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Article

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SUPPLY CHAIN MANAGEMENT PERFORMANCE IN TOURISM
CONTINENTAL HOTELS CHAIN CASE

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Abstract
With its origins in logistics, Supply Chain Management (SCM) concept is covering all managerial aspects of the flow of materials and information from source to customer, across the entire range of materials handling and movement functions, and throughout an organization and its supply channels. In tourism, these issues relate to the whole process of providing tourism services from sourcing of raw materials, products or different services) to supply and distribution, and SCM performance can ultimately be measured by customer satisfaction. Thus, an important component of tourism SCM is the demand management. Therefore, this study aims to highlight the features of the concept of SCM and demand management in tourism, with an emphasis on a hotel chain in Romania, based on research and analysis of tourist traffic indicators as well as assessment of customers satisfaction. The sources of information are the internal company statistics, as well as various hotels booking websites that offer customers’ feedback. The results of the study provide a snapshot of how the hotel demand management can influence SCM performance in tourism.

Keywords: Supply chain management, demand management, hotel services, distributions strategies, tourist traffic indicators

JEL classification: L83, M10

Introduction
During the 1990s, many manufacturers and service providers sought to collaborate with their suppliers and upgrade their purchasing and supply management functions from a clerical role to an integral part of a new phenomenon known as supply chain management. Since this aspect of supply chain management primarily focuses on the purchasing and supply management functions of industrial buyers, it was classified as the purchasing and supply perspective of supply chain management. Correspondingly, many wholesalers and retailers have also integrated their physical distribution and logistics functions into the transport and logistics perspective of supply chain management to enhance competitive advantage. Over the last 10 years, these two traditional supporting functions of corporate strategy evolved along separate paths and eventually merged into a holistic and strategic

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approach to operations, materials and logistics management, commonly referred to as supply chain management (SCM) (Tan, 2001).

The term SCM has been used to explain the planning and control of materials and information flows as well as the logistics activities not only internally within a company but also externally between companies. A number of fields such as purchasing and supply, logistics and transportation, operations management, marketing, organizational theory, management information systems, and strategic management have contributed to the development of SCM literature (Chen and Paulraj, 2004).

SCM has its origins in logistics, concerned with the management of the flow of materials and information from source to customer across the entire range of materials handling and movement functions, and throughout an organization and its supply channels (Baddeley and Font, 2011).

SCM has been defined to explicitly recognize the strategic nature of coordination between trading partners and to explain the dual purpose of SCM: to improve the performance of an individual organization, and to improve the performance of the entire supply chain. The goal of SCM is to create sourcing, manufacturing and delivery processes and logistics functions seamlessly across the supply chain as an effective competitive weapon (Li et al., 2005).

Service supply chain management is also a tool for forecasting, planning, implementing, and controlling the process of the supply chain with the objective to satisfy customer requirements in an efficient manner. It involves coordinating, integrating and controlling the product, information and finance flows both within the organization and among the partners. In the past, firms were implementing SCM with the purpose of achieving operational efficiency and cost reduction. In today’s business, however, firms are looking for leveraging competitive advantage to deliver better customer service. In fact, the integrated supply chain management fulfils the firm’s requirement. The purpose of the supply chain in a manufacturing industry is reducing cycle time, inventory, and logistics costs. In the service industry, this purpose is irrelevant as the service provided is intangible or non-transferable (Prasad and Selven, 2010).

1. Supply chain management in tourism

By their specific, the evolution of tourism activities involves a large number of participants: tourism services suppliers, tour-operators and reselling travel agencies, clients. In the frame of the marketing channel, tour-operators have the functions of taking over the services offered by the different categories of suppliers, “packing” them properly, and allocating them directly to the tourists or to the reselling tourism agencies. By their importance, the tour-operators have a significant contribution to the tourist activity efficiency, given the fact that on them depend the successes of both the suppliers’ activity and retail distribution agencies, and on the tourists’ satisfaction level, the appointees of the products realized by the tour-operators (Muhciñă and Popovici, 2008).

