Service Quality and its Competitive Advantage.
Case Study of a Hotel

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Abstract: Specialists consider that when a person is interested in the concept of quality, it will be considered as a reference point in both private and professional life, also associated with excellence and perfectionism. Nowadays, when the whole world appears to be saturated by ideological inventions, the authors were surprised and intrigued by the dynamism and complexity of this concept. Furthermore, considering the fact that the current research's applicability lies in the services field, the authors consider that this subject is a current one, very developed and debated by specialists. The heterogeneity of services brings along challenges, which create new methods of evaluating the quality, others than in industry. Consequently, the current research intends to analyse the following: the evolution of the concept of quality, the quality of the provided services, as well as its competitive advantage in a hotel, aiming to draw up the Ishikawa (cause-and-effect) diagram. The realisation of quality in services *is not possible anymore without strong management knowledge, and especially knowledge concerning competitiveness and competitive management.* Therefore, the managers and the employees of the companies should desire, be able to, and know how to obtain quality through performance, to evaluate it, and to constantly improve it.

Keywords: Ishikawa diagram (cause-effect); quality; and the quality of services provided in tourism; client perception analysis; competitive advantage

JEL Classification: M19

1. Introduction

The ancient philosophers Aristotle and Cicero advance the idea of quality for the first time. Consequently, quality can be *"what is specific, the ego, the individuality, the personality, the style, the character, what makes the difference."* (Rondelli & Cojocariu, 2004, p. 38). According to ISO standards (International Organisation for Standardization), quality is *"the totality of features and*

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characteristics of a product or service that bears its ability to satisfy stated or implied needs." (ISO 8402: 1986)

Therefore, the authors consider that the emphasis is on the characteristics of the product, and not of the producer, characteristics belonging to the goods, no matter if they are regarded objectively or subjectively by the client. The common element of all definitions of quality is the focus on satisfying the need of the one who uses the product or the service. The Committee of Quality Support within the International Tourism Organisation defines quality as *"the result of a process which implies the satisfaction of all the legitimate product and service needs, requirements and expectations of the consumer, at an acceptable price, in conformity with mutually accepted contractual conditions and the underlying quality determinants such as safety and security, hygiene, accessibility, transparency, authenticity and harmony of the tourism activity concerned with its human and natural environment"* (The sixth meeting, Varadero, Cuba, 9-10th of May, 2003 – UNTWO, 2011). This conceptual quality delimitation gives a few indications on obtaining and maintaining it. First, the result is equivalent with the consumer's perception of quality. Second, when it comes to the process itself, we actually refer to several factors working together continuously in order to obtain quality, and not to an independent process (Haller, 2016). Consequently, there cannot be discontinuities, because it is desired to obtain a long term result, and not a temporary one. Truncating an activity only means to lessen the quality, the existence of downtime does not favour the simplification of the process at the same time with the repetition of certain factors. Therefore, the basic needs of the individual are related to the factors generating the quality and evolutes from past to future. As a rule, in order to get the customers' faithfulness, both specific and psychological needs should be satisfied.

2. Literature Review

Nowadays, quality became a reflex of service producers and providers. Juran (quoted by Evans and Lindsay, 2005), one of the great "philosophers" of quality, stated that the 20th century is the century of productivity, and the 21st century should be the century of quality. The main aspects that interest both the producers and the providers of services are: *the productivity* (the output and input ratio), *the costs involved* and *the quality*. These assure the profitability. The stages in the history of quality will be presented as follows, according to the specialists Evans and William (2005), Rondelli and Cojocariu (2004), and so on.

2.1. First Stages

The human instinct of orientation towards quality can be observed since before our era. The Egyptian paintings, dating from the year *1450 BC*, the perfection in

