

**Macroeconomics**

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**IMPROVEMENT OF THE QUALITY
OF SERVICE IN THE DEVELOPMENT
OF THE HEALTH RESORT
AND RECREATIONAL SECTOR OF UKRAINE****Abstract**

The analysis of the satisfaction level of health resort rest is conducted. The «price-quality» econometric models for the rest homes and health resorts in order to define the service quality level for the health resort regions are developed. The improvement trends of target-oriented development of resort and recreational sector are proved.

Key words:

Resort and recreational sector, satisfaction level, quality of service, price of services.

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General formulation of the problem and its connection with the important scientific or practical tasks

The problem of quality assurance is universal in the modern world. The more successfully it is solved, the more effectually the any branch is developed.

The concept of quality as a category, expressing the actual certainty of object concerning product is defined as a level of importance, the whole properties of products, its possibilities to satisfy the certain social and personal needs.

In accordance with the definition of International Organization for Standardization, quality is the total of product properties and features, which makes it an ability to satisfy the conditional or envisaged needs. In the sphere of intangible production, the quality level is formally defined as a interrelation of service properties to the standard needs. But the coefficients of quality and problems, connected with them are specific for the every branch, particularly for the health resort and recreational sphere.

The current product standards and services of tourist enterprises specify requirements of life-saving safety, tourists' and excursionists' health, classification of distribution and nutrition objects. In the sphere of health resort service, the industry-specific regulatory documents, regulating requirements in the field of service consumption safety are available. For example, sanitary requirements, which were set by the Sanitary Regulations and Standards of the Ministry of Health. However, in spite of the active legal base, designed to simplify the creation of the quality system of the health resort and recreational product, there are a lot of different problems on practice, connected with the given question.

The analysis of the latest researches and publications

The theoretical, methodological and applied principles of the health resort and recreational service sphere and tourism were and still are the matter of academic interest of the great number of foreign and native scholars, in particular: V. Azar, A. Aleksandrova, O. Amosha, R. Braymer, R. Brytton, B. Burkynskyy, O. Vetytnev, V. Herasymenko, P. Hudz, M. Dolishniy, V. Yevdokymenko, S. Zorin, N. Kabushkin, V. Kvartalnov, V. Kravtsiv, V. Matsola, M. Palamarchuk, V. Semenov, D. Stechenko, T. Tkachenko, V. Fedorchenko, S. Harychkov, V. Tsybuh, I. Shkola and others.

A. Aleksandrova notices that «...in tourism sphere the consumer became more and more exacting concerning price and service quality questions. Gaining the experience, he looks for the fresh impressions and satisfaction» [1; 151]. Because of that, the learning of the questions, concerning consumers' quality and satisfaction in such specific area as recreation can be qualified as the most important trend in the formation of the development strategy of the branch.

T. Tkachenko considers the quality management as a main instrument of the tourism sustained development and focuses on the «analysis of the qualitative parameters of processes in the branch, particularly, the index of effectiveness in the management of the subjects of the travel industry, ecological safety, quality of service, level of culture and education» [2; 6].

The development of the health resort and recreational sector is closely connected with the increasing of its competitiveness. In author's opinion, one of the reserves of competitiveness growth in health resort and recreational organizations (and consequently the efficiency of their functioning) is reserve of the quality management branch. It causes the necessity of learning of problems, concerning evaluation and quality management, adaptation of the gained native and foreign experience to the specific conditions of the modern functioning of Ukraine's health resort and recreational sector.

Formulation of the problem

The aim of the article is to investigate the service quality level in the health resort and recreational sphere in order to define the trends of work and increase the level of competitiveness.

Presentation of main body of the research

In the health resort and recreational sector the consumers' satisfaction is connected not only with the leisure facilities and healthful procedures but also with the quality of service. The kind careful attentive personnel attitude, the period of procedures expectation (exactness), creation an atmosphere for the health promotion etc becomes more and more important.

