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Impact of hotel service quality on the loyalty of customers

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ABSTRACT

The hotel business is rapidly developing due to growing demand for such services as well as the growing opportunities for travel. As a result, hotels face demanding customers, since the requirements for quality grow with an increased use of hotels' services, in order to increase the competitive ability of a hotel, the issue of customer loyalty is also important. The aim of this article is to assess the impact of the quality of hotel services on the loyalty of customers. In the article the original created methodology SERQUALOYL is presented, where two methodologies were adapted: SERQUAL methodology used in the research of service quality, and the methodology for the determination of customer's loyalty level stage, applied in loyalty research. The results of research have revealed that the conformity of expected quality with the quality experienced has a significant influence on the customer's loyalty. The hotels, in order to increase the competitive ability and to obtain a higher number of loyal customers, should firstly make the expectations of customers coincide with the offered service quality.

1. Introduction

Some of the characteristics of the successful activity of the business organisation, is presentation and constant improvement of qualitative services, which meet the expectations of customers. The choice of hotels becomes one of the main issues of discussion: the variety of the hotel services, quality, reliability and price are important. Since there are many hotels in the market providing the same or similar services, it is very important not only to attract, but also to keep the customer. In order to maintain the position held and to compete in future, it is necessary to provide qualitative services by which old customers may be retained, and new customers may be attracted.

With an increasing dynamism and competitive ability of the business environment, an increasing number of companies pay attention to the creation, management, determination and increase of customers' loyalty. Many scientists agree with the suggestion that the customer loyalty is a central concept of marketing science (Aaker, 2002; Berzosa, Davila, & de Pablos Heredero, 2012; Jones & Sasser, 1995; Reichheld, 1993; Virvilaite, Piligrimiene,

& Kliukaite, 2015). The satisfaction and loyalty of customers have both direct and indirect impacts on the hotel industry (Kandampully & Hu, 2007). The loyalty of existing customers is very important, since it was calculated that the attraction of new customers is much more expensive than the retention of existing ones (Balciunas, Jasinskas, & Koisova, 2014; Dabija, Dinu, Tăchiciu, & Pop, 2014; Holmund & Kock, 1996; Jasinskas, Reklaitiene, & Svagzdiene, 2013; Reichheld & Sasser, 1990; Wong & Sohal, 2002). The growing loyalty of customers allows the organisation to make savings, decreasing the expenses for marketing and trans-actions, also the expenses related to the customers' change decreases, the consumption of related products increases, positive communication 'word of mouth' is pursued, the cost of failures decreases (Griffin, 1997). Besides, the scopes of sales to existing customers are bigger.

Quality determines the benefit of services to the customer and commercial success to the provider of the services. This article sought to assess and determine how customers evaluate the quality of services provided by hotels, and how this affects their loyalty. The article has two tasks:

1. To create the methodology using statistical analysis of the study of hotel service quality and customers' loyalty, with a help of which it would be possible to assess the impact of hotel services' quality on the loyalty.
2. To identify the impact of service quality provided by Kaunas city hotels on the loyalty of customers.

The methods used are the analysis of scientific literature, a questionnaire and statistical analysis.

2. Theoretical substantiation

2.1. Research on hotel service quality

To provide hotel service, two elements are necessary: material base and service, due to these different elements the owners of hotels face an ambivalent problem of quality – two different quality aspects: technical quality, which reflects a material basis, and functional or process quality (service) (Vitkienė, 2004).

