

Quality Management in Tourism & Hospitality

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“To propel the growth of the sector, it is imperative that the hospitality sector receives Infrastructure status”
-Chris Moloney

Abstract

To be successful in the market and to attract new customers, managers must concentrate on retaining existing customers, implementing effective policies of customer satisfaction and loyalty. In hotel industry, management approach focused on customer satisfaction to improve customer loyalty and increasing the image of the tourist destination. Quality in the tourism and hospitality industry involves consistent delivery of products and guest services according to expected standards. Tourism in India has registered significant growth over the years, which is led by rising incomes, increasing affordability, growing aspirations, increasing globalization, and a growing airline industry along with improvement in travel-related infrastructure. The industry holds immense potential for the Indian economy and it can provide impetus to other industries through backward and forward linkages. The present study shows that tourism stakeholders perceive quality service in a hotel as value for money, a comfortable room, friendly staff and tasty food. An attempt is also made to study the evolution of hotel industry in India, to examine the direct contribution of tourism and hospitality to GDP and foreign tourists arrival in India and to understand the market size, Investments in tourism and hospitality, and government initiatives in tourism and hospitality.

Key Words: Tourism, Quality, Customer satisfaction, Hotel industry, and Hospitality.

INTRODUCTION

Customer satisfaction is a business philosophy which tends to the creation of value for customers, anticipating and managing their expectations, and demonstrating ability and responsibility to satisfy their needs. Quality of service and customer satisfaction are critical factors for success of any business. Service quality and customer satisfaction are key factors in the battle to obtain competitive advantage and customer retention. Customer satisfaction is the outcome of customer's perception of the value received in a transaction or relationship, where value equals perceived service quality, compared to the value expected from transactions or relationships with competing vendors. In order to achieve customer satisfaction, it is important to recognize and to anticipate customers' needs and to be able to satisfy them. Enterprises which are able to rapidly understand and satisfy customers' needs, make greater profits than those which fail to understand and satisfy them. Since the cost of attracting new customers is higher

than the cost of retaining the existing ones, in order to be successful managers must concentrate on retaining existing customers implementing effective policies of customer satisfaction and loyalty. Hotels are increasing their investments to improve service quality and the perceived value for guests so as to achieve better customer satisfaction and loyalty, thus resulting in better relationships with each customer. Relationship quality has a remarkable positive effect on hotel guests' behavior: it creates positive word of mouth (WOM) and increments repeated guest rates.

The arrival of low cost airlines and the associated price wars have given domestic tourists a host of options. The 'Incredible India' destination campaign and the recently launched 'Atithi Devo Bhavah' (ADB) campaign have also helped in the growth of domestic and international tourism and consequently the hotel industry. In recent years government has taken several steps to boost travel & tourism which have benefited hotel industry in India. These include the abolishment of the inland air travel tax of 15%; reduction in excise duty on aviation turbine fuel to 8%; and removal of a number of restrictions on outbound chartered flights, including those relating to frequency and size of aircraft. The government's recent decision to treat convention centers as part of core infrastructure, allowing the government to provide critical funding for the large capital investment that may be required has also fuelled the demand for hotel rooms.

MEANING AND DEFINITION OF QUALITY MANAGEMENT

Quality Management is closely linked to the concept of continuous improvement, it does not take the form of capital -in the sense of an asset, but involves work to make something evolve, it is implemented within a reference framework, it uses tools and methods and involves repetition and evaluation (EU, 2000).

The International Organization for Standardization (ISO) defines quality management as “all activities of the overall management function that determine the quality policy, objectives and responsibilities and implement them by means such as quality planning, quality control, quality assurance and quality improvement within the quality system” (International Standard, Quality Management and Quality Assurance-Vocabulary, 1994).

A Swedish researcher in quality defines the concept of quality as:

- Quality is a nuance concept. Someone has said that quality is like beauty - it lies in the eye of the beholder. It emphasizes the key role of the customer. Quality in service lies, to a large degree, in the eye of the customer.
- Quality is defined in ISO 9004-2:1919 (E) as - all the combined characteristics of a product, which gives it the ability to satisfy the expressed and understood, need. A common definition of service quality is that a service shall meet the customer's expectations and satisfy their needs.

In the area of hospitality, total quality management (TQM) is a participatory process that empowers all levels of employees to work in groups in order to establish guest service expectations and determine the best way to meet or exceed these expectations. A successful property will employ leader-managers who create a stimulating work environment in which guests and employees become integral parts of the mission by participating in goal and objective setting (Walker, 2010).

