

THE IMPACT OF QUALITY MANAGEMENT SYSTEM ON THE SELECTION OF TRAVEL COMPANIES' OFFERS

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Abstract: This article presents the quality management system (QMS) as described in ISO 9001, discusses the role of this system in enhancing the quality of travel companies' services and customer acquisition. Furthermore, it describes the role of travel companies in the organization of tourist trips for Poles. Finally, the article presents the results of the survey study which focuses on whether or not customers are familiar with QMS, what criteria they use to select a particular travel company's offer and how they evaluate individual components of a travel package.

Keywords: quality management system, ISO 9001, travel company

JEL Classification: M11

1. INTRODUCTION

Nowadays, tourism has become one of the most attractive and most accessible forms of leisure activities. In 2013, 18.3 million (56%) of Poles aged 15 and older participated in tourism trips, 15 million (46%) in domestic trips and 5.5 million (17 %) in foreign trips. The use of travel company's services to organize domestic trips is not very popular and amounts to 1-2%. However, when it comes to foreign travels 20-23% of trips are organized by travel companies [Janczak, Patelak 2014], which means that every fourth or fifth person going abroad uses the services of a tourism company.

In Poland, travel companies operate in three categories: tour operator, travel broker and travel agent (agency). Tour operator is an entrepreneur who organizes a tour package¹ (combines a few partial services into a package, which is then sold under its own name). Travel broker is a trader who sells, among others, tour packages by tour operators who do not have a permit to operate in the country. Travel agent sells tour packages by tour operators holding a permit to operate in the country. According to the provisions of Council Directive 90/314 /EEC a customer in the tourism market must be particularly protected. Therefore, entrepreneurs acting as tour operators and travel brokers or agents must be protected in case they go out of business. Such protection (in the form of a bank guarantee or insurance policy) is a condition for obtaining a business license by a tour operator or travel broker. The number of travel companies which have the status of a tour operator and/or travel broker (excluding travel agents) is currently 3866 entities (as of 5 May 2015). The 'Report on the National Tourism Market' shows that, when planning a tourism trip, 16% of respondents look for information in travel companies. This proportion varies depending on the habits of tourists. The 'all inclusive' tourists demonstrate the

greatest interest in travel companies' offers (31% of this group). In other groups the shares are as follows: 'seekers of relaxation'-18%, 'family vacationers'-16%, and 'discoverers' - only 5%.

The relatively small demand for the services of travel companies and a big supply inspire these entities to acquire clients with the use of non-price-related instruments. One of the increasingly popular measures applied in the field of competitive struggle is informing the customers about the implementation of a quality management system and its certification. The aim of the research study cited in this paper was to determine whether the fact that the travel agency has a certified quality management system appreciated by the customers. The research problems addressed in this study have been put in the form of the following questions:

1. Are the respondents familiar with the terms: 'quality management system' and 'ISO 9001'?
2. What are the reasons for using travel company's services declared by the respondents?
3. Do the respondents take into consideration the fact that the travel company has a quality management system when selecting an offer?

The survey study presented in this article was carried out in the period from March to July 2014 on a sample of 151 customers of the travel company Exim Tours, a tour operator which has been operating in the Polish tourism market for twenty years. During the study period the tour operator did not have a quality management system.

2. QUALITY MANAGEMENT SYSTEM - ISO 9001 STANDARD

ISO abbreviation is derived from the Greek word 'isos', meaning 'equality'. However, it is widely treated as an abbreviation for International Organization for Standardization, which is not quite correct because the name of the organization in any of the two official languages (English and French) does not create ISO (in English - International Organization for Standardization - IOS, in French - Organisation Internationale de Normalization - OIN). Having been in operation since 1947, the International

¹ A tour package combines at least two tourism services forming a unified program and placed under the common price if these services include accommodation or last more than 24 hours or if the program provides change of place of residence - Act of 29 August 1997 on Tourism Services. Journal of Laws 2014, Item 196, as amended.