Kinderis, Žalys, and Žalienė (2011) notice that technical quality is what the customer receives during their stay. The hotel guest gets accommodation, the restaurant visitor gets food. This is an external side of quality. Often, but not always, these elements may be measured by the customer, their nature depends on the technical solution applied by the enterprise to solve the customers' problem. Their availability and status may be shown to the customer before choosing the service, since the expectation related to quality are affected in this way. Hence, technical quality is usually related to material measures and technologies, the features of which are established by the usual evaluation methods of the quality of the goods. However, the parameters of technical quality do not ensure by themselves that the hotel will satisfy the customers' wishes, even if they met advance commitments and promises of the provider. The quality of even the highest category hotel may be negatively evaluated by the customer in, for example, the case of the conflict with service personnel or in case of theft. Thus, a customer is always affected by the manner in which a technical servioce is provided to him. This manner defines another aspect of the quality, i.e., functional quality. This is the behaviour of provider and other circumstances – interest, attention, respect,

politeness of personnel, confidentiality, ability to find a solution in case of a *force majeure*, etc. A functional quality is more difficult to control, since high quality deviation is possible.

There is no one opinion in which technical or functional quality is more important (Kinderis et al., 2011). Lockwood (2005), in his description of the management of hotel activity, claims that service cannot be shown and described in advance. Besides, the assessment of customers in this respect is subjective, therefore he suggests focusing on tangible evidence of every operation, i.e., the interior of a room, correspondence with a guest, etc. However, Vengriene (2006), citing the other authors, notes that the research shows that customers appreciate the professionalism and skill of hotels' employees. This discussion shows two main groups of elements, the quality of which should be managed by the owner of a hotel. However, some hotel experts suggest taking into account what is more appreciated by a customer (Kinderis et al., 2011).

The Servqual method is widely applied for evaluation of quality of hotel services in Taiwan (Su & Sun, 2007), in the tourism industry of Mauritius (Ramsaran-Fowdar, 2007), in Turkey (Yilmaz, 2009), Croatia (Markovic & Raspor, 2010), Lithuania (Kinderis et al., 2011), Malaysia (Boon-Liat & Zabid, 2013) and other countries.

Yilmaz (2009) analysed the service quality and customers' expectations of Turkish 2–5 star hotels. The research results have shown that there is no significant gap between the expected and received service quality. The highest expectations of customers at Turkish hotels were related to the criteria of reliability, assurance and responsiveness, slightly lower expectations were related to material values and empathy. The lowest gap between expected and experienced quality was determined for the criterion of empathy, and the highest was determined for the quality criterion of material values.

Markovic and Raspor (2010), having analysed the service quality of Croatian 2–4 star hotels under the Servqual method, determined that high expectations of hotel visitors are related to the following service quality criteria: 'reliability', 'empathy and competence of personnel', 'accessibility', 'material values'.

Kinderis et al. (2011), who had assessed service quality in the hotel business, established that 3–4 star hotels provide services of average quality. Though the service quality fails to surpass customers' expectations however, it is considered that the situation would change if hotels provided more qualitative services to the customers and were more considerate to their requests. The highest expectations of customers were related to sociability, safety, understanding, tangibility criteria, and the experienced service quality was the best evaluated under the following criteria: safety, tangibility, confidence, sociability. The smallest gap between expected and received service was determined at the criterion of safety service, and the highest gap between expected and received service was assessed at the criterion of response. It was determined by the previously mentioned research that the service providers should focus on the quality of responses and take appropriate measures in order to provide expected services.

According to Boon–Liat and Zabid (2013) and Kinderis et al. (2011), to ensure service quality the hotels ought to pursue general classification requirements. The suggestion for the improvement of hotel service quality was to carry it out across three levels, taking into account the improvement of process quality, result quality and structural quality throughout the influence of 'soft' and 'hard' service segments and the environment, or impact on them. Besides, it is appropriate to apply some measures more widely, such as the rules, lists of quality verification, mystery guests, personal inspections, expert consultations, perfect

system of customers' service, meetings, methodologies for service assessment, etc. It is necessary to pay more attention to the improvement of the hotel's management itself, in particular to a general quality management and improvement of service supply culture, involving all employees of the enterprise in this process.