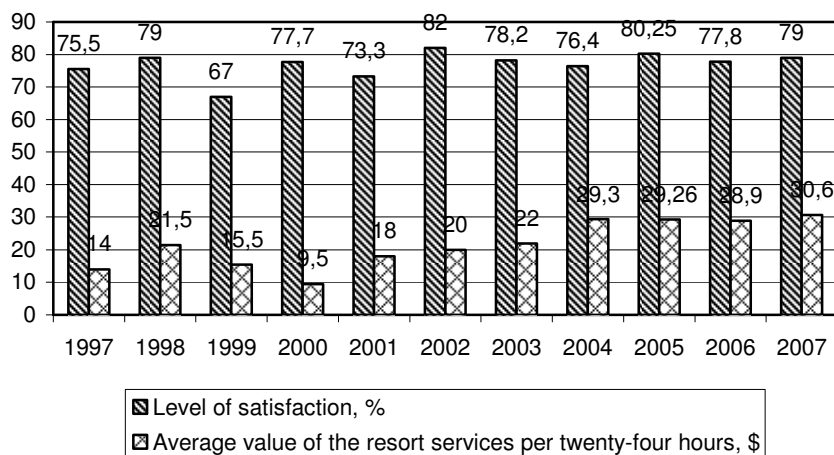
The specificity of the health resort and recreational sector is that the yield wholly or partially is intangible, in connection with this the effect of service is estimated by the consumer in conditions of the certain emotional state, which depends on the great number of factors, among them: age, cultural traditions, comfort, customs, well-being or psychological state as of the date of obtainment of service, physiological maker of organism etc. This makes the perception of quality of the recreational product subjective, dependable upon the personal charac-

teristics of every resting. Moreover, there are some specific factors of this sphere (natural and resources provision), the qualitative health resort and recreational product.

It is noticed: if the majority of resting people (75,5%) make a point that the rest in the Crimea is consistent with their expectations in 1997, then afterwards the level of satisfaction changes (picture 1).

Picture 1.

The dynamics of the level of satisfaction during the rest in the Crimea depending on the value of the health resort and recreational services



Having looked at the average value of the level of satisfaction in the period 2001–2007 (78, 1%), we should mark its considerable growth in comparison with the period of 1997–2000 (74, 6%) – for 3, 5%. It can be characterized as an achievement in the industry of the health resort and recreational service.

The marked in 2002 increase of the quality evaluation of the rest of 82% was reached exactly from the high rate of the unorganized tourism in that period. The housing sector declared the determination to compete and become attractive for the resting people thanks to the lower prices and amiable attitude of the owners.

Due to the results of the questionnaire of the Crimea Centre of Tourism Development [3; 20], the components of the rest satisfactions are:

- «nature/landscape»: nature, landscape, sea, beach, mountains, flora and fauna, beauty of the Crimea, parks, caves;
- «climate»: sun, wonderful weather, warm sea, fresh air;
- «hospitality»: hospitality, amiability, attentive personnel, people, visit of relatives/friends;
- «health promotion/treatment»: health-related procedures, therapeutic physical training, massage;
- «places of interest»: variety of extraordinary monuments, excursions, qualified guides, ancient historical sites, new unusual sites;
- «leisure time and entertainment»: recreational facilities, concerts, entertainment programmes, walks (picture 2)

The factor «nature/landscape», as we can see in the diagram (picture 2) was marked by the most of resting people. For 74, 1% it played the leading role while choosing the pleasure from the rest and the place of the rest. Then goes such categories as «climate», «places of interest», «hospitality», «health promotion/treatment».

