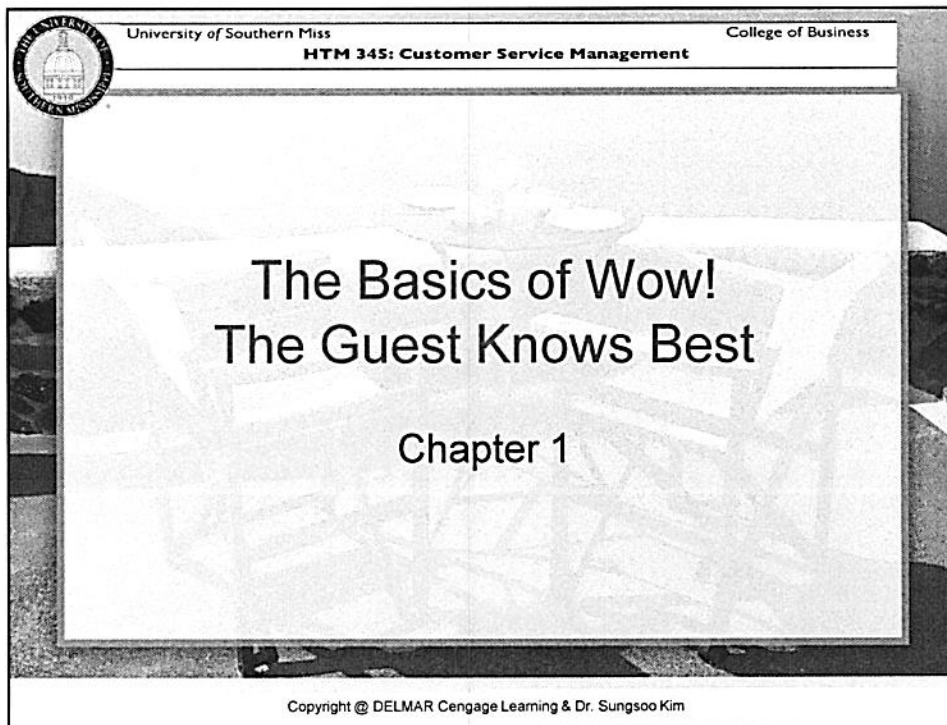




University of Southern Miss
College of Business
HTM 345: Customer Service Management

The Basics of Wow! The Guest Knows Best

Chapter 1

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1



MANAGING QUALITY SERVICE IN HOSPITALITY
How Organizations Achieve Excellence in the Guest Experience

Hospitality Industry

- Food, drink, and lodging services
 - Theme parks
 - Airlines
 - Gaming
 - Cruise ships

(continued)

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Hospitality Industry

- Food, drink, and lodging services
 - Trade shows
 - Meeting planning
 - Conventions

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Guestology

- Guests versus customers
- Treat customers like guests
- Guests are studied
 - Behaviors observed
 - Wants, needs, and expectations discovered
 - Service product tailored to meet demands

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Customer Expectations

- Drive customers' evaluation of quality and value of experience
- Key drivers
- Guestologist

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THE SERVICE INDUSTRY

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Service

- **Definition**
 - Intangible part of transaction relationship between provider organization and its customer, client, or guest
- **Service package**
 - Tangible
 - Intangible

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Nature of Services

- Partly or wholly intangible
- Consumed at the moment or during period of production or delivery
- Interaction between service provider and customer, client, or guest

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Interaction Relationships between Customer and Service Provider

Service provider present	• Hospitality • Medical • Professional	• Lawn service • Watch repair
Service provider not present	• Electric/gas utilities • ATM • Vending machines	• Answering services • TV security services
	Customer present	Customer not present

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Service Industry

- Industrial → Service → Experience
Economy Economy Economy
- From acceptable goods to memorable experiences
- Tangibility

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Guest Experience

service product + service setting + service delivery system

- Unique experiences
- Servicescape
- Service delivery system

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Service Encounters

- The heart of service
- Moment of truth
- Critical incident
- Organizational use in the future

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MANAGING QUALITY SERVICE IN HOSPITALITY
How Organizations Achieve Excellence in the Guest Experience

QUALITY, VALUE, AND COST

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MANAGING QUALITY SERVICE IN HOSPITALITY
How Organizations Achieve Excellence in the Guest Experience