In the research performed it was determined (Boon-Liat & Zabid, 2013; Markovic & Raspor, 2010; Ramsaran-Fowdar, 2007; Su & Sun, 2007; Yilmaz, 2009) that the higher the hotel category according to the star classification system, the higher the quality of services provided by them. The customer paying a higher price usually expects better quality, however, whether he remains loyal and stays in the same hotel again after having received the higher quality was not determined by this research. After the analysis of the already performed scientific research it may be claimed, that in the research of the correspondence between service quality criteria of the hotel industry and customers' expectations there is a high interest. It was not intended however to reveal the quality effect on customers' loyalty by these studies, and this is relevant, since it is not necessarily the higher gap between expected and received quality which will affect customers' loyalty.

2.2. Assessment of customers' loyalty

Usually it is cheaper to keep existing customers than to attract new ones. Growing loyalty among customers allows the organisation savings when decreasing marketing costs, transaction costs, and also the costs as the result of customers' change are decreasing. Besides, the scopes of sales to existing customers are bigger. Organisations having long-term customers may set higher price for their products and services, since the customers trust them (Reichheld & Sasser, 1990). Thus for the hotels it is necessary to have loyal clients, especially in the case where the hotels belong to a chain, and their customers are often travelling.

According to Dekimpe, Steenkamp, Mellens, and Abeele (1997) all customer loyalty research may be classified as *behavioural* (customers' loyalty is determined referring to purchase behaviour pursued by the customer, which is observed for a certain time period) and of *attitudes* (customers' loyalty is determined referring to named priority or intention to purchase).

Most research about the loyalty of customers is performed following the attitude of customers' behaviour, therefore it is not clear which factors condition repeat purchases (Zikienė & Bakanauskas, 2007).

When analysing customers' loyalty from the perspective of attitudes, many authors (Hallowell, 1996; Jones, Mothersbaugh, & Beatty, 2000) claim that satisfaction positively affects the intention of customers to purchase repeatedly.

Gronholdt, Martensen, and Kristensen (2000) determined that there is a significant link between customers' satisfaction and loyalty. Hunter and Michl (2000) proved that a seemingly low gap of customers' satisfaction determines a significant gap in loyalty strength. Martensen, Gronholdt, and Kristensen (2000) noticed that in the business branches where a product is easily evaluated, the loyalty of customers is caused by the product itself, and in the branches where the product is hard to evaluate, loyalty depends on the image of the trademark (product/service/shop). Kristensen and Kanji (1998) proposed a model relating customers' satisfaction with the profitability of organisation.

Research performed by Kuo, Chang, Cheng, and Lai (2013) in Chinese hotels emphasise the significance of service quality for the loyalty of customers. After the research of hotel

customers performed in Spain it was determined that the evaluation of service quality is higher by the customers who are more loyal (Gil, Hudson, & Quintana, 2006).

Boon–Liat and Zabid (2013), having interviewed the guests of Malaysian hotels, ascertained that perceived service quality is highly related to customers' satisfaction, which ensures higher loyalty of customers.

It is said that customers' satisfaction may be applied to measure customers' loyalty, however the approaches exist where customers' loyalty cannot be explained only by satisfaction. According to Prus and Brandt (1995), although satisfaction is necessary to ensure customers' loyalty, it cannot, however, be identified as customers' loyalty. Reichheld (2006) criticises the use of customers' satisfaction research to determine customers' loyalty, claiming that research fails to determine what organisations should in fact know.

Story and Hess (2006) claim that though some satisfied customers remain loyal, others stop purchasing. Therefore, we may claim that in order to determine customer loyalty, it is not enough to determine only their satisfaction, the impact of other factors forming customers' loyalty should be measured. Reichheld (2006) suggested that to measure loyalty by questioning, customers should only be asked one simple thing: 'Would you recommend us to your friends?' The tendency for recommendation is evaluated on a 10-point scale and according to the answers is classified as follows:

- customers with high tendency to recommend the company (9–10) – promoters;
- customers with lower tendency to recommend the company (7–8) – passive;
- customers particularly unwilling to recommend the company (0–6) – detractors.

To deduct the detractors from promoters, we would get net promoters. Namely the rate of net promoters, in the opinion of Reichheld (2006), is the main indicator of the growth of company.