measuring and inspection indicate the fact that this people was successful due to this rigorousness, the result being superior from a qualitative point of view. We owe the idea of quality to Aristotle, who, in his work *The Logic*, invented the concept of quality, later called by Cicero "qualitas", i.e. "property", "way of being". Around the year *500 BC*, Tzu (2006) wrote the book *The Art of War,* which was considered to analyse the management for the first time. He emphasised the anticipation of problems and solving them before they appear, ideas which will become the basis of quality assurance. In the *Middle Ages* (5th century – 15th century), the newly appeared crafts were demanding an increased attention to details from their practitioners. Hence, we can state that a first inspector of quality was the craftsman himself, but the part of quality assurance from their training was informal. In the mid *1700s*, Honoré le Blanc, a French armour maker, came with a new concept, that of "engineering tolerance", emphasising the idea that each piece from the production should be similar if they have the same tolerance, which makes them interchangeable. Here they discovered the first problems, the ones related to the fact that the multiplication of some parts according to a mould does not assure for certain their perfect match, because in the production process variations may appear. Therefore, they realised the necessity of a quality control. According to the "human-boss" principle from 1890, Taylor (1972) invented "*the scientific organisation*", which constituted the basis for the first stages in the history of quality management, i.e. *the inspection of quality*.

2.2. Beginning of 20th Century

As a first measure in the quality control, the planning function is separated from the production one, the quality being assured by the inspectors of quality (industrial managers), and not by the producers (the ones realising it). Then follows the configuration of quality departments (Paraschivescu, 2009), which were dealing exclusively with quality assurance, by Bell System. Therefore, the importance of the volume of work and of the process of quality control was admitted.

2.3. After the Second World War

Due to the crisis of goods during the war, in the period after 1945 production, and not quality assurance, was the priority. In 1947, Deming, together with the statistician Shewhart revolutionised the Japanese management by *quality control* through statistical methods (Averson, 1998). Deming elaborated 14 management principles, known as "*Deming's 14 points*". Top managers should lead the organisation towards quality, involving all the workers. It is important that Deming started from the realisation of the malfunctions of the production process and their removal. His total quality improvement programme is known under the name of PDCA (Plan-Do-Check-Act). By replaying this cycle, one can obtain the optimal closeness to the quality expected by the customer, and also the better efficiency of the working manner. Three years later, Juran (2002), joins Deming, continuing to

help the Japanese with rebuilding. He states that "*80% of the employees' mistakes are due to the incorrect manner of the organisation realised by superiors*" (Rondelli & Cojocariu, 2004). Japanese culture was supporting the philosophy of continuous improvement or *kaizen* [ki=zen], and consequently, after 20 years, the quality of Japanese products was superior to the Western ones, and they assured in the years '70s the penetration on West markets. According to Nicolescu (2006), "*the continuous improvement of management and of the activities of the organisation involves each person from the organisation, both managers and the employees*". Total quality control, strategy known later as *total quality management* (TQM), was introduced in 1951 in USA by Feigenbaum (1999). The last stage of quality was marked during 1970-1980, established by Crosby (1980) as *total quality*. Consequently, quality is defined as "*agreement with the demands*", i.e. the assurance of a "zero defects" level (name of the quality standard). It is adopted a concept that was also provided before the '70s, which is the prevention of problems, in favour of solving them during the process, just as they appear.

2.4. Revolution of Quality (United States of America)

In the United States of America, the years '50s -'60s made the citizens proud of the quality of their products, because they were compared with the Japanese ones. In the '70s, the consumers paid a higher attention to quality, due to the penetration on the American market of the Japanese goods of higher quality. Due to the high number of complaints related to the sold products (beginning with the 1980s), and to the disaster of the space shuttle crash in 1986, people became aware of the importance and necessity of increasing the quality. Consequently, on the distribution channel, quality gets higher attention, from consumer to producer (Evans & Lindsay, 2005). At this moment, quality is considered vital for surviving in business. "*Quality started to be considered a solution for global competitiveness*" (Evans & Lindsay, 2005).

2.5. From the Emphasis on Quality of Products to Excellence Through Performance

Being classified according to the operational level, the quality of the crafts (of the production) is called "*Little Q*", and the managerial quality (of the processes) "*Big Q*" (Butnaru, 2009). Along with understanding the principles of quality in the management systems, Total Quality Management became a common notion. Therefore, quality became equivalent to excellence, overtaking the technical level from the past. Paraschivescu (2009) considers that the promoters of excellence were Thomas Peters and Robert Waterman. When speaking about excellence, two variables should be taken into account: *the attitude towards standard quality*, and quality management, respectively, and *the attitude towards continuous quality improvement*, and excellence management, respectively. The performance of the group and the success of the entire company on the market are important, but for a

lasting excellence, the employee's personal performance is needed. Ishikawa (Vector Study, n.d.) developed the theories of the American experts Feigenbaum, Deming and Juran. CWQC (Company Wide Quality Control) states the importance of the personnel's total involvement in order to realise and continuously improve quality. The components of CWQC are as follows: (1) *quality assurance*; (2) *keeping quality under control*; (3) *keeping costs, quantities and terms of delivery under control*. Ishikawa (Mukherjee et al., 1998) is well known for the cause-effect diagram (fishtail), which bears his name. The principles of total quality management were at the basis of the principles of excellence. They are presented comparatively in table 1:

Table 1. Principles of total quality management and principles of excellence

Principles TQM	Principles of excellence
Orientation towards customers	
Keeping processes and actions under control. The work should be done correctly (the things well done from the first time, permanent improvement, the quality should be an attitude, not an inspection)	
Communication with the personnel and their continuous training	
Work evaluation and registration	Analysis cycles: innovation and continuous improvement
Employees' development and involvement. They should work together (higher level managers should be involved, they will delegate the employees, they will do so to have a pleasant workplace, they will introduce teamwork, and they will organise the activity on processes, not functions)	
-	Establishing partnerships.
-	Responsibility towards society and public opinion.
-	Orientation according to results: correlation between how? (is the company) and what? (does it realise).

Adapted after: Sadgrove (1999) and Andraş (2005)

Therefore, it can be said that excellence and performance can be considered viable solutions for increasing the competitiveness in all the fields of activity.

3. Purpose, Objectives, Hypotheses

The research has *the purpose* to determine the perception of the customers of Hotel X (because we wish to keep the confidentiality, we coded the name of the hotel) regarding the quality of the services provided, and the competitive advantages of the organisation.

The objectives intended are as follows: O1: Determining the degree of satisfaction of the customers accommodated at Hotel X, in the period May 2011 – June 2011;

O2: Correlation of the data obtained with the image perceived by the present and potential consumers; *O3:* Obtaining the data necessary to build the Ishikawa diagram (cause-effect), by the realisation of a market research based on questionnaire and interview; *O4:* The analysis of the impact of quality and its influence on the competitiveness of Hotel X.

The following *hypothesis* was established**:** the factor helping to increase the competitiveness of a hotel and to create a good image for present and potential customers is the quality of services.

4. Research Methodology and Analysis of the Results Obtained

The variables of the market research are as follows:

a) *The independent variable*: perception of the quality of services and the competitive advantages;
b) *The dependent variables*: **the level of services** (by grades), and the **customers' degree of satisfaction** with Hotel X (by their degree of satisfaction).
Measurement scales were non-comparative, **ordinal** (for the measurement of the degree of satisfaction, from 1 – unsatisfied to 5 – very satisfied; grades granted for the services of the Hotel X, from 1 to 10), **nominal** (gender, purpose of the visit, type of room taken, advantages of Hotel X, sources of information, form of education they graduated from) and **interval** (age category, income).

In what concerns the **research method**, two methods were chosen. First, a quantitative method (Bryman, 2009), *the enquiry*, the instrument used being the *questionnaire*, and second, a qualitative method (Bryman, 2009) (partially quantitative) the *in depth interview*, realised with the purpose to learn the strategies of Hotel X in what concerns the quality of services, as well as the way they are used, together with other competitive advantages, to help the Hotel X develop and maintain on the market.

A. Sampling
The number of the sample (n) was calculated after a quick method taking into account the volume of total community (N), without considering also the characteristics of the population. This formula was proposed by Taro Jamane (quoted by Hapenciuc, 2010).

$$n = \frac{N}{1 + N * E^2}$$, where E = the considered error (in this case an error of 5% was accepted).