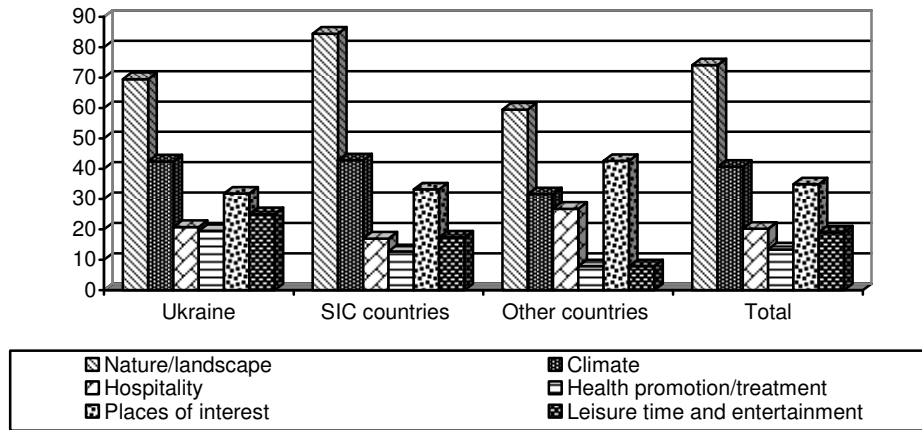
At the same time as «nature/landscape» and «climate» are important practically in the equal measure for all resting people, the importance of other criteria differs in the each of three categories. In general, the priorities are the same (with the exception that the foreign tourists put the factor «hospitality» before the factor «leisure time and entertainment»).

Nowadays, the consumers of health resort services have a possibility not only to compare the value of having a rest in the health resorts but to buy freely health resort services in the domestic market and abroad. More and more resting people prefer those resorts, where the price for treatment and rest is compensated by the quality. That is why; the quality becomes the means of the strategic positioning of the institution at the expense of the determination of parameters, which are important for the consumer, their correspondence to the adjusted and required demands and permanent improvement.

For Ukrainian resorts, particularly, Crimean, that tendency is very actual, because having a big price bracket for services, their quality disagrees even accepted standards.

Picture 2.

Priority factors of rest on the Crimean health resorts due to the categories of resting people, % of the gross amount of the respondents



While the developing of the main issues, systematic investigations were held and directed on the studying of the peculiarities of the consumers' demand and outlet market segments, quality of service and health resort infrastructure [4]. Special questionnaires with a range of questions were made in order to have a possibility to define the level of satisfaction of the resting people. Firstly, the respondents were offered to mark the most important and significant (in their opinion) questions concerning recreational service. The yearly research work with the resting people enabled to discover desires and advantages of resting people. That's why the structure and content of the questions were changed and complemented. This is the great advantage of the results of such questions, when the problems are defined not by the investigators themselves but by the consumers of services, that is to say, the questions are vital and burning. Questionnaire enabled to define the evaluated coefficients which formed the quality criteria of the health resort and recreational service. There are 12 groups of them:

1. Rest satisfaction.
2. Hospitality
3. Level of service.
4. Key count implementation.

5. Treatment.
6. Facilities of the treatment base.
7. Nutrition.
8. Entertainment and leisure.
9. Beach.
10. Land improvement.
11. Means of communication.
12. Transport.

The questionnaire envisaged the sample selection, which is the most perfect, scientifically grounded method of such examination. Such usage is feasible during the deep investigation of the single cases, in particular interviewing of respondents [5; 505]. To deliver a monitoring of the consumers of health resort and recreational services such method is more expedient, taking into consideration that the volume of the general totality (the number of the resting people) – is big and characteristic spread is insignificant and furthermore, it is conducted the analysis of the separate cases.

To investigate the quality of the rest people's service in the health resort and recreational sector we have chosen the main resort regions of Ukraine. There are 3 groups of them:

- 1) Crimean region (the main resort regions: Alushta, Yalta, Yevpatoria, Saky, Mykolaivka, Peshchanoie, Chornomorske, Feodosia, Sudak, Novyi Svit);
- 2) Carpathian region (Truskavets and Morshyn resorts);
- 3) South region (Odesa resorts).

The total number of respondents is 15 000.

1. Crimean region.

The personal questionnaires of the resting people enable to complete the Crimean rating of 586 resorts and to define the Crimean leaders in 2007 (table 1).