The measurement of customers' loyalty is the process resulting in the possible increase of customers' loyalty (Hunter & Michl, 2001). By the measurement of customers' loyalty the factors which promotes it may be established. Prus and Brandt (1995) and Hunter and Michl (2000, 2001) highlight three indicators of loyalty: (1) *satisfaction with* organisation/ its products and/or services; (2) the customer's *intention for repeated purchase*; and (3) the customer's *intention to recommend* a trademark (product/service/shop). These indicators may be determined by applying 4 5-point Likert scale. The sum of all three indicators is called the *Loyalty index*. According to the authors the total assessment strength of these indicators (Loyalty index) highly correlates with the behaviour of customers. According to Prus and Brandt (1995), depending on the specificity of the organisation of a business, the other indicators of loyalty may be included in the index.

To generalise it may be stated that loyalty may be measured in two ways – referring to the repeated purchase dynamics and recommendations to other customers (Pine et al., 1995). The perfect option would be to combine these two types.

It is necessary to mention that in order to determine customers' loyalty it is not enough to only measure their satisfaction, it is necessary to measure the impact of other factors which form customer loyalty. Though satisfaction is indispensable to ensure customer loyalty, it cannot, however, be identified as customers' loyalty.

The aim of this research is to relate the effect of quality on the loyalty of hotel customers, although many scientists agree with the impact of quality on customer loyalty, universal methodology about how to assess this impact is not proposed, thus, in the next section the

novel step in methodology will be presented, which combines well known methodologies of quality and loyalty research evaluating only one from the research phenomena, i.e., only quality compliance, or sets the level of customers' loyalty stage.

3. Methodological considerations

3.1. Research methodology

In order to perform the research, a questionnaire method was applied. This method was chosen because the questionnaire takes the least time and incurs the least cost, and information may be obtained from a large number of respondents. The information based on the questionnaire demonstrates that the issues of customer satisfaction and loyalty are relevant for the hotel industry and are analysed by the scientists. In order to please the customer the hotels try to control the quality, however a single assessment methodology for the effects of hotels' quality on customer loyalty was not proposed. In this study, the research methodology SERVQUAL was combined with loyalty assessment methodology and it is suggested when analysing quality that loyalty should always be included in this research and that the expanded SERVQUALOYAL methodology should be applied.

3.2. SERVQUALOYAL research methodology

The methodology is based on demographic analysis and *the first block of questions* in the questionnaire refer to the demographic characteristics of the respondents (country, gender, age, marital status, education, occupation, the reason for visiting the hotel).

The second questionnaire block was made referring to nine SERVQUAL quality criteria (Parasuraman, Zeithalm, & Berry, 1988). In the questionnaire respondents evaluated quality criteria using a 10-point system (10 = perfect; 1 = very bad), of the services they expected and the services they received. Nine criteria for service quality are highlighted:

1. Tangible evidence (attractiveness of environment, staff clothing, clarity of written material, up-to-date technology);
2. Reliability (customer wishes are considered, regularity of information (without mistakes), the quality of service supply does not change regardless of the time of day or person);
3. Responsibility (quick reaction to the problems faced, personnel willingly answer the questions of the customer);
4. Competence (personnel provides precise and correct information, personnel are competent in their work, personnel gladly and politely communicate, personnel do not pretend 'to be busy' when customers ask questions, personnel's telephone communication is nice and acceptable, personnel respect your attitudes and values);
5. Confidence (appropriate hotel image, hotel ensures appropriate and qualitative services);
6. Safety (secure safety in the hotel building and when using technology, data of hotel customers are protected, the hotel guarantees that services will be administered properly);
7. Accessibility (there are no difficulties when talking with skilled personnel about the problem, there are not any problems in contacting the necessary hotel employee

(by telephone, personally, by email), suitably arranged workplaces of personnel, convenient communication);

8. Communication (personnel understand your problem, express concern, personnel appropriately explain and give possible options for a solution to the problem, language of personnel is polite (without any technical jargon);

9. Understanding (service price corresponds to service quality, requests of customers are considered (e.g. when dinner should be served).