REVIEW OF LITERATURE

A brief review of literature on quality management in tourism and hospitality is as below:

Le Blanc & Nguyen (1996) suggest that marketing efforts should be directed to highlight the environmental characteristics of the location in order to attract new customers. The constant increase of demand of touristic services, and the request for higher standards by the guests, has enforced the competition among hospitality suppliers and highlighted how the attractive the tourist destination is influenced by the standards of the services provided by the local hotels.

Barsky & Nash (2003) Enterprises which are able to rapidly understand and satisfy customers' needs, make greater profits than those which fail to understand and satisfy.

Choi & Chou (2001) Competitive hospitality industry offers homogeneous services, individual hoteliers must be able to satisfy costumers better than their counterparts.

Evans & Lindsay (2010) suggest meeting or exceeding customer expectations, organizations must fully understand all service attributes that contribute to customer value and lead to satisfaction and loyalty.

Reyad (2005) Managers must recognize the importance of client retention, since the attraction of a new customer is regarded to be more expensive and time consuming.

From the review of literature it is found that hospitality management is the overall level of contentment with a service/ product experience.

OBJECTIVES OF THE STUDY

Considering the importance of quality management in tourism and hospitality, the objectives of study are delineated below as:

- An attempt is made to study the evolution of hotel industry in India.
- To examine the direct contribution of tourism and hospitality to GDP and foreign tourists arrival in India.
- To understand the market size, Investments in tourism and hospitality, and government initiatives in tourism and hospitality.
- To understand the relationship of quality management in tourism and hospitality considering various factors:
 - Cleanliness and comfort, Spaciousness, Hygienic.
 - Complementary items, performance of staff, accuracy of food orders.
 - Quality of food, Variety of basic products and services, room services and affordability of prices.
 - Distribution of promotional material through travel agencies; experience trips, where local tour operators, press, opinion leaders are invited to visit the hotel; Web-page; TV programs to describe the hotel; participation to fairs; public relations.
 - The services examination i.e. overall service perception; transfer service; reception service; room quality; restaurant service; trips and excursions service; seaside service; and entertainment.

RESEARCH METHODOLOGY

The present research is a descriptive study conducted in Punjab state i.e. from Mohali, Ropar, Jalandhar, Amritsar, Chandigarh, Patiala, Rajpura and Bhatinda using a structured questionnaire measuring demographic characteristics and factors testing the quality management in tourism and hospitality by utilising measuring instruments that are capable of measuring the related factors. Sample size is 150. The secondary data is also collected from various books, magazines, journals, newspapers, and various websites of internet. The collected data was analyzed using Microsoft offices excel. The data analysis and interpretation was carried out with the help of descriptive statistical analysis based on percentage value.

EVOLUTION OF THE HOTEL INDUSTRY

Pre- 1990:	<i>The National Tourism Policy was announced and the government formulated a comprehensive plan to promote tourism in 1988.</i>
1990-2000:	<i>Government stressed on public-private partnership in the sector and the policies gave a boost to the hotel industry. Many such partnerships are still active.</i>
2000-2005:	<i>A new policy on tourism was announced in 2002 with focus on developing infrastructure and online travel portals and low-cost carriers were launched.</i>
2005-2010:	<i>The government undertook marketing initiatives and the domestic spending on tourism accounted for over 80.3% of the total tourism revenues.</i>
Present:	<i>Foreign tourists visiting India rose to 6.36 Mn and new products such as Medical tourism and Ecotourism came into existence.</i>

DIRECT CONTRIBUTION OF TOURISM AND HOSPITALITY TO GDP

The tourism and hospitality sector's direct contribution to GDP totalled US\$ 37.3 billion in 2013.