The best resorts differ by the modern treatment base, comfortable key count, good nutrition and interesting entertainment. The Crimean resorts are famous for their beautiful landscapes, parks and flower beds.

2. Carpathian region.

The natural resource, historical and cultural potential of the Carpathian region, its suitable geographical position in the centre of Europe is one of the most important preconditions of the rest development, oriented both on the native and foreign consumers.

Table 1

The leaders of the Crimean resort institutions according to the quality coefficients of the health resort and recreational service, 2007

№	Resort institution	Rating	Quality of service %
<i>1. The best resorts</i>			
1.	Health resort «Nyzhnia Oreanda» (Yalta)	1 place	97,37
	Cultural and health complex «Rosia» (Yalta)	2 place	92,03
2.	Saky central military clinical resort named after M. Pyrohov (Saky)	3 place	86,17
<i>2. The best health-related complexes</i>			
1.	Health-related complex «Yurmino» (Saky)	1 place	93,39
2.	Health-related complex «Aivazovske» (Alushta)	2 place	92,07
3.	Health-related center – resort «Sev-ernyi» (Yevpatoria)	3 place	88,81
<i>3. The best rest homes</i>			
1.	Rest home «More» (Alusht)	1 place	97,87
2.	Rest home «Soniachnyi» (Mykolaivka)	2 place	95,13
3.	Rest home «Planeta» (Yevpatoria)	3 place	94,76
<i>4. The best tourist and health complexes</i>			
1.	Tourist and health complex «Kichkino» (Yalta)	1 place	91,34
2.	Tourist and health complex «Poliana kazok» (Yalta)	2 place	87,33
3.	Tourist and health complex «Sudak» (Sudak)	3 place	86,86

Truskavets is a state and international resort. It has more than 25 mineral springs and its water is used for the drinking treatment, having baths, irrigations, inhalations and other balneological procedures. At the same time the resort «Truskavets» has 19 health resorts, 20 rest homes, 2 children's holiday camps. Close Joint-Stock Company «Truskavetskurort» has 2 balnewax hospitals, 2 resort policlinics, 2 pump-rooms of minerals [6; 37]. The leaders of Truskavets health resort and recreational institutions according to the quality coefficients of service in 2007 are: among resorts – «Kryshtalevyi palats» (quality 91,22%), «Arnika» (89,12%), «Truskavets» (85,05%); among medical centres – Diagnostic medical and rehabilitation resort «RiksoPrykarpattia » (99,06%), Medical centre «Mariot» (87,0%), Medical rehabilitation centre «Perlyna Prykarpattia»

(77,58%); among rest homes – «Svitiazianka» (93,65%), «Elektron » (86,35%), «Aleksik » (85,68%).

Morshyn is one of the most popular national balneological resorts of Ukraine; it has unique natural mineral water springs, situated in the picturesque valley in the eastern flank of Carpathian Mountains. Such resorts as «Marmurovyi palats» (level of quality 89, 29%), «Morshynskiyi» (80,32%), «Perlyna Prukarpattia», rest homes «Zoretsvit» (76,91%), «Trojanda» (64,12%) head the rating of Morshyn health resort and recreational institutions during 2007).

3. South region (Odesa resorts).

What about the third group, the favorable geographical position of Odesa, developed net of domestic and international transportation routes and tourist infrastructure, rich culture, great number of recreational resources enable to have the second place after the Crimean region.

The total number of resting people, having a rest in 2007 in this region is more than 1 mln. 78 thousand of people. The number of the health resort and recreational institutions in this region there are 843 objects, among them: 148 hostels, 68 children's holiday camps, 583 rest homes, 44 health and preventive institutions [7; 212].

The leaders of Odesa resorts during 2007 were such resorts as «Odesa» (82, 11%), «Moldova» (80, 67%), rest homes – «Kooperator» (80, 04%), rest home «Myrnyi» (71, 98%), children's holiday camp «Sviazist» (69, 80%).

