

Actualization of the Confidence Phenomenon in the Hospitality Industry as a Tool to Increase the Economic Efficiency of the Enterprise

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Abstract. The purpose of the research is to analyze the degree of guests' confidence in the hotel enterprises services of Primorskiy Region and to develop recommendations for increasing confidence in their activities based on a strategic approach to the hotel business development. The reviews of staff and guests' feedback indicated the absence or even lack of the confidence service. Hospitality enterprises pay much more attention to technical and technological standards (buildings, equipment, technical facilities), while forgetting how much it helps to build guests' confidence and maintain an atmosphere of trust. The methods of CSI (Customer satisfaction index), NPS (Net Promoter Score) were used to evaluate the hotels confidence level. All these allowed us to propose the optimal way of increasing confidence level to organization, avoid dangers, and effectively use available resources with respect to market opportunities. As a result of research it has been found out that in small hospitality enterprises in the city of Vladivostok 32.7% of guests believe that a good atmosphere of trust is created in the small hospitality enterprises of Vladivostok, and 67.3% of guests noted a high atmosphere of trust and they are ready to recommend hotels to other guests.

1. Introduction

The tourism and hospitality industry, as a rapidly growing and highly profitable business, has become one of the most important components in the services market. The World Tourism Organization (UNWTO) predicts an increase in international tourist flows worldwide by 3% and 4% in 2019 [1]. According to the Association of Tour Operators forecasts, inbound tourist flow in 2019 will exceed 30 million people in Russia [2], and within the framework of strategic forecasting, it is expected that the total tourist flow in the Russian Federation will increase by 28% by the end of 2025 [3]. This makes it possible for Russian companies, including hotels, to serve in future at least 70 million foreign and Russian tourists annually [4]. Nevertheless, despite the positive trends, the availability of a variety of

natural, recreational and cultural-historical resources, the hospitality industry in Russia lags far behind the global level. As a result, the level of positive perception of the country as a tourist destination is decreasing among foreign and Russian tourist. It is necessary to point that the efficiency of the service process of hotel enterprises has a significant impact on the perception of the country's image. Service processes are built on a productive relationship between the client and the enterprise, allowing each of the parties to be confident in the decency, openness, goodwill and honesty of the other side, i.e. they are built on the moral criteria that make up the essence of trust. In order to improve the service, it is necessary to appeal to the phenomenon of trust, which characterizes a responsible attitude to interaction with customers and forms a loyal attitude to the hospitality industry. Increasing the level of guest confidence in hotel enterprises can be considered as a socio-economic resource that helps minimize costs and "stabilizes expectations" [5]. All this determines the relevance of the research topic. The aim of the study is to analyze the degree of customer confidence to the hotel product of the city Vladivostok accommodation facilities and the willingness of enterprises to trust with the guest. The main indicator in the measurement of "trust in the enterprise" is the customer satisfaction index (CSI) and their customer loyalty index (NPS).

2. Literature review

Various aspects of the of trust phenomenon are presented in studies on psychology, sociology, and political science (E. Giddens [6], A. Seligmen [7], P. Shtompka [8], EP Ilyin [9], A. B. Kupreichenko [10] and others). In recent years, the issue of trust has been actively developed in the field of economics (J. Schumpeter [11], F. Fukuyama [12], V.V. Sukhikh [13], Yu.V. Veselov [14], B.V. Salikhov [15]) As F. Fukuyama notes, "in any economically successful society, the viability of economic associations depends on their level of internal trust" [12, p. 10]. On the examples of real situations of economic life, Stephen Covey proves how trusting relationships between suppliers, honesty towards consumers, corporate culture affect the economic efficiency of an enterprise [16]. The transition from the economy of consumption to the economy of human relations has actualized the phenomenon of trust in the practice of service enterprises. The following scientists are contributed to this area of research: Seth Godin [17], F. Kotler [18], Robert B. Shaw [19] and others. In foreign, unlike Russian sources, the issue of trust in the hospitality industry is represented quite widely. A number of authors study the problem of the impact of service quality on brand trust [21, 22]. In connection with the active use of Internet technologies in hospitality, issues of establishing trusting relationships between the consumer and the hotel product manufacturer in the online environment are being developed, indicators of customer confidence in the process of online hotel booking are being investigated [23, 24, 25, 26]. Despite considerable attention to the issue of trust in the hospitality industry, foreign sources mainly study the phenomenon of trust in large hotel enterprises.