TABLE 1

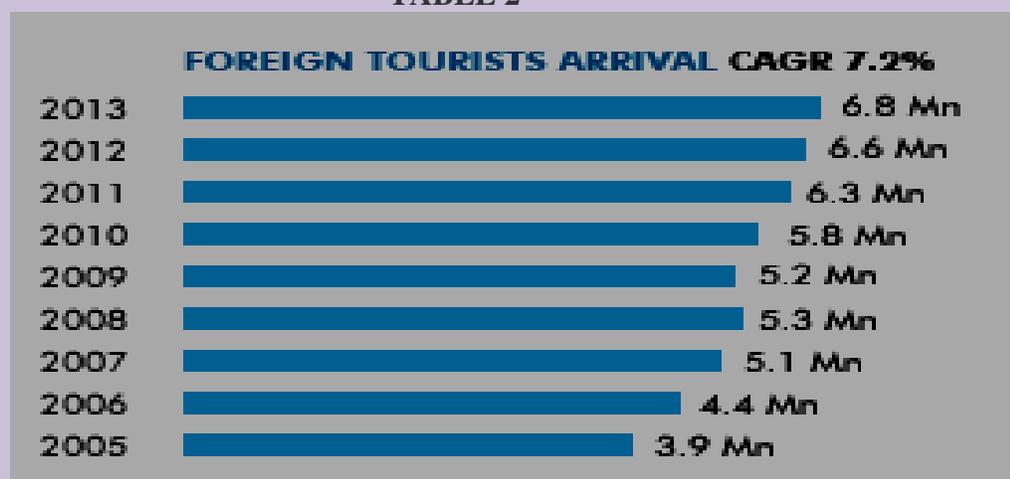


Source: *Ministry of Tourism report, 2014*

FOREIGN TOURISTS ARRIVING IN INDIA

Over 6.8 million foreign tourist arrivals were reported in India during 2013.

TABLE 2



Source: *Ministry of Tourism report, 2014*

Tourism in India is a key growth driver and a significant source of foreign exchange earnings. In India, the sector's direct contribution to gross domestic product (GDP) is expected to grow at 7.8 per cent per annum during the period 2013-2023.

The tourism sector in India is flourishing due to an increase in foreign tourist arrivals (FTA) and a larger number of Indians travelling to domestic destinations. According to statistics available with the World Travel and Tourism Council (WTTC), revenues gained from domestic tourism rose by 5.1 per cent in 2013 and is expected to increase by 8.2 per cent this year. The Indian hospitality sector has been growing at a cumulative annual growth rate of 14 per cent every year, adding significant amount of foreign exchange to the economy.

The role of the Indian government, which has provided policy and infrastructural support has been instrumental in the growth and development of the industry. The tourism policy of the government aims at speedy implementation of tourism projects, development of integrated tourism circuits, special capacity building in the hospitality sector and new marketing strategies.

Market size

The total market size of the tourism and hospitality industry in India stood at US\$ 117.7 billion in 2011 and is anticipated to touch US\$ 418.9 billion by 2022.

FTAs during the period January-June 2014 stood at 3.54 million as compared to FTAs of 3.36 million during the corresponding period of 2013, registering a growth of 4.5 per cent. FTAs during June 2014 were 492,000 as compared to 451,000 during June 2013, a growth of 11.5 per cent.

Foreign exchange earnings (FEE) during January-June 2014 stood at Rs 56,760 crore (US\$ 9.44 billion) as compared to FEEs of Rs 51,587 crore (US\$ 8.58 billion) during the same period last year, registering a growth of 17.9 per cent. FEEs during June 2014 were Rs 8,458 crore (US\$ 1.41 billion).

The number of tourists availing the tourist Visa on Arrival (VOA) scheme during January-June 2014 have recorded a growth of 28.1 percent. During the period, a total number of 11,953 VOAs have been issued as compared to 9,328 VOAs during the corresponding period of 2013.

Investments

The foreign direct investment (FDI) inflows in hotel and tourism sector during the period April 2000–March 2014 stood at US\$ 7,348.09 million, as per the data released by Department of Industrial Policy and Promotion (DIPP).

The following are some of the major investments and developments in the Indian tourism and hospitality sector:

India's largest integrated travel company Thomas Cook's human resources and staffing arm Ikya Group plans to buy Hofincons Infotech and Industrial Services. The deal is estimated to be valued around Rs 75-100 crore (US\$ 12.47-16.63 million).

Hyatt has announced the opening of Hyatt Raipur, its sixth Hyatt-branded property in India. "We are delighted to introduce the first Hyatt-branded hotel to Raipur. Hyatt hotels are intimate, upscale hotels that offer authentic hospitality in a vibrant environment," as per Mr Pablo Graf, Senior Vice President -Operations, Hyatt Hotels & Resorts, South West Asia.

Lemon Tree Hotels plans to invest Rs 1,000 crore (US\$ 166.35 million) to ramp up room capacity from 2,800 to 8,000 across the country by the end of 2017. "Our ramp-up will include rooms in our upscale brand Lemon Tree Premier, mid-scale brand Lemon Tree Hotels and economy brand Red Fox," said Mr Sumant Jaidka, COO, Lemon Tree Hotels.

Oberoi Realty plans to bring iconic luxury brand Ritz-Carlton to Mumbai. The American brand hotel is being planned in Worli and is expected to come up by 2016 at a cost of Rs 750 crore(US\$ 124.75million).

Movenpick Hotels and Resorts has signed a management agreement to operate a new hotel in Kochi, its third property in India. The hotel will be owned by ITMA Hotels India Pvt Ltd, an associate company of Jomer Properties and Investments.