The results of the evaluation of health resort and recreational enterprises due to the quality of service is mounted as a rating, which is formed on the base of work of all important factors of provision of services to the resting people; it shows the general economic success. The rating of the resort institutions of Ukraine according to the quality coefficient of health resort and recreational service yearly is published in the book «The best health resorts of Ukraine» [8].

The main link between the coefficients of economic and social effectiveness is price of service. The price of service is the most important element to determine the volume of revenue of the health resort and recreational organization. The level of prices in its turn determines the volume of revenues and closes the chain of relation between the social and economic component of the resort organizations activity in the place where the quality component becomes quantitative.

It is observed that in the Crimea, when the price of service grows, the evaluation of quality is flexuous. To study the relation between the price and quality of health resort and recreational service, the mathematical techniques and computer programmes such as Microcoft Office Excel, Statistica, Advanced Crapher, statistical data are used.

The development of the economic and mathematical model of the relation of price and quality of the health resort and recreational service in accordance with the Crimean region data was conducted in three stages:

1. The determination of the price zones according to the resort regions.
2. The adjustment of the relations between the quality and price in the resorts (using the information about three main resort regions: Yalta, Alushta, Yevpatoria).
3. The determination of the calculation model of quality of service in the Crimean health resorts according to the specific price of service.
4. The adjustment of the relations between the price and quality in the rest homes (using the information about the three main resort regions Yalta, Alushta, Yevpatoria).
5. The determination of the calculation model of quality of service in the Crimean rest homes according to the specific price of service.
6. The compilation of a data table of the relations between the price and quality of service for the health resort and recreational enterprises of the Crimea.

After calculating the main data, concerning the quality of service in the resorts of the Crimea, we have got the next regression equation of the quality (Y) and price (x) dependence:

$$Y = -11,1976 + 4,000939 x - 0,04557 x^2 \quad (1)$$

$$R^2 = 0,969$$

The examination of the composed model defined the difference between the evaluations value in 3, 27%, which is quite exact. Therefore, with the help of the received model we can define and plan the level of the corresponding quality of services in the resort institutions of the Crimea (table 2).

The determination of relations between price and quality in the Crimean resorts were held according to the data of the main three resort regions: Yalta, Alushta, Yevpatoria. We can build a model of relation of quality and price. The best relation is described by means of the quadric polynomial equation which says that the quality should advance the rates of growth of price for services. The calculation model is:

$$Y = 10,0155 + 3,435326 x - 0,03482 x^2 \quad (2)$$

$$R^2 = 0,927$$

Using the given function, we can predict the quality of service, offering by the Crimean health resorts (table 2).

In general, it is analyzed that there is not only logical but mathematical relation between the price and quality of service in the health resort and recreational institutions. Therefore, the increasing of prices should be envisaged not only by the general growth of the consumer's prices but also by the improvement of the quality of service.

Table 2

**Predicted level of quality of the price proposal
of the Crimean health resorts**

Health resorts		Rest homes	
x – price, \$	Y – quality, %	x – price, \$	Y – quality, %
10	24,3	10	40,9
15	38,6	15	53,7
20	50,6	20	64,8
25	60,3	25	74,1
30	67,8	30	81,7
35	73,0	35	87,6
40	75,9	40	91,7
45	76,6	45	94,1
50	78,9	50	94,7

The results of the questionnaire enable to ascertain the drawbacks of work. If during 1998–1999 the respondents mentioned such drawbacks in trends:

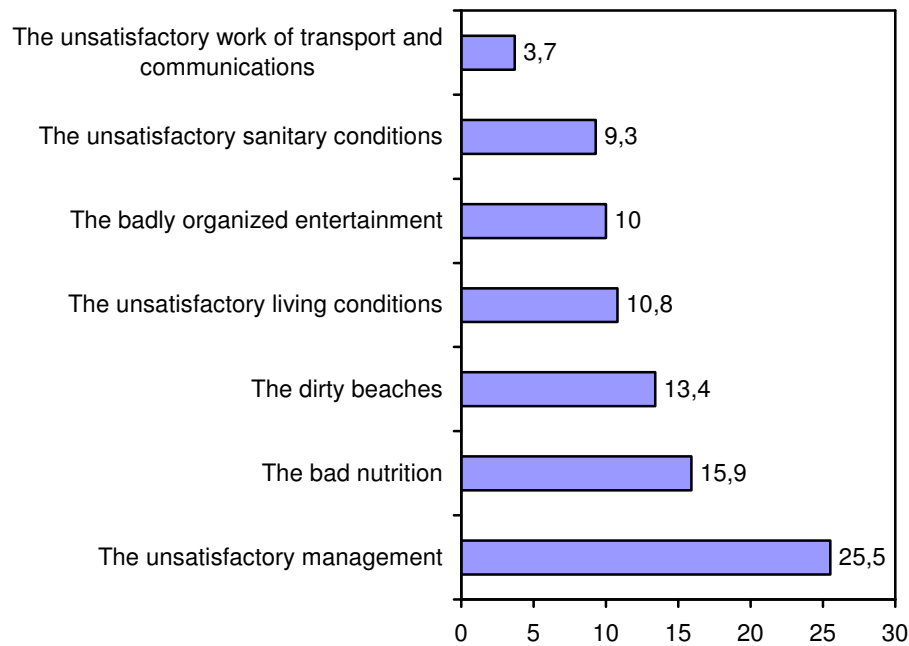
- 1) «prices»: high prices for accommodation, restaurants, shops, bad relation of price and quality;
- 2) «contamination/noise»: dirty places of public resort, loud music in the evening;
- 3) «cleanness»: bad housekeeping, dirty beaches;
- 4) «infrastructure»: situation, transport, water and energy supply;
- 5) «service»: the average food, the absence of personnel with a good command of foreign languages, custom and near-border formalities [3; 24],

In 2007 the biggest numbers of remarks deal with: service staff, nutrition, beaches, living conditions, entertainment, the work of transport and communications (picture 3).

If we compare the data of 1999 and 2007, we'll make a conclusion that not only the activity of the health resort and recreational enterprise is improved and developed to satisfy the needs of resting people, but also the needs of consumers increased. Therefore, the demand for the different kinds of recreational services develops, the priorities and advantages change.

Picture 3.

The vital problems of the resort Crimea according to the data of 2007, %



To change the situation, we should use the foreign experience, being gained in the sphere of service in order to formulate the certain rules of the qualitative service organization in the health resort and recreational sphere, where there are two main criteria: 1) the interrelation of the standards and needs of resting people, 2) the creation of the special technologies concerning management of the quality of work of the resort enterprises. The new level of quality is connected with the approach of the customer service on the base of the introduction of the quality management system ISO 9000–2001 and modern methods of quality management.

The process of improvement is a permanent process. Its main task is to define the development trends correctly. The analysis of the Crimean resting people desires opens the main trends of the improvement of the branch enterprises work:

1. Improvement of the branch management.
2. Improvement of the food ration and organization of the ordered menu.

3. Improvement of the beach territories.
4. Improvement of the key count.
5. Organization of the variegated entertainment
6. Provision of good sanitary conditions
7. Improvement of quality of transport and communications

Fundamental changes in service, focused on consumer on the base of quality management will promote the health resort and recreational enterprises to observe the development trends, improve their work and successful functioning, and draw native and foreign consumers.

Conclusions

The development of the market processes, the increasing of the competitiveness and effectiveness of the health resorts enterprises is closely connected with the usage of the technologies of quality management. The quality of service is a key for the commercial success. The conducted assessment of the resort quality of service on the base of longstanding marketing researches according to the formed system of quality of service criteria enables to prove the priority trends of the improvement of work and development of the health resort and recreational sector.

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