Organization for Standardization - ISO has been conducting extensive activities in the field of standardization. In 1987, it published the first standards in quality management, i.e. the 9000 series standards, which are subjected to cyclic amendment. At the moment, the quality management system developed by ISO includes three main standards and a dozen accompanying standards. The main standards include:

- PN-EN - Quality management systems - Fundamentals and vocabulary.
- ISO 9001: 2008 (PN-EN ISO 9001:2009) - Quality management systems - Requirements
- ISO 9004: 2009 (PN-EN ISO 9004:2010) - Management focused on sustainable success of an organization - using quality management approach

The supplementing standards include, inter alia, guidelines on the documentation and auditing the system. The basic assumptions (principles) of the quality management system are described in ISO 9001. These include [Hamrol, Mantura, 2005 Kachniewska 2004]:

1. Customer focus - focus on the needs of customers, measuring their level of satisfaction and acting on the results.
2. Leadership - management of the organization is responsible for establishing the quality policy, motivating and involvement of employees in the development of the organization and its improvement.
3. Involvement of people - involvement of employees at all levels in continual improvement of quality.
4. Process approach - all activities in the organization should be treated as interrelated elements forming one process.
5. System approach to management - all processes in your organization are interrelated and form a common 'organism'.
6. Continual improvement - a constant search for opportunities to improve customer satisfaction through measuring their needs and satisfaction, internal and external audits and improvement of performance.
7. Factual approach to decision making - making decisions should be based on reliable and verified information, (a fairly common mistake made by the owner or another person in executive position is the conviction that something they please will also gain the approval of customers).
8. Mutually beneficial supplier relationships - reliability and punctuality of suppliers of products and services has a significant impact on the quality of final products. It is recommended to involve suppliers in planning the product to increase the awareness of their important role. Steady, reliable suppliers translate into comfortable working conditions for the company and ensure consistent quality without the need for continual monitoring of deliveries.

Implementing the quality management system requires some degree of reorganization of work. Its success lies in the fact that all processes in the organization are subordinated to the guidelines contained in the standard. The implementation of the quality management system requires preparation of documentation in the form of the Quality Manual. Alongside the organization description, it

also includes a quality policy, a list of procedures and instructions for performing specific tasks in specific positions. In this way, the implementation of quality management system enforces setting clear principles and responsibilities in the workplace, which is beneficial for the functioning of the organization. The internal advantage of implementing the system includes better organization of work, higher employee productivity and efficient use of infrastructure and equipment. Entrepreneurs decide to implement the quality management system primarily due to expected external benefits, including the opportunity to gain competitive advantage and use the certificate for promotional purposes.

Typically, organizations that take the effort to introduce the quality management system according to ISO 9001 submit it to certification (ISO 9000 and 9004 are not subject to certification, the former is an approximation of the system itself, the second - a kind of superstructure over the system described in ISO 9001). Certification is the confirmation by an independent certifying body that the organization has implemented a quality management system. The ISO standard requires the implemented system to be audited by external auditors (certifying company representatives) and internal auditors (designated employees of the company). The awarded certificate is valid for 3 years. This document is typically exposed in the company premises and on its website. This information is usually well received by the customers. Customers tend to trust companies certified according to ISO 9001 more than their competitors.

Still, the question should be asked about the practical implications of the system for the operations of travel agencies. In the opinion of the author the QMS described in ISO 9001 exerts the following benefits to a company:

- uniform and clear principles of the agency operations, especially with regard to customer relations,
- uniform level of service quality,
- uniform documentation,
- effective training of seasonal employees frequently employed in summer (tour guides, residents, sales staff)
- better work organization and a clear scope of duties and responsibilities,
- increased trust on the part of both national and international contractors (airlines, hotel chains)
- increased trust of customers as a result of gained competitive advantage,
- possibility to use the certificate in promotional activities,
- increased competitiveness of the offer - due to the necessity to measure customer satisfaction the offer may be continually supplemented and improved.

