Chapter Three Outline
Delivering Quality Tourism Services

i. Quote: Jan Carlzon

ii. Chapter Opener: All's Well that Ends Well?

I. Tourism Services
  A. Services are actions; goods are material objects
  B. Services are often accompanied by facilitating goods which support the service
  C. Services/Goods Continuum: Pure service to pure good
  D. Differences between goods and services
     1. Services are intangible: Actions not objects
     2. Services are highly perishable
        a. Cannot be inventoried (airplane seat once the plane has left the gate)
        b. Revenue potential perishes with passage of time

II. Customer is often active participant in producing the service (salad bar). Quality
  A. High quality is subjective, varies from person to person
  B. Definitions of quality
     1. Synonymous with excellence
     2. A form of measurement, an amount of quality
     3. "Eye of the beholder"
     4. Value-based definition: Trade-off between quality and price
  C. Higher quality has been found to yield three benefits
     1. Commands higher prices
     2. Increases market share
        3. Yields truly brand-loyal customers
  D. Quality differences
     1. Service quality more difficult to define than quality of goods
        a. Quality is engineered into hard goods
        b. Manufacturers are able to consistently build to standards
        c. Services are actions of people who vary considerably
        d. Customer often participates in the "production" of a service
     2. Consumer's skill, decisions, and companions can affect service quality

III. Service Encounters
  A. Every interaction between a service employee and customer is a service encounter
     1. Both parties bring expectations about what will occur during encounter
     2. We learn what to expect from past encounters and observations
     3. Each member of interaction plays a role in a service encounter "play"
  B. Service Scripts
     1. Encounters follow similar steps

        2.   Some variability in the steps followed

   C.   Service encounters are "moments of truth" during which quality is judged
   D. Service encounters as theater diagram
       1. Back stage support areas
       2. Front stage areas and personnel
       3. Other audience members (customers) and their behaviors
   E. Quality assurance in tourism services is a management challenge

IV.   Service Quality Model
   A. Customer has certain expectations regarding service's quality
       1. Word-of-mouth from friends
       2. Personal needs
       3. Past experiences
       4. Marketing communications
   B. Five quality dimensions
       1. Five dimensions of service quality can be measured through SERVQUAL
       2. Tangibles: Physical aspects of the service that customer sees/interacts with
       3. Reliability: Ability of personnel to perform service accurately and consistently
       4. Responsiveness: Employees' willingness to help and provide prompt service
       5. Assurance: Sense of trustworthiness that the employees inspire
       6. Empathy: "Warm, fuzzy" heartfelt hospitality employee shows the customer, individualized treatment

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VI.   Quality and Customer Satisfaction
   A. Customer compares expectations to service received and determines satisfaction level
       1. If perceived "actual" quality is better than expected: Highly satisfied
       2. If perceived "actual" quality is less than expected: Dissatisfied

        3. If perceived "actual" quality is about what was expected: "Just" satisfied
  B. Major benefits to delivering more than expected to achieve high level of satisfaction rather than simple satisfaction
  C. Value of highly satisfied customers (HSC)
        1. HSC pass more word-of- mouth than "just satisfied" customers tend to
        2. HSC are more likely to purchase again and spend more in the future
        3. HSC are less likely to respond to competitors' promotions than "just satisfied"
        4. Building and managing a profitable service organization requires paying close attention to every aspect of the business by considering it to be a service-profit chain

VII. Human Resources: The Key to High-Quality Service
  A. A wide range of skills from entry level dishwashers to senior executives are needed in every service organization so understanding what is involved with managing the human side of service organizations will help create .
  B. Service organizations depend on everyone at all levels to deliver customer

     satisfaction.
  C. The significance of the human side of many organizations is being recognized as human resource departments are being called human capital departments
  D. Need to develop learning organization, dedicated to continuous improvement
        1. Encourage employee participation/commitment to delivering value
        2. Develop and expand employee capacity and innovation
        3. Create a workplace where everyone is motivated to excel
  E. Bringing employees into the organization helps them become acquainted with the organization and understand the expectations the organization and their supervisor have for them.
  F. Working with organized labor is common in most industrialized countries. Understanding the importance of these unions and learning to work with them or avoid having to work with them is critical to every organization whether they are unionized or non-unionized.
  G. Set the stage for peak performance and maintain this performance with continued orientation and training.

VIII. Anticipating and meeting guest needs
  A. Management Methods That Ensure High-Quality Service
        1. Learn and understand customer needs and expectations
        2. Frequent management interaction with customers
        3. Welcoming suggestions from front-line employees
        4. Streamline the bureaucracy (fewer levels of management)
        5. Develop standards and policies that employees can learn and follow
        6. Teach employees to "think while doing" to meet customer's needs
  B. Building service teams

1. Manager is active team member and role model
2. All team members know their roles and can carry their share of the "load"
3. Team members need to share common goals
4. All team members supported with appropriate technology
5. Team members able to make independent decisions without supervision
6. Management should be coach rather than boss
   a. Main focus of management should be to find problems, not assign blame
   b. Continuously improve systems so the team can excel