Quality

- Difference between quality guest wants and quality guest gets
$$Q_e = Q_{ed} - Q_{ee}$$
- Affected by changes in guest expectations or organizational performance
- High $Q_e \rightarrow$ exceptional service experience
- Independent of cost or value

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Value

- Quality of guest experience divided by all costs incurred by guest to obtain experience

$$V_e = Q_e / \text{all costs}$$

- Low quality and low cost
- High quality and high cost
- Adding value

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Cost

- Price
- Opportunity costs
- Time
- Risks
- Tangible and intangible
- Financial and nonfinancial

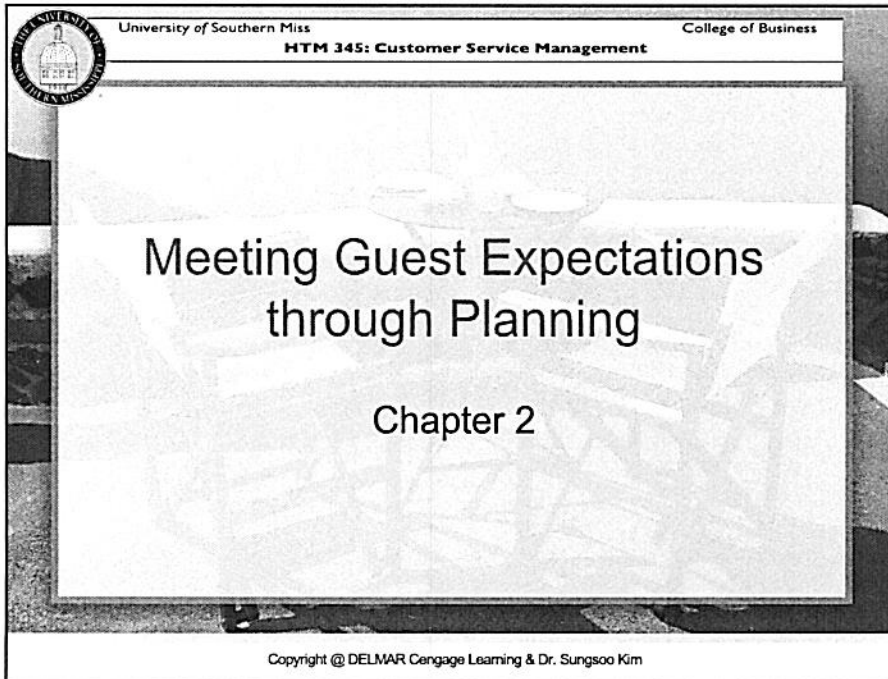
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Who Defines Quality and Value?

- Intangibility and variability
- No objective determination of quality level
- Only guest can define quality and value in hospitality field

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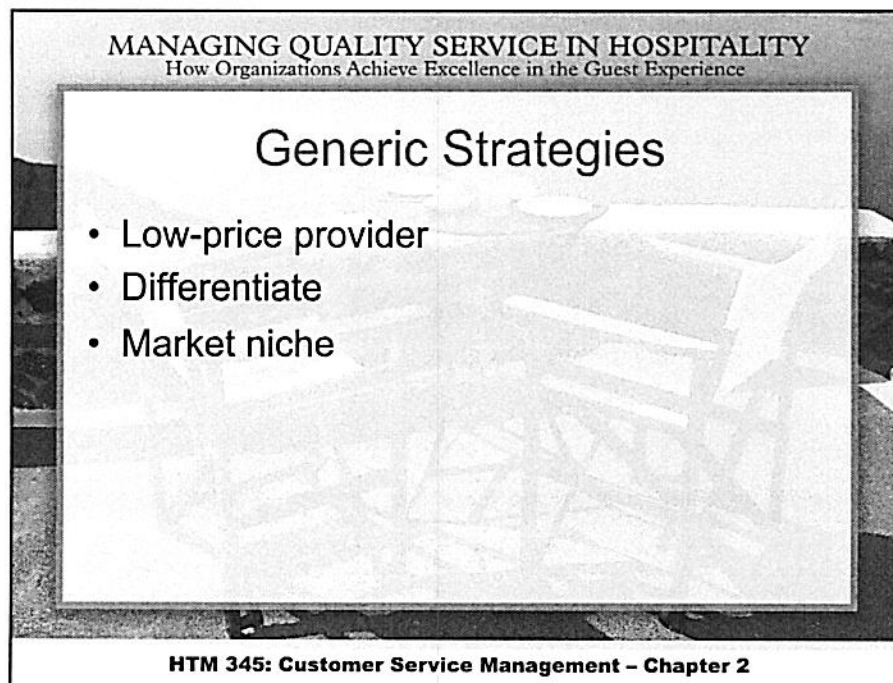