The third questionnaire block is intended to determine hotel customers' loyalty. This part of questionnaire was prepared referring to Hunter and Michl (2000, 2001), Reichheld (2006), Szwarc (2005), Pileliene (2008), Bakanausku and Pileliene (2008) and Fernández, Gavira, and García (2014). Analysis of customer loyalty stages grouped by various authors revealed that it is appropriate to classify the customers as 'Neutral', 'Potentially loyal', 'Unconsciously loyal' and 'Sincerely loyal' (Bakanauskas & Pilelienė, 2008). The additional assumption may be made that customers in any loyalty stage may stop cooperating with organisation, i.e. to stop selecting between trademarks (product/service/shop). Such customers are called 'Lost'.

It may be claimed that not all respondents *completely agreeing* to recommend the hotel services to their friends, may be assigned to the fourth stage of customers' loyalty. This question is significant only when determining the loyalty stage of respondents who have purchased the services of hotel *only a few times* or *purchase regularly* and *intend to purchase* in future. Respondents, who have already purchased the services of the hotel once, intend purchasing in future and already completely agree to recommend cannot be assigned to 'Sincerely Loyal' since their experience is too little to make the statements of that kind. Also respondents not intending to purchase the hotel's services in future, though completely agreeing to recommend it, cannot be assigned to the fourth customers' loyalty stage, since their attitude is not related with corresponding behaviour. Respondents who have purchased the hotel services a few times or purchase regularly, and intend purchasing in future, however completely do not agree, do not agree, agree or do not have any opinion regarding the recommendation of hotel services, are assigned to the third customers' loyalty stage, 'Unconsciously loyal'.

Referring to the set up methodology SERVQUALOYAL it was chosen to assess the impact of service quality of 4-star hotels in Kaunas on customer loyalty. This sector was chosen because Kaunas is distinguished by large but very variable flows of tourists and to have loyal customers for the hotels is of high relevance. As for the star rating category, the highest quality evaluation is of 4-star hotels in Kaunas (there is no 5-star hotel in Kaunas), 10 hotels overall were rated as 4-stars. Besides them, there are 12 more hotels with 3-star rating and three hotels having 2-stars, and 49 hotels without any rating. When assessing quality it is important to take into account the number of stars, since this suggests that hotels offer a different quality level, price, and customer expectations, therefore it is necessary to assess the hotels by the same quality level.

3.3. Research arrangement

The research was carried out in February–March of 2014. The authors are grateful to Aldona Levickaite for helping with data collection.

3.4. Contingent of respondents

The respondents were customers of 4-star hotels in Kaunas. During the research some difficulties were faced. The management of hotels was informed about the purpose of research and the survey was carried out only with the agreement to interview the hotel customers. Not all the hotels agreed to allow their customers to be questioned. Five hotels from 10 4-star hotels in Kaunas, which were asked to approve and allow interview with their customers, allowed us to perform the survey. Therefore, the research results represent only the analysed cases.

The sample was formed in a convenient way: the customers of hotels who had agreed to participate in a survey were interviewed. Two hundred and fifty questionnaires were distributed, and 224 questionnaires were returned. Nineteen questionnaires were incomplete, therefore when summarising the research results they were not analysed.

To describe the research results, 205 adequately completed questionnaires from Kaunas hotels' customers were used, among which 105 were men, and 100 were women. One hundred and fifty respondents were residing in Lithuania, 55 were in other countries: France, Germany, the Netherlands, Italy, Latvia, India, etc. Most of the respondents were single or married, with an academic education, they were representatives of particular professions, with the purpose of business, studies, or internship visits. The respondents were 22- to 50-years-old, and all were Kaunas hotel customers. The average age of respondents was 30, 46 ± 5,91.

3.5. Research results were processed applying statistical analysis

When summarising the research results the percentage frequency of the answers to the questions was calculated. The reliability of differences between answer frequency among groups was calculated with the help of criterion χ^2.