The benefits are tangible both within the company and for its environment, as well as for customers and partners.

3. THE IMPORTANCE OF QUALITY MANAGEMENT SYSTEM AS ASSESSED BY CUSTOMERS OF A SELECTED TRAVEL COMPANY - RESULTS OF EMPIRICAL RESEARCH

The study was conducted among customers of the travel company Exim Tours, ranked in the top ten largest tour operators in the Polish market. Every year it organizes tours abroad for about 80-90 thousand Poles.

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The study included 151 customers of Exim Tours (84 women and 65 men)². The age of respondents varied, i.e. the largest age group consisted of people aged 21-26 years (35.8% of the sample), then: 36-45 years (18.5%), 45-55 years (17.2%), 27-35 years (15.9%), over 55 years (7.9%) and the smallest group were those aged up to 20 years (3.3%). In addition, the respondents came from diverse, in terms of population, places. Most of them live in the cities over 200 thousand residents (37.7%), followed by the cities under 50 thousand inhabitants (23.2%), of from 50 to 100 thousand residents (11.9%), from 100 to 200 thousand residents (11.9%) and from rural areas (14.9%). Most respondents had higher education (61.6%), followed by upper-secondary education (31.8%), vocational education (4.0%) and the smallest group – lower-secondary education (1.3%).

The main factors determining the selection of a travel company indicated by the respondents included: price, reputation and market position, opinions of family and friends, guarantee and security. The replies are shown in Figure 1.

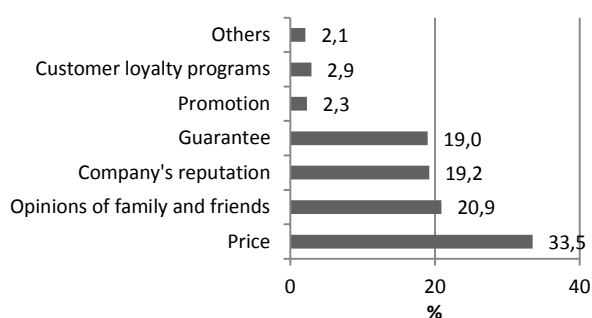


Figure 1 Factors determining the selection of tour operator Exim Tours by respondents (N = 151)
Source: own research

Promotions and loyalty programs did not seem to influence the choice of this particular tour operator to a great extent.

The aim of the study was to determine if customers are familiar with such terms as 'quality management system' and 'ISO 9001' as well as understand the content of these terms. More than 61.8% of the respondents said that they did not know these terms. This means that only 38.2% of respondents confirmed that they had heard about the term 'quality management system' but, what is interesting, 63.8% declared that when buying a travel package they took into consideration the quality policy of the travel agency. This means that some respondents did not equate the term 'quality policy' with the term 'quality management system'. The distribution of responses by age and education is presented in Table 1.

People with higher education, regardless of age, declared interest in quality policy. This is probably connected with a more conscious participation of this group in tourism.

37.1% of respondents were regular customers or those who have used the services of the tour operator Exim Tours at least once before. The others used the services of the agency for the first time. The first-time customers declared

the following reasons for not approaching this travel company before: they were not familiar with the offer of this tour operator, (did not have the opportunity to become acquainted with it), selected other tour operators or were discouraged by high prices of tourism services. These findings suggest that the implementation of a quality management system should be supported by enhanced marketing strategy to increase the recognition of the tour operator in the marketplace. The prices of travel packages depend mainly on destination and accommodation facility. The comments on high prices may come from people who had bought an ill-matched offer in the past. It should also be noted that the tourism industry recognizes the stereotype of a Polish tourist who despite paying a relatively low price, expects a very high quality service. This is also confirmed by the results of this study. As much as 69.6% of respondents declared that they can spend a maximum of 3000 PLN per person on a trip once a year. Of course, the price is not a guide to quality. High price does not guarantee customer satisfaction, but the price which seems too low in relation to the quality of service should cause concern.