SCM in tourism involves not only the basic services like accommodation, transport, restaurant and entertainment activities, as well as other auxiliary services or those related to the tourism industry. Thus, the integrated system of tourism operators is necessary for a critical analysis of the supply chain.
When talking about the case of a hotel, we need to define the suppliers, how to communicate with them, the stock management, as well as the time required to deliver the orders. Various software can give real-time information about stocks and can offer turnover forecasts based on the performance in prior periods, so hoteliers can avoid the out-of-stocks more easily. Regarding the demand for travel services and the performance of demand management, it is necessary to study the tourists’ preferences and their degree of satisfaction after receiving the services. The main objective of this study is to present the critical points of touristic product and methods to improve the quality of provided services.

![Diagram of Supply Chain Management](image)

**Figure no. 1: Demand management – part of tourism SCM**

Source: Zhang et al., 2009, p. 348

As shown in the figure above (fig. no. 1), the main objectives of the tourism supply chain (TSC - "Tourism Supply Chain") are: to improve tourists’ satisfaction, to reduce seasonality, sustainable tourism and so on, these objectives are met through specific tactics.
and by analysing market as a whole and by its components. Usually, the tourism supply chain performance is measured by financial and operational performance. For example, certain methods can be used to improve operational performance, such as reducing the lead time, reducing the order quantities, optimizations based not ordered quantities, but on past sales, as well as exchange of information (Bălan, 2008).

Following the sustainable development principles, green procurement policies as part of sustainable supply chain management (SSCM) are a key tool in reducing an organization’s carbon footprint. SSCM has traditionally focused on the manufacturing industry but has a big role to play in ensuring the sustainability of the tourism industry (Walmsley, 2011).

For example, Scandinavian Hotels have long been associated with a concern with environmental performance. This extends to their dealings with suppliers; they also require all of its suppliers to sign a ‘supplier declaration’ stating that they operate according to a sustainability policy (Draper and Murray, 2008).

Supply chain performance in the tourism industry is measured through both financial indicators and the non-financial ones. So besides profit, costs, market share, etc. the performance indicators have also to be reached in terms of customer satisfaction, efficient internal processes, degree of innovation, employee satisfaction and other indicators related to movement of tourists.

A tourism chain can be identified upon analysing the contribution of each participant on the chain, while a model of a supply chain can be defined only upon a complete evaluation. There are several reasons for considering tourism chains as the unit of performance analysis. First, the tourism chain can be characterized based on the tourism companies and attractions within a certain location, as the tourism chain is unique considering the interactions between its elements. To maintain and manage such uniqueness and characteristics properly, each tourism chain may need a different approach for analysis (Pyo, 2010).

When analysing the tourism supply chain, the following elements must be considered: its structure (strategies, concepts, distribution channels, competitive advantages etc.), market relations (e.g. between food units, the accommodation, travel agencies and tourists) and chain performance measurement (tourist satisfaction, financial performance, operational performance and sustainable development of tourism), as shown in Fig. 2.

In order to analyse the performance of the entire supply chain management in the tourism industry, an analysis of the specific macroeconomic indicators is necessary. The main indicators measuring the multiplying impact of the tourism industry are: contribution to gross domestic product, employment, exports and also the investments made in this sector.

The above mentioned indicators are analysed in a report of the World Travel & Tourism Council on the economic impact of the tourism sector in Romania. Direct contribution to GDP is RON 9.6 billion, or about 1.9%, but on top of this the indirect contribution and the induced contribution (direct and indirect costs of employees in tourism) should be added, so the total contribution of the tourism to the GDP amounted to 22.5 billion RON, or 4.5%.
In 2011 a number of 239,000 persons were employed in the tourism sector, representing 2.8% of the total number of employees in Romania. The number of foreign tourists visiting Romania in 2011 was 1,266,000, which is a slight increase versus the previous year; foreign tourists spent about 7 billion RON, this amount represents only 40.9% of the revenues of the registered operators, the rest coming from domestic tourism (WTTC, 2012).

2. Research methodology

To customize the performance analysis of supply chain management in tourism, we have undertaken a research at Continental hotel chain, present in several cities in Romania, with a total of 941 rooms.