Significance level selected $p < 0.05$ (see Table 1). In a summary of nine SERVQUAL quality criteria, the average values of presented evaluations were calculated. For the reliability of differences of research results among groups the criterion t – test, significance level was applied $p < 0.05$. All calculations were performed by the SPSS 17.0 programme.

4. Empirical results

The quality expectations for the services of Kaunas 4-star hotels were statistically significantly higher than the experienced quality ($p < 0.05$). It was determined that customers of Kaunas hotels residing in Lithuania had higher requirements for service quality (9.83 points) than customers from other countries (9.65 points), while the experienced quality was evaluated worse by customers residing in Lithuania (7.73 points) than by foreign customers (8.13 points).

The research has revealed that 60% percent of customers residing in Lithuania and 36.4% of foreign people have already visited the hotel being assessed ($p < 0.05$). The answers to same question subject to gender did not statistically significantly differ ($p > 0.05$).

During the research it turned out that most of the Lithuanian residents visiting hotel has already used the services of this hotel once (45%) or several times (50%). Customers from other countries have used the hotel services a few times (20%), and some regularly

Table 1. Independent samples test.

		t-Test for equality of means	
		t	Sig. (2-tailed)
Tangibility evidence Expected	Equal variances assumed	6.965	.000
	not assumed	5.833	.000
Tangibility evidence Experience	Equal variances assumed	-.577	.565
	not assumed	-.562	.575
Reliability Expected	Equal variances assumed	8.567	.000
	not assumed	6.819	.000
Reliability Experience	Equal variances assumed	-2.180	.030
	not assumed	-2.104	.037
Responsibility Expected	Equal variances assumed	6.531	.000
	not assumed	5.359	.000
Responsibility Experience	Equal variances assumed	-3.665	.000
	not assumed	-3.632	.000
Competence Expected	Equal variances assumed	9.473	.000
	not assumed	7.354	.000
Competence Experience	Equal variances assumed	-1.241	.216
	not assumed	-1.213	.227
Confidence Expected	Equal variances assumed	8.326	.000
	not assumed	6.447	.000
Confidence Experience	Equal variances assumed	-.996	.320
	not assumed	-1.076	.283
Safety Expected	Equal variances assumed	8.267	.000
	not assumed	6.421	.000
Safety Experience	Equal variances assumed	2.640	.009
	not assumed	2.476	.015
Accessibility Expected	Equal variances assumed	7.332	.000
	not assumed	5.786	.000
Accessibility Experience	Equal variances assumed	-2.783	.006
	not assumed	-2.598	.010
Communication Expected	Equal variances assumed	8.425	.000
	not assumed	6.549	.000
Communication Experience	Equal variances assumed	-2.958	.003
	not assumed	-2.906	.004
Understanding Expected	Equal variances assumed	6.579	.000
	not assumed	5.094	.000
Understanding Experience	Equal variances assumed	-2.071	.040
	not assumed	-2.114	.036

Source: Authors' calculations.

use it (40%) (Figure 16). Female respondents , as the research has shown, have also used the hotel services before.

It was calculated that 33.3% of hotel customers residing in Lithuania were assigned to the stage of neutral customers, 30% to potentially loyal, 13.3% to unconsciously loyal, and 23.3% to sincerely loyal. From other countries, 54.5% of hotel customers were assigned to the stage of neutral, 5.5% to potentially loyal, 12.7% to unconsciously loyal, and 27.3% to sincerely loyal. To compare hotel customers' loyalty stages according to residence, a statistically significant gap was determined, there were more potentially loyal hotel customers among Lithuanian residents, and more neutral customers among visitors from other countries.

The research data allowed for assessing the impact of hotel service quality on the loyalty of hotel customers. For that purpose, respondents were grouped under the loyalty stages. One group consisted of neutral and potentially loyal respondents, and the other consisted of unconsciously and sincerely loyal.