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Meeting Guest Expectations through Planning

Chapter 2

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MANAGING QUALITY SERVICE IN HOSPITALITY
How Organizations Achieve Excellence in the Guest Experience

Generic Strategies

- Low-price provider
- Differentiate
- Market niche

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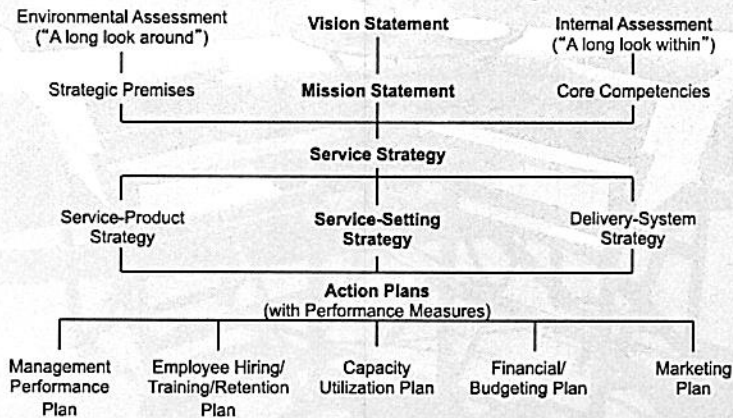
Brands

- Brand image
- Brand name

HOSPITALITY PLANNING CYCLE

MANAGING QUALITY SERVICE IN HOSPITALITY
How Organizations Achieve Excellence in the Guest Experience

The Hospitality Planning Process



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MANAGING QUALITY SERVICE IN HOSPITALITY
How Organizations Achieve Excellence in the Guest Experience

Looking Around

- Environmental assessment
- Strategic premises
- Determine key drivers!

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Looking Within

- Organizational hopes
 - Vision statement
- Organizational purpose
 - Mission statement

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Environmental Assessment

- Overall environment
 - Economy
 - Society and demographics
 - Ecology
 - Politics
 - Technology

(continued)

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Environmental Assessment

- Industry environment
 - New entrants
 - Bargaining power of suppliers
 - Bargaining power of buyers
 - Rivalry among existing firms

(continued)

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Environmental Assessment

- Operating environment
 - Competitive position
 - Customer profiles and market changes
 - Supplier relationships
 - Creditors
 - Labor market

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Environmental Assessment Factors

- Quantitative-causal models
 - Econometric models
 - Single and multiple regression
 - Time series models
 - Trend extrapolation

(continued)

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Environmental Assessment Factors

- Qualitative or judgmental models
 - Sales force estimate
 - Juries of executive opinion
 - Customer survey and market research
 - Scenario development
 - Delphi method
 - Brainstorming

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Capacity Management

- Yield management
 - Airlines
 - Hotels
 - Reservation process

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WHAT THE FUTURE MAY HOLD

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Changing Demographics

- Generations X, Y, or the Millennials and the Next gens
- Demographic implications
- Generation Y in the workforce
- Different way of thinking

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More Changes

- Technology
- Social expectations
- Economic forces
- Competitors

(continued)

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More Changes

- Other relevant groups:
 - Resource suppliers
 - Capital suppliers
 - Labor supply
- Surprises

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Strategic Premises

- Definition
- Impact of change
 - E.g., Wendy's founder Dave Thomas

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Internal Audit

- Core competencies
- Internal assets
- Vision and mission statements

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Asking Customers What They Want

DEVELOPING THE SERVICE STRATEGY

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Excellent Service Strategy

- Quality
- Value
- Service
- Achievement

(continued)

Excellent Service Strategy

- Supporting strategies:
 - Service product
 - Environment
 - Delivery system

Action Plans

- Key action-plan areas:
 - Management
 - Staffing
 - Capacity utilization
 - Finance
 - Marketing

Things to Remember

- Uncertain future
 - Even with planning, anything can happen
- Involving employees in planning
 - Get employees on board with company plans and goals