With statistics on the volume of tourist traffic (number of arrivals, number of overnight stays, average occupancy, average stay) over the last 4 years in chain hotels, were applied statistical and mathematical methods for benchmarking performance, and trend in their evolution. Unfortunately, the lack of information on distribution through intermediaries (travel agencies) has limited our analysis.
Table no. 1: Structure capacity of accommodation in S.C. Continental Hotels

<table>
<thead>
<tr>
<th>Hotel name</th>
<th>Comfort category</th>
<th>Rooms</th>
<th>Room share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Hotel Continental București</td>
<td>*****</td>
<td>53</td>
<td>5.63</td>
</tr>
<tr>
<td>Continental Forum Arad</td>
<td>****</td>
<td>160</td>
<td>17.00</td>
</tr>
<tr>
<td>Continental Forum Oradea</td>
<td>****</td>
<td>168</td>
<td>17.85</td>
</tr>
<tr>
<td>Continental Forum Sibiu</td>
<td>****</td>
<td>135</td>
<td>14.35</td>
</tr>
<tr>
<td>Continental Drobeta-Turnu Severin</td>
<td>***</td>
<td>65</td>
<td>6.91</td>
</tr>
<tr>
<td>Continental Porțile de Fier</td>
<td>***</td>
<td>37</td>
<td>3.93</td>
</tr>
<tr>
<td>Continental Târgu Mureș</td>
<td>***</td>
<td>111</td>
<td>11.80</td>
</tr>
<tr>
<td>Continental Suceava</td>
<td>***</td>
<td>62</td>
<td>6.59</td>
</tr>
<tr>
<td>Hello Hotels București</td>
<td>**</td>
<td>150</td>
<td>15.94</td>
</tr>
<tr>
<td>TOTAL CONTINENTAL HOTELS</td>
<td></td>
<td>941</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: S.C. Continental Hotels S.A., Sales Department, 2012

Qualitative aspects have also been taken into consideration: through the websites for online hotel reservations (booking.com, venere.com, tripadvisor.com, hotels.com, expedia.com) we analysed 1157 online questionnaires on aspects such as cleanliness, comfort, location, services, staff and value for money in the Continental chain of hotels – respectively the tourists' satisfaction. Due to the relatively large number of respondents, overall opinion is relevant; even if some opinions can be expressed by "false" customers, the overall relevance of the responses is still granted by the fact that only customers making online reservation can provide feedback with the questionnaire.

Another characteristic of Continental Hotels’ supply chain is the central reservation department for all the 9 hotels of the company.

Have also been taken into qualitative aspects: hotel reservation through online portals (booking.com, venere.com, tripadvisor.com, hotels.com, expedia.com), we analyzed 1157 reviews of online respondents on aspects such as cleanliness, comfort, location, services, staff and value for money in chain hotels Continental – and tourists' satisfaction.

At the moment Continental Hotels chose an email marketing program offered by SC White Image SRL, communicating both business-to-business (B2B) and with the hotels’ customers (B2C). The objectives of this program are developing loyalty of current customers, as well as better communication with travel agencies and partner companies, the desired effect being to increase the impact of this distribution channel in the company sales.
The results of quantitative and qualitative analysis of these indicators may reflect SCM performance through demand management component.

3. Results

Continental Hotels is the largest hotel group in Romania, statement supported by the experience in the Romanian hotel market – since 1991, when the company was founded, and the services offered to the guests.

The Continental Hotels chain initially included hotels in Bucharest, Sibiu, Cluj-Napoca, Tîrgu-Mures and Constanta, with a total of 403 rooms. Continental Hotel in Timișoara, although included by the decision of the Government into the company Continental, this hotel never really became part of the chain.

Totally privatized in 1995, S.C. Continental S.A. met a booming developing period, sustained by the efficient use of loans and capital brought by shareholders. Now the chain has 9 hotels in Romania, and is also partner of Accor Group for Ibis Hotels present in Romania.

The company's target segment are the business travellers, due to location of hotels in major cities of Romania. Most are classified in category 3 stars (4 hotels) and 4 stars (3 hotels).

Since 2008 the company entered the market of low budget, building Hello Hotels with a capacity of 150 rooms, and luxury tourism market by restoring Grand Continental Bucharest, 53 rooms, rated 5 stars.

As mentioned above, supply chain management performance is also measured through indicators of tourists’ traffic, so we analysed the evolution of the number of arrivals, overnights and occupancy rate at the entire hotel chain.
The graph above shows no clear trend in the number of arrivals in Continental Hotels, the leading cause of the decline in 2008-2010 being the bad global economic environment, which led to a decrease of about 11% in the number of arrivals. After this period due the economic recovery and due to reduced tariffs a growth of 8.52% followed, but also because of the opening of Grand Continental. It is worth mentioning that the weight of Romanian tourists increased from 58.87% to 62.61%.