C.　Service Mistakes
   1. Can have a break from customer's service script
   2. Type 1 break: Deliver more than expected, a positive break that leads to high satisfaction
   3. Type 2 break: Deliver less than expected, a negative break that leads to dissatisfaction

D.　Mistakes Happen
   1. Failure in core service
   2. Unwillingness to accommodate customer's special need or request
   3. Unsolicited tourism employee actions
   4. Most customers give the provider a chance to make things right
      a.　Right the situation and "turn the frown upside down"
      b.　Reversal of problem is called service recovery
      c.　Failure to solve problem can lead to highly memorable dissatisfaction
   5. Satisfied guests represent potential future income flows while dissatisfied represent opportunities lost

E.　Be a Can-Do Problem Solver
   1. Need do-it-right-the-first-time spirit
   2. All team members need to search for fail points: Steps vulnerable to failure
   3. Encourage customers to voice problems immediately
   4. Give quick response to any problems

IX.　Service Guarantees
   A. Difficult to replace or repair a tourism service
   B. Guest often must complain face-to-face to provider
   C. Offer guarantee that has five features
      1. Unconditional with regard to elements under the service provider's control
      2. Easy to understand and communicate: No fine print and legal language
      3. Should be meaningful: Guaranteeing an important element of quality
      4. Easy to collect: No hoops to jump through, no guilt placed on customer
      5. Appropriate restitution/compensation for customer's trouble
         a. Consider price of service
         b. Consider level of inconvenience to guest
         c. Consider what guest considers fair

D. Good idea to provide variety of problem solutions/restitutions to ensure guest is happy
E. Service guarantees provide assurances to both service personnel and customers

X.   Summary

You Decide

Major Topic: Defining Quality

Suggestions for In-class Discussion:

This "You Decide" provides students an opportunity to think about what quality means to them in an airline setting and what it might mean to others who are in different market segments from themselves. There are several questions posed in this situation that can be used as a starting point for discussion. In an environment when many airlines are charging for both services and facilitating goods that were once free, you will find that this situation creates a lively discussion.

What does quality mean to you?

Does quality mean the same thing to everyone?

When customers see a particular brand, should they expect a specific level of service?

Do customers make quality distinctions among airline brands?

What obligations, if any, do airlines have to communicate quality distinctions to their customers?

What level of service do you think passengers should expect from airlines?

What services and facilitating goods should airlines provide to customers at an additional charge?

Discussion Questions

1. Describe how services are different from goods.

   Services are intangibles that cannot be placed in inventories and pulled out of warehouses or off of shelves like goods which are tangible and can be felt or held. In addition, services are not only intangible but also highly perishable.

2.   Define quality using the many meanings the word can have.

There are four major definitions of quality.
- Quality is the same as excellence.
- Quality is an amount, a form of measurement.
- Quality is subjective and, like beauty, resides in the "eye of the beholder."
- Quality can only be determined by considering the trade-off between quality received and price paid. This is called the value-based definition of quality.

3. Explain why the quality of tourism services is harder to define and manage than the quality of hard goods.

Tourism service quality is more difficult to define than quality of goods because:
- Quality is engineered into hard goods, while services are actions of people who vary considerably.
- Manufacturers are able to consistently build to pre-set standards; services can vary due to a variety of factors (like time of day, weather, specific employee).
- Consumer's skill, decisions, and companions can affect service quality.
- Customer often participates in the production of a service so adds another element of variability to the process.

4. How are expectations of a tourism service formed?

Customers form expectations regarding a service's quality from:
- Word-of-mouth communications from friends and relatives,
- Personal needs,
- Past experiences,
- Marketing communications.

5. What is a break from the service script? How do breaks from the script affect customer satisfaction?

A break from the service script is an interaction that was not expected. The break can be positive; that is, the service provider delivers more than the customer had expected. A positive break leads to high satisfaction. However, a break also results when the provider delivers less than was expected. This results in a negative break that leads to dissatisfaction.

6. What should a tourism service employee do to "turn a frown upside down?"

Making things right, or turning a frown upside down, involves a few simple actions:
- Customers want acknowledgment that the problem exists.
- They like to be told why the problem occurred in the first place.
- They want a sincere apology from the employee or manager.
- They want to be made "whole" again through an appropriate compensation.

7.   What can management do to ensure high-quality service?

Management can use a variety of means to ensure high service quality.
- ■ Learn and understand customer needs and expectations
  a. Use of marketing research
  b. Frequent management interaction with customers
  c. Welcoming suggestions from front-line employees
  d. Streamline the bureaucracy (fewer levels of management)
- ■ Take care in employee selection

  Positive attitude
  Basic abilities
  Flexibility in interactions with others
- ■ Provide substantial employee training
  Develop standards and policies that employees can learn and follow
  Teach employees to "think while doing" to meet customer's needs
- ■ Develop a strong service team
  Manager is active team member and role model
  All team members know their roles and can carry their share of the "load"
  Share common goals
  All team members supported with appropriate technology
  Team members able to make independent decisions without supervision
- ■ Management needs to be more coach than boss
  Main focus of management should be to find problems, not assign blame
  Continuously improve systems so the team can excel