During the research it was determined that expectations of all nine quality criteria of lower loyalty stage customers (neutral and potentially loyal) were higher than of higher

loyalty stage – unconsciously and consciously loyal customers, the gap was statistically significant (p < 0.05). The experienced quality was evaluated better by unconsciously and sincerely loyal hotel customers than by neutral and potentially loyal customers (see Table 2), thus the gap was statistically significant (p < 0.05).

Evaluating the quality gap between expected and received, statistically significant gaps of eight quality criteria between customer loyalty level assessments were determined (p < 0.05) and only one criterion – safety did not significantly differ and was negative, in all other cases it was determined that more loyal customers positively assessed the quality, while the less loyal assessed negatively.

The gap between neutral and potentially loyal hotel customers between expected and received quality was always more favourable. This is also shown by cumulative data where all criteria composing the general evaluation of hotel service quality are presented (Figure 1). This evaluation shows that unconsciously and sincerely loyal customers received better hotel service than was expected (by more than 0.14 points), while neutral and potentially loyal customers expected significantly higher quality than was received (by more than -0.47 points).

It may be claimed that this research revealed that the compliance of quality criteria with the expected quality makes a statistically significant impact on customer loyalty. In order to increase loyalty, the hotels should ensure the compliance of eight loyalty criteria within expected quality. The safety criterion is important, but it is similarly evaluated by disloyal customers and simply under unfavourable quality ratio of expected and experienced safety criterion the customers will not choose such hotel which is unsafe, but it will not be enough to ensure loyalty.

These research results supplement those already available. Kinderis et al. (2011) state that in the unfavourable economic environment, enterprises providing accommodation services should maintain service quality as the mean for competitive struggle, however the research results show that it is not only a perfect measure to compete against other hotels, but also one of the measures that influences customer loyalty. When seeking a competitive advantage and leader position in the market, the evaluation of service quality becomes a strategic objective and a guarantee for survival (Frochot & Hughes, 2000; Lockwood, Baker, & Ghiiyer, 1996).

The research revealed that in every criterion of service quality of the Serqual model, hotel customers expected higher quality than they received. This research coincided with research

Table 2. Evaluation of quality criteria under the customer loyalty stages.

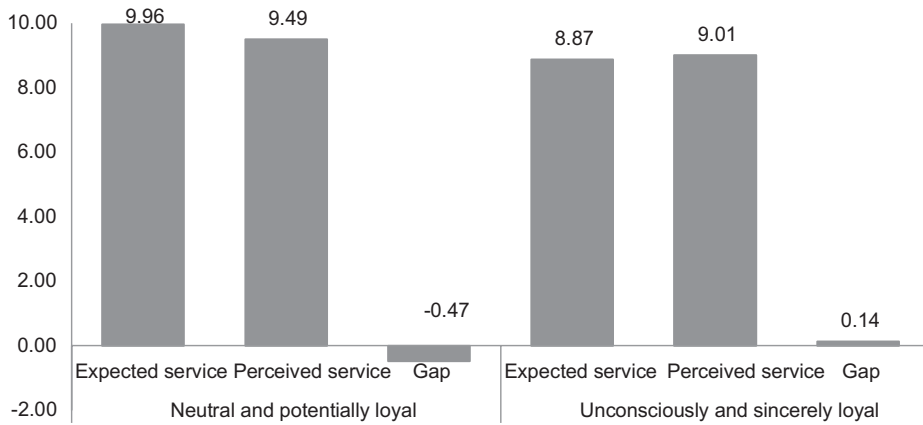| Criteria | Cronbach Alpha | Neutral and potentially loyal | | | Unconsciously and sincerely loyal | | |
		Expected quality*	Experienced quality*	Gap	Expected quality*	Experienced quality*	Gap
Tangibility/evidence	0.82	9.82	9.31	-0.51	8.54	8.6	0.06
Reliability	0.77	9.96	9.47	-0.49	8.79	9.00	0.21
Responsibility	0.68	9.96	9.61	-0.35	8.85	9.19	0.34
Competence	0.86	9.99	9.53	-0.46	8.87	8.98	0.11
Confidence	0.69	10.00	9.55	-0.45	8.7	8.79	0.09
Safety	0.72	9.99	9.42	-0.57	9.39	9.13	*−0.26*
Accessibility	0.78	9.97	9.5	-0.47	8.89	9.14	0.25
Communication	0.73	9.99	9.48	-0.51	9.05	9.29	0.24
Understanding	0.71	10.00	9.55	-0.45	8.72	8.95	0.23

Source: Authors' calculations.