Consequently, from the front desk of Hotel X we obtained the following statistical data, necessary for the sampling: the volume of total community (N), and the

number of customers corresponding to the period June 2010 – June 2011, respectively. Therefore, N = 14 000 customers. We also considered the fact that some guests had checked-in more than three times during this period, the number of *unique customers* being introduced in the sampling calculation formula. After the calculation, we obtained the value of n = 368 customers. Because there was a lower availability of the customers, and contact data was incorrect and insufficient, respectively, the number of the answering subjects included in the present research is of 87 respondents. This result is considered to be a representative one, able to reproduce at a lower scale all the characteristics of the population investigated (customers of Hotel X). **The enquiry based on questionnaire** (Bryman, 2009) had several stages in its development, as it follows:

1. the previous stage, or pre-enquiry consisted in the establishment of the object of the enquiry, documentation, formulation of the hypothesis, determination of the universe (population) of the enquiry, and sampling; **2. The first stage** – realisation of the questionnaire and its application (we chose to apply it ourselves, because we did not consider it was necessary to contact a specialised company to do it). **3. The second stage** – the actual development of the research. The questionnaire was applied on a sample group made of 87 persons, in the period May 2011 – June 2011. **4. The third stage** – processing the data obtained, with the help of the statistical programme SPSS.13 (Statistical Package for the Social Sciences). **5. The fourth stage** – data analysis and interpretation, as well as realisation of the final enquiry report. The questionnaire (Bryman, 2009) is made of four parts: **1. The first part** classifies the guests according to the frequency of the check-ins, the number of nights spent inside the Hotel X, and the type of room taken. **2. The second part** includes a set of questions according to the model of Parasuraman et al. (1985). We want to find out the degree of satisfaction. The answering subjects will check how satisfied they were with the services of Hotel X, on a scale from 1 – unsatisfied, to 5 - very satisfied, and will grade (from 1 to 5) some aspects influencing the quality (cleanliness, breakfast, reception personnel, or service personnel). **3. The third part** contains questions referring to the micro and macro-environment of Hotel X. We wish to find out the criteria of choosing an accommodation structure, the dominant interests, how the customers inform themselves before taking a decision, and which facilities, characteristics, or services of Hotel X are the most important. 4. **The last part** refers to gathering socio–demographic information about the persons who answered the questionnaire, the last form of education they graduated from, age, gender, and monthly income, respectively.

The subjects' profile is given by the answers to questions no. 1-3, no. 7, and no. 10-13 (table no. 2):

Table 2. Centraliser of the answers received at questions 1-3, 7, and 10-13 of the questionnaire

No.	Question	Answer variants	Percentage (%)	No. of persons
1	**Frequency of check-ins**	first time	24.14	21
		2-3 times	12.64	11
		4-5 times	26.44	23
		over 5 times	36.78	32
2	**Average no. of nights of stay**	1 night	19.54	17
		2-4 nights	64.37	56
		more than 4 nights	16.09	14
3	**Type of room taken**	Business Single	66.67	58
		Business Double (Twin)	26.44	23
		Suite	6.90	6
7	**Purpose of stay**	Business	78.16	68
		Personal	21.84	19
10	**Last form of education graduated from**	Elementary school	0.00	0
		High-school	9.20	8
		Postgraduate school	3.45	3
		College	75.86	66
		Master degree	11.49	10
		Doctorate	0.00	0
11	**Age**	<24 years old	16.09	14
		25-34 years old	20.69	18
		35-44 years old	37.93	33
		45-54 years old	22.99	20
		> 54 years old	2.30	2
12	**Gender**	Feminine	32.18	28
		Masculine	67.82	59
13	**Income**	under 1500 lei	9.20	8
		Between 15000 and 2500 lei	35.63	31
		Between 2501 and 3500 lei	36.78	32
		Between 3501 and 4500 lei	16.09	14
		Over 4500 lei	2.30	2

Therefore, the clients of Hotel X could be considered loyal, since 37% of the subjects checked in Hotel X more than 5 times, with 13% checking in 2-3 times. Consequently, more than half of the respondents spent on average a number of 2-4 nights (64%) and resided in a Business Single type of room (67%). The results show that the hotel values the loyalty of business clients. More than three quarters (78%) of the subjects are corporate guests. This fact should raise the hotel's attention towards its business facilities, making sure that they are kept in accordance with the needs and preferences of the corporate market. Furthermore, classified by socio-economical criteria, the respondents are mostly male (68%), corresponding to the 35-44 years old age group, with an average monthly income between 25001 and 3500 RON.

Finding the degree of satisfaction of the guests of Hotel X is given by the answers obtained at question no. 4 (table no. 3).