3. Research results

The target segment of Vladivostok hotel services consumers is businessmen and family tourists. As well as throughout Russia in a whole, small accommodation facilities are actively developing here, which are becoming increasingly popular among tourists. To assess the trust to Vladivostok hotels, we selected small enterprises operating in the city, with the number of rooms up to 40 rooms. The research base is small hotel enterprises - the Fontanka Guest House and the Golden Key Apart-Hotel. According to Primorskstat, in 2016 there were 116 hotel enterprises operating in the city. During the analysis, it was revealed that most of the hotels belong to small enterprises, which have high occupancy rate throughout the year and they are mostly located in highly accessible places of the city (Figure 1) [20]

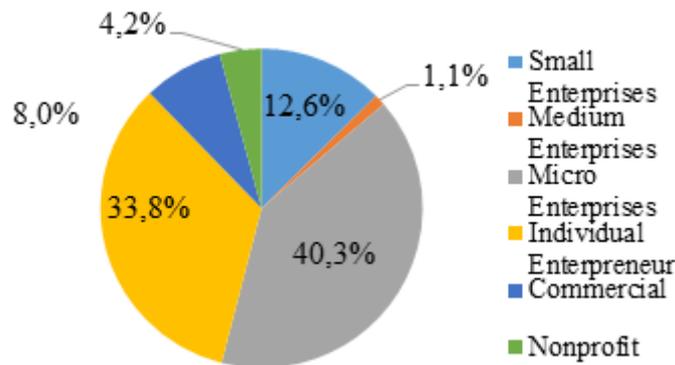


Figure 1. Collective Accommodation Facilities for General Purpose of Primorsky Krai by Type of Enterprise in 2016, %.

Analysis of reviews on Booking.com website showed that many guests stay in small hotels and most of them express a positive opinion about their stay they also promise to return again. In the case of negative reviews, there are the enterprise management feedbacks in the form of comments concerning the things or action done to solve pointed problem.

On a base of small enterprises, the Fontanka Guest House and Golden Key Apart Hotel, using customer satisfaction index (CSI) and consumer loyalty index (NPS.) the measurement of customer confidence was made. The guests rated the hotel enterprise by such criteria as location, amenities (accessibility by transport, pedestrian accessibility), hotel appearance, reputation, level of service, price level, and food, silence during the initial and repeated visits to the hotel. The selected criteria characterize the phenomenon of trust in such meaningful elements as attitude, attitude, and expectation.

Choosing a hotel for the first time, the key factors helping to make a choice are usually the past experience and external opinion. In this case the most important parameter for guests choosing hotel, is location, then price, amenities, reputation, hotel appearance, level of service. When coming back to the hotel next time, guests are more interested to the level of service, then amenities, cleanliness, silence, and reputation. The results of the survey suggest that for company management it is necessary to take into account such a shift in customer preferences when building trusting relationships with their guests.

The index of guest satisfaction with services (CSI) allows expanding the conception of the degree of consumer confidence. The study was based on parameters reflecting the ethical aspects of trust - reliability, courtesy, responsiveness of the staff and parameters characterizing the professionalism of the staff - information openness, prompt decision-making, competence.

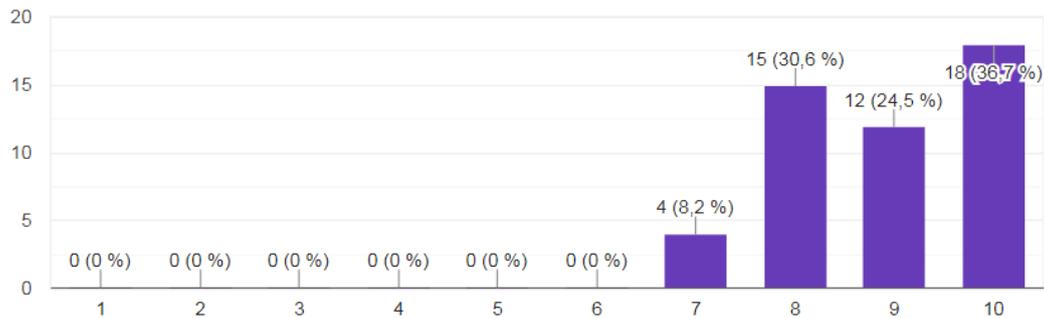
The results of guests' assessment of the atmosphere of trust in enterprises, showed that 32.7% of the guests believe that a good atmosphere of trust was created in the hotels, and 67.3% indicated an absolute atmosphere of trust.