Figure 1. General quality assessment depending on customer loyalty. Source: Authors' calculations.

by Kinderio et al. (2011), during which the evaluation of service quality in Klaipeda hotels was carried out. However, in this research, excluding loyal customers, it was determined that customers better evaluated quality than they had expected.

Yilmaz (2009), having analysed the quality and customer expectations of Turkish 2–5-star hotel services, also established that the gap between expected and received service quality is not big. The highest expectations of customers from Turkish hotels were related with criteria of *reliability, assurance and responsiveness*, a little lower expectations were for *tangible/material values* and *empathy*. The lowest gap between expected and experienced quality was determined for quality criterion *empathy*, and the highest for quality criterion – *material values.*

During the research the expectations for service quality of hotel customers residing in Lithuania and from other countries were compared. It was determined that higher expectations according to all quality criteria were of hotel customers residing in Lithuania. We also compared the experienced quality by hotel customers residing in Lithuania and customers from other countries. The experienced quality evaluation of *communication* and *reliability* criteria was higher of customers residing in Lithuania than of customers from other countries. And higher evaluation of the rest experienced quality criteria was of customers residing in other countries than of residing in Lithuania.

As Hunter and Michl (2001) claim, the customer's intention to buy repeatedly is one of three main loyalty indicators. According to Szwarc (2005) the question about respondent's intention to purchase the products or services of the organisation again, may be used to determine the latter's commitment to organisation. Our research revealed that people having arrived from other countries are more loyal and intend to use the services of the hotel in future (p < 0.05). While half of hotel customers residing in Lithuania do not intend to use, in future, the services of the hotel being assessed.

Kuo et al. (2013) and Boon-Liat and Zabid (2013) emphasise the importance of service quality for customer loyalty. To answer the aim of research it was revealed how the hotel service quality relates to the loyalty of hotel customers. It was determined that the expected quality of neutral and potentially loyal hotel customers was higher, and the experienced

quality was higher of unconsciously and sincerely loyal customers (except the quality criterion *safety*).

Since the highest gap between expected and received quality was in the criteria of tangible evidence (attractiveness of environment, staff clothing, clarity of written material, up-to-date technology, confidence (appropriate hotel image, hotel ensures appropriate and qualitative services), and understanding (service price corresponds to service quality, the requests of customers are considered, e.g. when dinner should be served), it is also necessary to take care of the attractiveness the aesthetics of the hotel and the formation of recreational spaces. More attention should be paid to work clothing of personnel and improvement of their working conditions, since this helps to form an appropriate environment and atmosphere within the hotel.

5. Conclusion

Evaluation of service quality is a complicated process, since service quality may be assessed both objectively and subjectively. Besides which, it is hard to evaluate the impact of separate service elements on quality. Though in the research of service quality several quality research models should be followed, however as the best in the analysis of service quality, the Servqual quality model is generally accepted. While, in the assessment of loyalty, the best way is to classify customers by loyalty levels. In order not only to determine quality disadvantages, but also to integrally assess their origin with customers' loyalty, the best way is to use the already proposed research in this article, and in empirical research SERVQUALOYAL methodology should be applied.

The performed research reveals the effect of quality on customer loyalty. Perceived higher quality of hotel services results in higher customer loyalty. Growing loyalty among customers allows organisations to make savings by decreasing marketing costs, also the expenses of customers' change decrease, the use of related products increases, positive communication by 'word of mouth' takes place. It was discovered during the research that the impact of hotel services' quality on customer loyalty was positive: customers highly evaluating service quality were more loyal, tended to use the hotel services repeatedly and recommend it to friends and acquaintances.

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