Table 3. Centraliser of the answers received at question no. 4, which was trying to find out the customers' degree of satisfaction

No.	Type of service	No. of persons per grade received						Mean	Degree of satisfaction (%)
		1	2	3	4	5	NA		
1	**Accommodation**								
	Rooms for persons with disabilities	-	-	-	-	-	**87**	-	-
	Rooms for non-smokers	-	2	6	27	**39**	13	4.39	87.84
	Room facilities (TV, hair drier, internet, mini-bar, digital cable, direct phone, air conditioning, access control)	-	-	11	29	**47**	-	4.41	88.28
2	**Food**								
	Coffee shop / day bar	-	-	14	**41**	32	-	4.21	84.14
	Restaurant X	-	4	24	**31**	16	12	3.79	75.73
	Restaurant Y	-	-	2	3	**82**	-	4.92	**98.39**
	Room Service	-	-	-	4	6	**77**	4.60	92.00
	Mini Bar	-	-	17	**44**	11	15	3.92	78.33
3	**Conference rooms facilities**	-	-	2	30	**39**	16	4.52	**90.42**
4	**Parking lot**	-	-	6	**40**	31	10	4.32	86.49
5	**Other services**								
	Wake up service	-	-	-	17	32	**38**	4.65	**93.06**
	Mailing service	-	4	-	**37**	29	17	4.30	86.00

Valuable storage service (safe)	-	-	5	17	23	**42**	4.40	88.00
Payment service (card)	-	-	-	16	**44**	27	4.73	**94.67**
Wi-Fi	-	-	11	15	**41**	20	4.45	88.96

The respondents were asked to grade their satisfaction in relation with the given service on a scale from 1 (extremely dissatisfied) to 5 (extremely satisfied). First of all, regarding the accommodation services, almost half of the respondents were extremely satisfied with the rooms, only 2 of them were unsatisfied as they were placed in rooms where previous guests smoked; the room's facilities were graded as being extremely satisfactory by 54% of the subjects. Second, regarding the food services, the highest degree of satisfaction is attributed to the Restaurant Y (98,4%); room service is occasionally used (by 88% of respondents). Restaurant X's services were graded as *neither satisfactory, nor dissatisfactory* (3) by 36% of the subjects – comparing this result with the one for Restaurant Y, the degree of satisfaction of Restaurant X is lower with 20 percents (76%). Thus, Hotel X should focus on increasing the quality of services for Restaurant X, by modernizing the facility. Third, almost half of the guests using conference rooms were satisfied, with 34% of them maintaining a neutral position towards these services. Fourth, 46% of the respondents showed an equidistant position towards the parking facilities. Last but not least, the subjects were asked to grade the annex services, notable being the fact that the degree of satisfaction was over 93% for both the *wake up* and the *payment* service, lower degrees values corresponding to the wi-fi, safe and mailing services.

The answers at question no. 5 referring to the **perceived level of services** of Hotel X are centralised in table no. 4:

Table 4. Answer centraliser, average level of services as it was perceived

No.	Aspect	1	2	3	4	5	6	7	8	9	10	Mean
1	**Cleanliness of the rooms**	-	-	-	-	-	-	-	-	34	63	9.72
2	**Quality of services and of the hotel as a whole**	-	-	-	-	-	-	2	11	59	15	9.00
3	**Breakfast**	-	-	-	-	-	-	-	2	12	73	9.82
	Diversity of the menu	-	-	-	-	-	-		2	22	63	9.70
	Presentation of the menu	-	-	-	-	-	-	2	12	60	13	**8.97**
	Quality of breakfast	-	-	-	-	-	-	-	16	46	25	9.10
	Taste of breakfast	-	-	-	-	-	-	-	88	30	49	9.47
4	**Service personnel**											
	Attitude	-	-	-	-	-	-	5	13	42	27	9.05
	Knowledge of the menu					3	4	7	29	38	6	**8.30**
	Service promptitude	-	-	-	-	-	-	4	9	29	45	9.32

5	**Front desk personnel**											
	Politeness	-	-	-	-	-	-	4	9	59	15	**8.98**
	Efficiency	-	-	-	-	-	-	6	4	35	42	9.30
	Clothing	-	-	-	-	-	-	2	9	20	56	9.49
	Competence	-	-	-	-	-	-		2	20	65	9.72

The respondents had to grade given statements about the used services on an ascending scale from 1 to 10. All services had a mean above 9, only a few fell shortly under 9: the "*Politeness*" of the FO personnel (8.98), the *"Presentation of the menu"* (8.97), the "*Knowledge of the menu*" (8.30).

