviews.

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## Czynniki determinujące poprawę obsługi hotelowej w opinii gości hotelu Sheraton w Warszawie

**Streszczenie.** Celem artykułu było zbadanie determinant i uwarunkowań mających wpływ na jakość usług hotelarskich. Po zdefiniowaniu istoty jakości autor przedstawił główne przyczyny i uwarunkowania ponoszenia przez firmy hotelarskie stosunkowo dużych kosztów usług oraz potrzebę systematycznego podnoszenia jakości obsługi gości hotelowych. Główną metodą badań były ankiety, przeprowadzone w 2015 i 2017 r. na losowo dobranej próbie gości hotelu Sheraton w Warszawie. Wyniki badań potwierdziły, że najlepsze oceny uzyskał personel za okazywaną uprzejmość i posiadane kompetencje. Respondenci docenili też wysoką jakość sal konferencyjnych i ich wyposażenia. W konkluzji artykułu autor doszedł do wniosku, że jakość usług hotelarskich – także w hotelu Sheraton – jest główną determinantą wyboru tych usług przez wielu klientów. W związku z tym właściciel hotelu Sheraton powinien wciąż udoskonalać wyposażenie obiektu, jego zaplecze konferencyjne, restauracje i bary, odpowiednio dobierać i szkolić personel, zwłaszcza pracowników recepcji, oraz nadal prowadzić systematyczne badania satysfakcji obecnych i przyszłych gości hotelowych.

**Słowa kluczowe:** jakość usług hotelarskich, opinie klientów hoteli



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