However, 6% of respondents were neutral about the informational openness of hotels (accessibility of information about services, prices, availability of certificates, etc.). A rating of "neutral" means that customers are either unhappy or unwilling (shy) to give a low score, and in the end they may be disappointed.

The consumer loyalty index (NPS) determination made it possible to find out how customers are ready to recommend goods and hotel services to their friends and colleagues and their willingness to return to the hotel. To do this, users in the NPS system were ranked by categories: 0-6 points - critics (dissatisfied customers and they would most likely leave negative reviews about the hotel and recommend that others not use its services); 7-8 points - passive (people who are satisfied with the

service, but not to the extent that they recommend the hotel and they will not criticize in public or in conversations, but are quite capable of choosing competitors in the case of a better offer); 9-10 points - promoters (satisfied customers who are ready to advise the hotel to others);

The data in Figure 2 shows that 61.2% of the guests are promoters who are ready to recommend hotels, 38.8% of the guests fell into the passive or waiting category until something good or bad happens to make a specific decision. For example, if a hotel offers discounts or upgrades, it can retain or re-engage passive consumers in the purchase cycle, etc.



Source: prepared by authors

Figure 2. Assessment by Guests of their Willingness to Recommend Hotels.

Adherents of the brand, or "promoters", without a doubt, are ideal customers for any company. Gratitude will help strengthen relationships with this category of customers, and will also contribute to the development of the company. You can reward these customers: send them a letter of thanks, a gift, souvenir or badge that they could share on social networks - this will give guests a feeling that they are appreciated.

An employee plays a key role in a hotel enterprise, and, as a result, trust is a factor in effective interaction between a manager and employees. In this case, the rational use of the intellectual and creative resource of the staff creates the prerequisites for the successful development of the enterprise. In order to determine the level of trust between employees and company management, interviews were conducted. The interview questions allowed us to determine the degree of staff satisfaction with the working conditions, factors affecting the labor activity of the staff and employee commitment to the enterprise. The results of the study brought us to the following conclusions: the main factor in creating a motivational and trusting environment in the company is a friendly attitude towards colleagues; enterprise management should trust their employees more, providing the opportunity for independent decision making; to encourage staff; practice open door policies, i.e. be closer to both staff and customers. In general, it can be stated that small hotel enterprises are characterized by building trusting relationships between employees and the manager.

According to the study, we can conclude that the most effective ways to create and increase the level of trust in small hotels are:

- application of a cozy home service when all hotel employees (administrator, manager, director, maids) are in contact with the guest, provide the guest with the assistance he needs;
- the use of attentive, individual, personalized service by employees;
- the use of trust between employees, employees and management, which is transmitted to guests.

4. Conclusion

The most trusting relations with guests have developed in small hospitality enterprises in Vladivostok, where there is a fairly high contact with employees and a high degree of interchangeability in the process of servicing guests. Thanks to this, small hotels are most attractive for a certain segment of consumers who want attentive, comfortable, cozy service.

As conclusions, we can indicate the following:

- the level of trust in small hotel enterprises is at a high level - more than 95%;
- in the activities of enterprises a significant part is occupied by tools related to increasing confidence in guests.

The result of increasing the level of trust in the service sector is the increase in the economic efficiency of enterprises. This can be seen along the chain: customer loyalty to the enterprise — recommendations of loyal customers — increase in the level of trust / confidence of the director and employees of the enterprise — the results of the enterprise's activities make guests and hotel strategic partners – successful development of the enterprise.

Since in the research it was found that the creation of an atmosphere of trust is more typical for small hotel business, the next step of our research is considered to use the confidence tools for medium and large accommodation facilities of Vladivostok.

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