The image of the Hotel X perceived by the customers was realised on the basis of the answers received at questions no. 6 and no. 9, meant to form a strong opinion about the strengths of the providing company, both in comparison with other companies from the market of tourist services, and individually.

Table 5. Decision Factors (1)

	Room facilities	Conference centre	Geographical position	Professional personnel	Hotel promotion	Events	ISO standards
Frequency (times)	10	11	35	33	14	7	7

The degree of importance of each one of the factors is presented in table no. 5.

Table 5. Decision Factors (2)

	Central position	Mark image	Facilities offered	Accessible tariffs/prices	Professional personnel
Frequency (times)	45	16	19	18	41

We can notice that the answers coincide, the questions no. 6 and no. 9 being conceived as couple-questions, serving to assure the truthfulness of the answers.

In table no. 6, we included the answers received at the question about the source of information most used by the guests of Hotel X. It results that the tourism agencies are the ones best promoting this Hotel X.

Table 6. Modalities of information and frequency of the answers

	Mass – media	Internet	Tourism agency	Personal recommendation	At the hotel itself
Frequency (times)	7	16	38	14	12
Percentage (%)	8	18.4	43.7	16.1	13.8

B. The second modality of gathering the data was **the interview**, applied to the lady who was general manager – Management Representative for Food Quality and Safety of Hotel X. We should mention that the interview was semi-structured; the discussion was free, with only a few questions established in advance, in order to find out the necessary data. We considered this method was very efficient.

The interview has the purpose to obtain information about:

a. Vision*: Orientation towards client and market, competence, innovation, trust, team spirit and attractiveness define the company in every aspect. The **mission of Hotel X** is to be the number one choice on the market, and to offer quality services in order to satisfy the demands and to overcome the customers' expectations. The declared **values** of Hotel X are an important component of the principles according to which it guides itself, and which it established and communicated to all the levels of hierarchy by the "*Declaration in the field of food quality and safety*: **1.** Trust; **2.** Respect; **3.** Innovation; **4.** Orientation towards customers.

b. The development strategy of Hotel X is supported by the experience of previous activity, by the quality of products and services, by the customers' satisfaction, by the activity of all the personnel of the organisation, and by the partners' mobilisation. The strategy of the organisation of Hotel X is expressed by the following **four strategic directions**: **1.** creation and maintenance of the mark image of Hotel X; **2.** to be the most competitive from three points of view: the quality of services, costs, and terms; **3.** development of the employees' human values; **4.** expressing the success by existent financial results.

c. Hotel X made the first steps in order to receive the ISO accreditation in 2007, when the Quality Management System was implemented and certified, according to *EN ISO 9001:2000* for the field: Accommodation, Public food, Conference rooms.

d. The personnel's professionalism is very important for the organisation, because this is one of the main factors directly interacting with the guests of Hotel X, influencing their perception towards the quality of the services provided. In what concerns the **competitive advantages** identified by the organisation, the general manager considers that they are as follows: **Quality** of the services offered; The newest **technological equipment** according to the trend of the market (Haller,

2011); **Reputation** – Hotel X emphasises the customers' fidelity, personal recommendations being very important; Good **financial situations** (professionalism, good market segment), which help both with the formation of credibility, and with keeping the service providers or the materials by maintaining a professional relationship, based on trust and flexibility; **Marketing** directions – including the technological equipment (the site with on-line reservation system, webcam with live images of Hotel X) with quality strategies; Geographical **position** – the centre of the city, easy to find; **The modality of work in the organisation** – the personnel is young, updated with the latest tendencies and information, open to new, and desiring performances, with initiative and team spirit. Consequently, due to the fact that all the employees are involved, we could say that the personnel of Hotel X is synergic. **Strong partnerships** – both with customers of the company and with other companies (service or material providers, or even independent partners).