If we analyse the evolution of the number of overnight stays in the period 2008-2011, we see the same trend as the number of arrivals, but the increment from 2009 to 2011 is 16.87%, almost double compared to the number of arrivals during the same period. Also the structure of this indicator changed, as the share of overnight stays of foreign tourists increased in the period under review, following a bigger economical interest of foreign business tourists in Romania.

Figure no. 4: Evolution of arrivals at Continental Hotels chain, 2008-2011
Source: S.C. Continental Hotels S.A., Sales Department, 2012

Figure no. 5: Evolution of overnight stays at Continental Hotels chain, 2008-2011
Source: S.C. Continental Hotels S.A., Sales Department, 2012
The table number 2 presents the evolution of occupancy of each unit in the Continental Hotels, and average occupancy overall, showing a noticeable improvement of this indicator during 2008 to 2011. The highest value was recorded in 2008 at the hotel in Sibiu, 65.75%, due to cultural events held in the city, Sibiu being declared cultural capital of Europe in the previous year. The positive trend at the Hello Hotels is also obvious, reaching 61.34% in 2010, although this hotel is still in the expansion phase. It should be noted that throughout the period the occupancy rate of the Continental Hotels is better than the average nationwide¹, about 32%, indicating an efficient exploitation; still there are two units - Continental Drobeta-Turnu Severin and Continental Portile de Fier - which experienced a decline in average occupancy, although they are the smallest hotels in the chain in terms of capacity.

If we refer to the average stay we see an improvement in this indicator with 7.25% for the entire period, but this is mainly due to the increase by 21.91% of the average stay of foreign tourists. This average recorded in the entire hotel chain in 2011 is 1.74 days / tourist.

Besides of these quantitative indicators, qualitative indicators measuring the customer satisfaction also need to be analysed. This was done by analysing the opinion of tourists who spent a stay at one hotel in the chain Continental Hotels, by online booking on one of the following websites: www.booking.com, www.expedia.com, www.tripadvisor.com, www.hotels.com, and www.venere.com. Thus we can measure the effectiveness of supply chain management in terms of demand management by observing the degree of customer satisfaction.

### Table no. 2: Occupancy rate at Continental Hotels chain, 2008-2011 (- % -)

<table>
<thead>
<tr>
<th>Hotels</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Hotel Continental</td>
<td>-</td>
<td>4.92*</td>
<td>32.66</td>
<td>39.74</td>
</tr>
<tr>
<td>Continental Forum Arad</td>
<td>64.37</td>
<td>58.13</td>
<td>61.34</td>
<td>63.92</td>
</tr>
<tr>
<td>Continental Forum Oradea</td>
<td>63.78</td>
<td>56.39</td>
<td>53.33</td>
<td>51.62</td>
</tr>
<tr>
<td>Continental Forum Sibiu</td>
<td>65.75</td>
<td>59.84</td>
<td>56.95</td>
<td>56.47</td>
</tr>
<tr>
<td>Continental Drobeta-Turnu Severin</td>
<td>36.47</td>
<td>25.36</td>
<td>23.96</td>
<td>29.04</td>
</tr>
<tr>
<td>Continental Portile de Fier</td>
<td>34.84</td>
<td>27.20</td>
<td>26.28</td>
<td>16.04</td>
</tr>
<tr>
<td>Continental Tîrgu Mureș</td>
<td>59.88</td>
<td>44.77</td>
<td>45.45</td>
<td>39.90</td>
</tr>
<tr>
<td>Continental Suceava</td>
<td>52.44</td>
<td>36.14</td>
<td>30.19</td>
<td>47.06</td>
</tr>
<tr>
<td>Hello Hotels</td>
<td>20.56</td>
<td>37.78</td>
<td>61.34</td>
<td>60.22</td>
</tr>
<tr>
<td><strong>TOTAL CONTINENTAL HOTELS</strong></td>
<td>44.23</td>
<td>38.95</td>
<td>43.50</td>
<td>44.89</td>
</tr>
</tbody>
</table>

* The average occupancy rate is calculated over a period of three months, the hotel was opened in October 2009

Source: S.C. Continental Hotels S.A., Sales Department, 2012

The first hotel examined was Grand Hotel Continental in Bucharest as Romania's capital hotel market is complex, competition is fierce. There are 8 hotels in the luxury segment and Grand Hotel Continental is ranked 2 in terms of its overall score, as this hotel outperforms other hotels belonging to international chains such as InterContinental Hotels Group,

¹ The National Institute of Statistics calculates the average occupancy rate based on the number of places occupied, while for the hotel chain analysis, the calculation is based on the number of rooms occupied.
Marriott and Hilton. Its strengths are location, capacity and level of cleanliness, which are scoring 9.5 out of a maximum of 10; these strategic advantages derived from a thorough upgrading, a process that took about four years, with a total investment of around 8 million Euro. The 198 tourists rating mentioned the following weaknesses: the level of training of staff, as well as value for money, the last indicator being near other hotels - which indicates a relatively high level of prices in the luxury segment, according to tourists.