Government Initiatives

The Ministry of Tourism has launched a web-based Public Delivery System to ease the process of filing applications by the travel trade service providers seeking recognition from the Ministry, and also to bring in transparency in granting the approvals. All the applications will now be examined, processed and approved within 45 days from the receipt of completed applications. Tripigator.com, a travel planning engine, was launched in Delhi in partnership with Incredible India of Ministry of Tourism, on May 5, 2014. The website instantly generates personalised travel itineraries with fewer inputs and significantly reduces users' efforts by replacing 10 tabs with one tab.

The Ministry has also launched a campaign 'Clean India' to sensitise all sections of the society on the importance of cleanliness and hygiene in public places, particularly monuments and tourist destinations. The campaign is a blend of persuasion, education, training, demonstration and sensitisation of all sections of the society.

The Ministry of Tourism has been making efforts to develop quality tourism infrastructure at tourist destinations and circuits in the country. It has sanctioned Rs 4,090.31 crore (US\$ 680.52 million) for a total number of 1,226 tourism projects, which includes projects related to Product/Infrastructure Development for Destination and Circuits (PIDDC), Human Resource Development (HRD), Fairs and Festivals, and Adventure and Rural Tourism for infrastructure augmentation.

ANALYSIS, FINDINGS AND DISCUSSION

The finding in relation to the age of the tourists shows a varied age range, 42 percent were in the age group of 31-40 years followed by 20-30 years age group as shown by table 2. The findings reveal that the tourists from Punjab are likely in the middle section i.e.31-40 age group of their working life and are Indian male married couples earning income in between 30000-50000 and spend maximum earnings on family recreations.

TABLE 3: PROFILE OF TOURISTS

Demographic variables	Frequency N=150	Percentages N= 150
Age 20-30	45	30
31-40	63	42
41-50	24	16
51-60	12	08
60 and above	04	04
Sex		
Male	84	56
Female	66	44
Marital Status		
Unmarried	54	36
Married	96	64
Nationality		
Indian	93	62
Non- Indian	57	38
Purpose of Travel		
Tourist	72	48
Business	29	19.33
Visiting Friend/Relative	43	28.67
Others	06	04
Annual Income		
Below 30000	56	37.33
30000-50000	79	52.67
50000 Above	15	10
Spend the Income		
Family Expenses	80	53.33
Personal Savings	70	46.67

Source: primary data

TABLE 4: CUSTOMER SATISFACTION

Description	Highly Satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly Dissatisfied
Cleanliness and Comfort	16%	64%	10%	6%	4%
Spaciousness	17%	51%	23%	7%	2%
Hygiene	30%	41%	17%	7%	5%
Complementary Items	16%	41%	24%	12%	7%
Staff Performance	26%	47%	15%	8%	4%
Accuracy of food orders	18%	49%	18%	11%	4%

Quality of food	16%	54%	20%	6%	4%
Variety of basic products and services	17%	31%	33%	17%	2%
Room services	30%	41%	17%	7%	5%
Affordability of prices	16%	45%	20%	18%	1%
Distribution of promotional material	16%	47%	25%	8%	4%
Services examination	18%	49%	11%	18%	4%

Source: primary data

As it is clear from table 4, 47% of tourists are satisfied with distribution of promotional material through travel agencies; experience trips, where local tour operators, press, opinion leaders are invited to visit the hotel; Web-page; TV programs to describe the hotel; participation to fairs; public relations and 49% of tourists are satisfied with the services examination i.e. overall service perception; transfer service; reception service; room quality; restaurant service; trips and excursions service; seaside service; and entertainment.

CONCLUSION

Success of "Incredible India" campaign, introduction of low cost airlines, growing infrastructure thrust by the government and India's emergence as an outsourcing hub has led to a 13.2% surge in foreign tourist arrival in calendar year 2005 over the previous year. The gateway to 2010 commonwealth games has also boom the hospitality industry as there were many players came to 5 star hotels to meet the room requirements of the hotels, giving the scope of boom for the industry. India is projected to be number one for growth globally in the wellness tourism sector in the next five years, clocking over 20 per cent gains annually through 2017, according to a study conducted by SRI International. The government's decision to introduce the electronic visa facility (e-Visa) will give a much needed boost to inbound travel in India. Enforcing the electronic travel authorisation (ETA) before the next tourism season, which starts in November, will result in a clear jump of at least 15 per cent, and this is only the start, as per Mr Madhavan Menon, Managing Director, Thomas Cook India. The hospitality sector in India expects 52,000 new hotel rooms to be added in five years (2013-17), according to a survey by Cushman & Wakefield. This will lead to a rise of over 65 per cent in total hotel inventory in India. The National Capital Region (NCR) is expected to contribute around one-third to the total expected hotel rooms supply during the period.

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