C. Cause-effect diagram

The quality of a tourist service can be considered the effect desired by an organisation. This quality essentially depends on the quality of the processes of which the service is made, i.e. the causes. Therefore, even if the causes were more difficult to quantify for the services, we were able to realise the cause-effect diagram (fishtail) on the basis of the results previously obtained (questionnaire and interview). The results previously presented will help to realise the cause-effect diagrams. This endeavour has the following **objectives**: **1.** classification and relationship of the interactions among the factors affecting the perception of the service quality of Hotel X; **2.** analysis of the problems which need to be solved. Because it concerns the services, and not the industrialised processes, we will choose the use of the cause-effect diagram **3M:1P** – Machines, Methods, Material, Personnel.

Stages in the realisation of the Ishikawa diagram

       I.   The first stage in building the diagram is to identify the problem, and to clearly define the effect of the problem: **the perceived quality of services.**

       II.   Then, the possible **causes** leading to the perception of quality should be found.

Table 7. Possible causes leading to the perception of quality

Causes with positive influence:	Causes with negative influence:
+ Quality policy (ISO standards) + Training of the personnel and the way they treat the customers (Attitude, Politeness, Competence, Professionalism, Promptitude) + Infrastructure of Hotel X (offered facilities) + Other services, included in the price + Food services + Reputation of Hotel X (brand) + Central geographical location + Marketing strategies (site, tourism agencies) + Events in which Hotel X participates (notoriety) + Relations of cooperation (tourism agencies, banks, companies of services) + Working environment in the organisation (communication and cooperation) + Newest technologies + Conference centre + Restaurant Y	- Weak knowledge of the menu by the serving personnel. - Low degree of courtesy of the front desk personnel. - Menu presentation – it should be improved. - Little variety and high prices for the products of the mini-bars corresponding to each room.

Source: Author's creation

Combining the results from the questionnaire survey and the interview, a possible variant of the cause-effect diagram is proposed. This is an adaptation in the field of services, which has the end purpose to find out the quality of services, as it is perceived by the consumers.
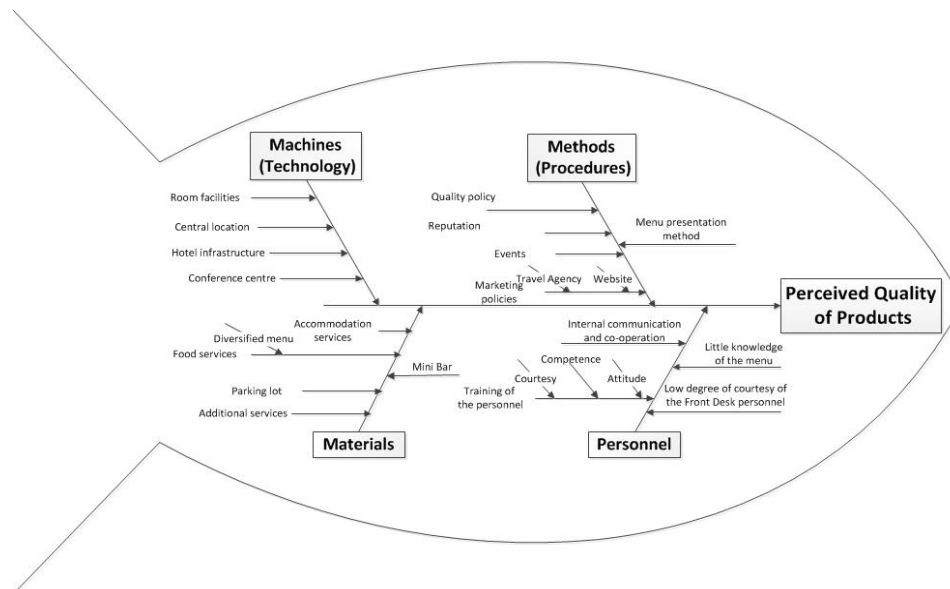
Figure 1. Proposed model of the cause-effect diagram 3M:1P Ishikawa Diagram

5. Conclusions and Discussions (Recommendations)

Taking into account what has been presented, we can state that this research follows three main directions: the analysis of the concept of quality, the customers' perception concerning the quality of hotel services, and competitive advantage. Quality and competitiveness are interdependent, because they help each other in the hotel industry, combining procedures and advantages. Strategic management techniques place quality as a central instrument, showing that the continuous improvement can be realised only with the help of the permanent concern for quality. In the perception of quality, satisfaction is the main element, characterised by subjectivity. Satisfaction is evaluated by each consumer. As individuals have different preferences and needs, the degree of satisfaction will never be constant. In what concerns the competitive advantage, we can say that there is competition when there are several "players" who try to impose on a certain market. The results of the research show us how quality makes the difference and selection of the consumers.