Regarding the low budget market segment, in Bucharest there are currently 14 hotels rated at 2 stars, including the Hello Hotels, which are specifically classified in this category as a result of the non-competition agreement between the two partner chains - Continental Hotels and Accor Group -, this way avoiding direct competition between Hello Hotels and the two Ibis hotels owned by the Romanian chain, but under management contract with the French group.

Just like Grand Hotel Continental, Hello Hotel has the location and cleanliness as strengths, but the same problem in terms of staff; another weak spot, in tourists’ opinion, is the small number of services - we consider this to be irrelevant because the law of Romania provides a total of 8 services at 2 star classified hotels. Due to its location in the Gara de Nord area, the hotel has a specific target segment - transit tourism, so quality and price ratio is high, 8.2 out of 10, compared to those classified in the same category.

The biggest hotel owned by Continental chain is located in Arad, with 160 rooms classified at 4 stars. It has a dominant position in this city, because there are only 23 hotels in Arad. Continental Hotel owning 24.61% of the total accommodation spaces. But in terms of quality it holds the 7th place, ranking behind the main competitor - Best Western Central Hotel - due to location, equipment, staff, cleanliness and value for money of course. Paradoxically, the main competitor is a 3 star hotel, but the location and tariff policy of Continental Hotel are the main problems. However, in the opinion of the 131 respondents, the staff’s professionalism, 8.6 out of 10, is more than the one registered in the hotels in Bucharest.

Having the same situation as the hotel in Arad, Continental Forum Oradea has an important position in terms of share of number of rooms, but in terms of the overall quality indicator has only ranked 18th following the 83 existing responses; so, the main problems are: quality of service, comfort of rooms and value for money, but instead excels in a good location. Regarding the quality of services, tourists claim the necessity to change the inventory and modernization of rooms, although the hotel is rated 4 stars.

Continental Forum Sibiu is a hotel with a capacity of 130 rooms, rated at 4 stars, this category being present with another 7 hotels in Sibiu. Overall this hotel occupies only the 24th place out of 53, taking into account its overall score, 8.4 out of 10. It was built in 1912, and was taken over by Continental Hotels and modernized in 2005. By analysing the responses of 111 surveyed, we noted weaknesses regarding restaurant services, especially breakfast (included in the room price), so mark for services is only 7.7 out of 10. However, the location is noted by 9.4, over the direct competitors, as a result of the chain’s development strategy, which targets the central areas of cities.

A similar situation have also the other four hotels in the chain, located in Tîrgu Mureș, Suceava, Drobeta-Turnu Severin and Portile de Fier, classified with 3 stars, and having a smaller capacity than other units previously analysed. Also the value of quality indicators is lower, so the smallest value in terms of quality of services is recorded at Continental
Drobeta, 5.6 out of 10, indicating total dissatisfaction in terms of the quality of services and the need for substantial improvement.

As shown in the table below (table no. 3), the main strategic focus is the location in the best possible areas in the cities. This is part of a broader strategy aimed to increase the number of business tourists, because they have higher tourist consumption, a longer average stay, and become loyal easier through specific tactics.

The service quality and the skills of the staff are weaknesses, but these problems are common in the hotel industry in Romania, due to many reasons, including the lack of training centers. Thus there is a need for training programs for executive staff and guiding them in learning international languages.