The study also aimed to examine how partial services combined to form a travel package are evaluated by customers. The assessment was made by respondents who had bought the travel packages offered by the travel company Exim Tours in the past. The results are demonstrated in Figure 2.

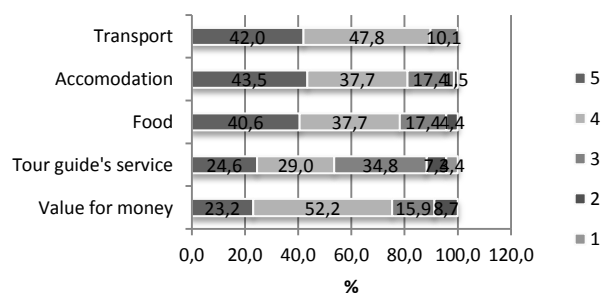


Figure 2 Assessment of services included in a travel package on 1 to 5 scale (where 1 means very bad and 5- very good) N = 56

Source: own research

The respondents evaluated such services as transport, accommodation, food, resident's or tour guide's services and the general value for money. The results of the study show that transportation and accommodation services were best rated, while human factor, i.e. resident's or tour guide's services scored the lowest. These results suggest which areas of the agency operations should be improved. Nevertheless, the low evaluation of resident or tour guide services is associated with the specificity of tourist services whose provision is inseparable from the person of the contractor. It means that often the overall impression may be affected by emotions, prejudices, stereotypes and other personal characteristics that cannot be assigned to other areas. The value for money factor was rated fairly high (more than half respondents assessed it as 'good').

² The study was conducted by M. Kicka for the master's thesis: The Importance of ISO 9001 in the Functioning of Tour Operator *Exim Tours*, written under my supervision at the Faculty of Economics of the University of Life Sciences in 2014.

Table 1 Customers taking into consideration the quality policy of a travel company by age and education in numbers (N = 95)

Education	Age											
	Under 20		21-26		27-35		36-45		45-55		Over 55	
	N	%	N	%	N	%	N	%	N	%	N	%
Lower-secondary	1	1,1	0	0	0	0	0	0	0	0	0	0
Vocational	0	0	0	0	0	0	2	2,1	0	0	0	0
Upper-secondary	3	3,2	6	6,3	1	1,1	6	6,3	9	9,5	1	1,1
Higher	0	0	21	22,1	15	15,8	11	11,6	10	10,5	9	9,5

Source: own research

4. CONCLUSIONS

The study clearly demonstrated that both potential and existing customers are not aware of what quality management system consistent with ISO 9001 is. Nevertheless they refer to quality policy treating it intuitively as a sign of reliability and responsibility. The quality management system itself, if it is introduced in a conscious and responsible manner, exerts important benefits to the entrepreneur. The most important principle of the system is customer focus which requires the continuous measurement of customer needs and customer satisfaction. Even if customers are not aware that they use services of travel companies using this system, there is a chance that the provided services will be of higher quality than in the case of companies which do not have such a system. On the other hand, if the QMS and its certification were presented to potential customers as an emblem of good practices and responsibility of entrepreneurs, the

customers themselves, having a greater awareness, would expect service providers to introduce such a system. Increasingly often customers select offers not only with regard to price but also other features which is consistent with the results of the research study. Opinions of friends, company's reputation and the guarantee that contract will be delivered are very important factors considered by the respondents. Despite the fact that the word 'quality' does not appear here, all factors refer to a high quality of service (confirmed either by the market or by one's friends).

Improving the quality of services, certification of quality and communicating it to customers is particularly important in tourism, because tourism services are not basic services and the choice of offers is determined by both socio-economic factors and the travel company's brand image. The certificate of compliance with ISO 9001 standards may improve this image.

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