The customers of Hotel X are faithful, choosing repeatedly the services of the hotel. Competing on a very strong market, for Hotel X it is vital to provide higher quality services and to improve them in order to satisfy the most demanding customers. From the point of view of the relations with the very strong competition, Hotel X maintains itself on the market due to the policies and strategies adopted by the management, with a very good occupancy (80% during autumn and spring, 50% in the rest of the year). It is very important for Hotel X to be able to keep the present customers and to attract the potential ones. In services, the quality has become nowadays the most important competitive element, which makes the difference from a company to the other. From this point of view, we consider that this is the main competitive advantage of Hotel X. However, from the questionnaire applied and from the interview with the Responsible of Food Quality and Safety within the managerial personnel of Hotel X, other competitive advantages resulted as well: (1) *financial* (financial indicators); (2) *organisational* (personnel's professionalism, quality policy, synergy – involving all the people); (3) *geographical* (central position); and (4) *perceptual* (reputation, technologies, service delivery, their actual quality).

The competitive advantages can also be internal (performing technology, professional personnel), or external (strong mark image, important market share, notoriety, strong partnerships). We could identify from the interview some strategic objectives and directions, and from the questionnaire, we could realise if they managed to achieve their goal. Consequently, Hotel X intends to provide and to maintain on the market public food services, accommodation, organisation of events, etc., and their continuous improvement according to the customers' needs, wishes, and interests. The results of the research show that this objective is

accomplished. In what concerns the satisfaction of the interests of the parts involved in the activity of the organisation: customers, employees and shareholders, the organisation struggles for the maintenance of a good financial situation, by continuously applying some innovation strategies (from 2001 up to present, projects of improvement and reorganisation of the space of the Hotel X and of the surroundings were developed). Also, the organisational changes, the training of the personnel and the work environment lead to the consolidation of partnerships. The high standards concerning the quality and competitiveness of products and services are maintained through the department of Food Quality and Safety. Consequently, the satisfaction of present or potential customers is assured. There is a saying: it is easy to climb up, but more difficult to maintain there. It is precisely from this point of view that Hotel X has made its objective to maintain the reputation of the company as a leader in the field of accommodation services, public food services, and organisation of events.

This is accomplished by the professionalism of the employed personnel, and by the value added in the relations with the customers, factors to which contribute the trainings, the freedom of speech, the clear hierarchy structure, and the emphasis on innovation, personalisation of services and quality. Due to the fact that a part of the customers of Hotel X benefited from the accommodation services for more than five times, we consider that the last objective, i.e. customers' faithfulness and maintenance was fulfilled. Even if Hotel X has the advantage of rooms cleanliness and satisfying breakfast (both from the point of view of the taste, and of the perceived quality), services of Hotel X should be improved in what concerns the presentation of the menu, the diversification of the offer of the mini-bar from each room, and lowering the prices. With the help of this research, we identified the necessity of training the serving personnel, in order that they better know the menu.

We recommend investing in the seasonal employees' training. We consider that it is very important for Hotel X to apply the strategy of differentiation. This helps creating a positive image, a reputation, for innovation will always be attractive, making the new customers interested, and keeping the faithful ones (by avoiding the feeling of limitation, by breaking the monotony).

The differentiation within Hotel X can be realised by: Policies of Hotel X – the quality and the policy of food quality and safety; Relationships with the providers, customers, mass-media are extremely important, because they are the presentation card of Hotel X; Synchronicity – "the first in everything!", policy successfully adopted by Hotel X, because it was the first hotel in the city with an ISO accreditation; Location is a great advantage for Hotel X, as it resulted from this research; inter-relationships, cooperation with tourism agencies, other hotels, companies for other services which Hotel X does not offer; Integration (for example, integration of quality standards); Institutional factors (cooperation with public institutions). The best results on long term appear when the differentiation

strategy is applied in the situations of competitive advantages of the company. We can state that the organization's strategy is to make a difference. Consequently, we consider that Hotel X is a good example in what concerns the quality policies applied by understanding the customer's needs, with the purpose to offer an as high as possible degree of satisfaction.

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