<table>
<thead>
<tr>
<th>Company's hotels</th>
<th>Clean</th>
<th>Comfort</th>
<th>Location</th>
<th>Services</th>
<th>Staff</th>
<th>Value for money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Hotel</td>
<td>9.4</td>
<td>9.4</td>
<td>9.5</td>
<td>8.9</td>
<td>8.6</td>
<td>8.8</td>
</tr>
<tr>
<td>Continental Forum Arad</td>
<td>8.5</td>
<td>8.2</td>
<td>9.2</td>
<td>8.2</td>
<td>8.6</td>
<td>7.9</td>
</tr>
<tr>
<td>Continental Forum Oradea</td>
<td>7.9</td>
<td>7.4</td>
<td>8.7</td>
<td>7.2</td>
<td>7.9</td>
<td>7.2</td>
</tr>
<tr>
<td>Continental Forum Sibiu</td>
<td>8.6</td>
<td>8.2</td>
<td>9.4</td>
<td>7.7</td>
<td>8.2</td>
<td>7.9</td>
</tr>
<tr>
<td>Continental Drobeta-Turnu Severin</td>
<td>6.9</td>
<td>5.8</td>
<td>9.0</td>
<td>5.9</td>
<td>8.0</td>
<td>6.2</td>
</tr>
<tr>
<td>Continental Tirgu Mureș</td>
<td>7.7</td>
<td>7.2</td>
<td>9.0</td>
<td>7.0</td>
<td>7.9</td>
<td>7.6</td>
</tr>
<tr>
<td>Continental Suceava</td>
<td>7.2</td>
<td>6.6</td>
<td>8.5</td>
<td>6.5</td>
<td>7.7</td>
<td>6.9</td>
</tr>
<tr>
<td>Hello Hotels</td>
<td>8.1</td>
<td>7.4</td>
<td>8.4</td>
<td>7.4</td>
<td>7.7</td>
<td>8.2</td>
</tr>
<tr>
<td>Continental Hotels</td>
<td>8.04</td>
<td>7.53</td>
<td>8.96</td>
<td>7.35</td>
<td>8.08</td>
<td>7.59</td>
</tr>
</tbody>
</table>

Conclusions

In conclusion, the analysis of the entire supply chain management requires the observation of relationships with suppliers, but also the study of guests’ satisfaction to offer a touristic product adapted to the market trends.

The literature overview shows an intense focus on sourcing activities and on establishing strategic partnerships, in order to benefit from a competitive advantage. But very few have researched the downstream supply chain management, especially demand management, most research being in theory.

We believe the above results are a starting point for future research on tourism supply chain management in order to better understand the importance of reducing the whole systems’ deficiencies.
Tourism industry is exposed to external factors, especially economical and ecological, so it is necessary to use forecasting tools, or at least use reactive tactics to stay on the market, or at best to conquer a larger market share. This happened in the Continental Hotels; studying qualitative aspects of demand, the company immediately reacted and changed tariff policy, especially for business hotels in Bucharest, this influencing the number of overnight stays.

Tourist flow ratio analysis reveals oscillatory evolution during 2008-2011, but the completion of projects undertaken managed to stabilize the tourist flow to a higher level than nationally registered. Average occupancy has increased especially in the two hotels in Bucharest, with a capacity of 203 rooms. Though this indicator recorded in the Grand Hotel Continental is below that registered in the whole hotel chain; however the mentioned hotel is in a growth phase, so in the next period we expect increased tourist traffic.

The respondents’ assessments highlight the strategies adopted by Continental Hotels regarding the operation of their units, the hotels’ main competitive advantage being the location. Out of all the indicators analysed (cleanliness, comfort, location, quality of service, staff and value for money), the location is considered the most important, getting an average of 8.96 of 10, throughout the entire hotel chain.

Another conclusion following the analysis is that in terms of equipment there are major differences between the new hotels in the chain - Grand Hotel Continental, Continental Forum Sibiu and Hello Hotels – and the others. Despite having old equipment, the other hotels are also included in category 3 and 4 stars; the indicator of rooms’ cleanliness has an 8.03 level of 10, the lowest level being at Continental Drobeta-Turnu Severin.

Combining the two indicators - location and room’ equipment - we see a discrepancy in terms of value for money. So most respondents are not satisfied with the facilities, but they accept to stay at Continental hotels because of their location.

In order to increase the performance of supply chain management at Continental Hotels, we consider necessary to introduce training programs for executive staff and also to modernize the hotels which have a low level of tourist satisfaction, namely Continental Drobeta-Turnu Severin and Continental Suceava.

We also consider, that an improvement of the quality of services is needed, through the implementation of total quality management concept, having as main objective a better level of tourists’ satisfaction.

References


S.C. Continental Hotels, 2012, Sales Department, internal data


