TRT3701

Hospitality Management
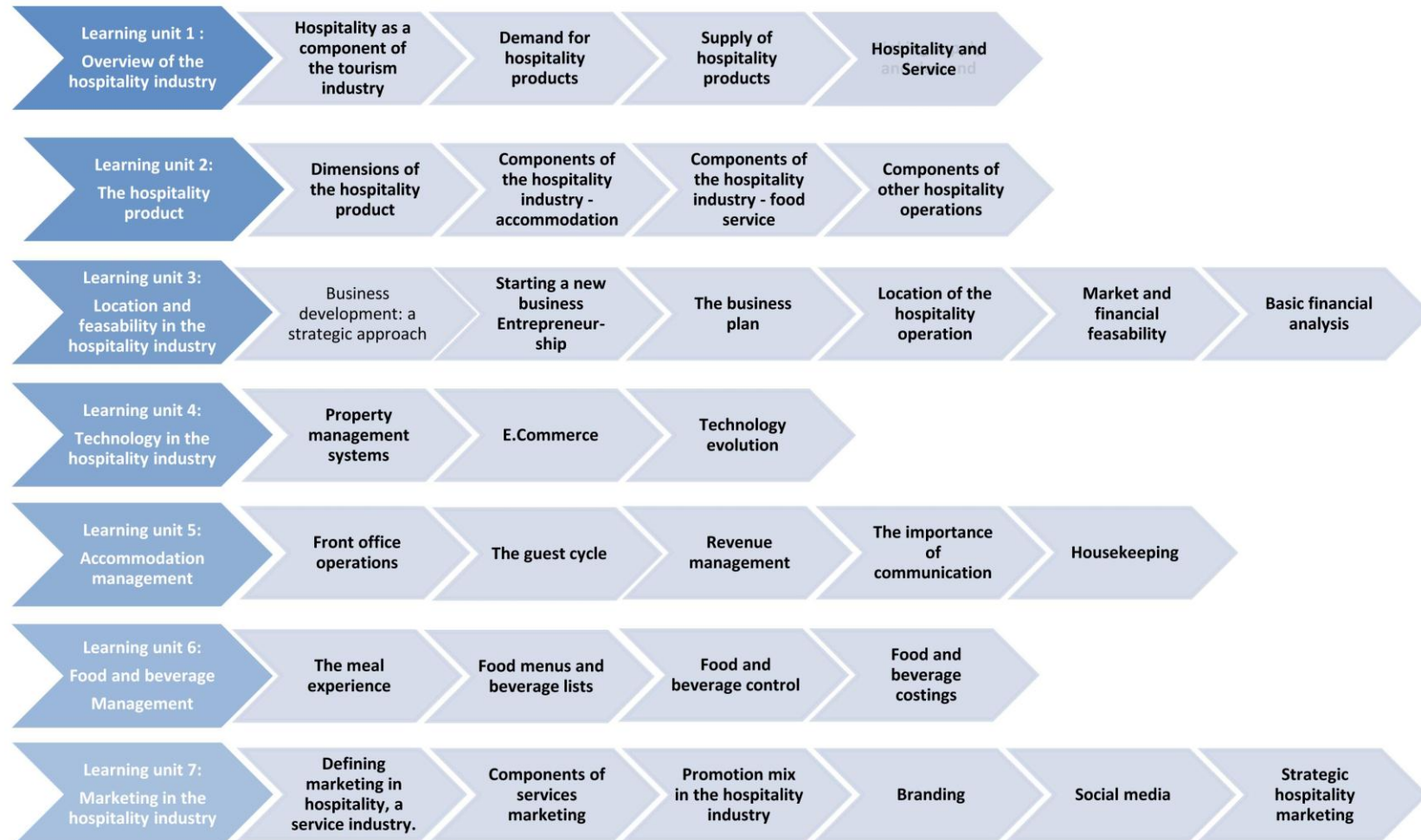
Learning unit 1: Overview of the hospitality industry

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LEARNING OUTCOMES

Once you have completed this learning unit, you should be able to

- define hospitality

- analyse the hospitality industry within the wider tourism industry

- explain the demand and supply for hospitality products

- explain the link between demand and supply of hospitality products

- examine customer service in the hospitality industry

1.1   INTRODUCTION

Case study

David Malope is one of 30 Grade 12 students who have decided to take Hospitality Studies as one of their elective subjects. He chose this subject as he is keenly interested in the food and beverage service sector, which he believes can improve the tourist potential of an area. His uncle is a well-known chef and owner of a local restaurant and David admires what he has achieved and how he interacts with tourists who eat at his establishment.

During one of their first Hospitality Studies classes, his teacher, Mrs Nduna, starts the lesson by asking the students to take a moment to think about the type of job that they would like should they decide to follow a career in the hospitality industry. Each of the students is asked to stand up in front of the class and tell their classmates what career they would like to pursue and why.

Since David is passionate about the hospitality industry and he knows he wants to become a chef like his uncle one day, he is the first to stand up and share his dreams with the class. The next student to speak, Sarah, explains why she wants to own a guest house -- she likes to meet new people and exchange stories with them. She also enjoys cooking. So in this way she will be able to fulfil two of her passions. Then Jacob comes up and he tells the class that he aims to start an events business, where he can arrange meetings for companies. He is also interested in organising other events such as weddings, corporate functions and team-building activities. Now Richard suddenly jumps up to point out that Jacob will need a caterer for all these events if he wants them to be a success, and he decides he wants to be the caterer and work in a catering company.

The discussion continues with learners talking about many different careers, including a bartender, banqueting manager, front office manager, receptionist at a hotel and housekeeper. Some students even said they'd like to work on a cruise ship or in a casino. Three expressed a desire to become travel consultants at a travel agency, one wanted to become a tour guide and another wanted to start a shuttle service, while two girls said they'd like to become flight attendants.

Mrs Nduna finds the discussion very interesting and decides this is a good time to focus on various important points about the hospitality industry. She'd also like to alert them to the difference between careers in the tourism industry and careers in the hospitality industry – which forms part of the larger tourism industry.

Mrs Nduna stresses how exciting and dynamic the industry is, as one of the fastest growing industries in the world. It is made up of several segments, including the hospitality, transportation and recreation options, each of which work together to ensure that tourists' needs and expectations are met and that they enjoy excellent customer service during their experience. She highlights that a travel consultant, tour guide, shuttle service and flight attendant all form part of either transport services or recreation options -- while all the other careers listed form part of hospitality services. She encourages the students to explore their fields of interest further and says she looks forward to teaching them more about the interesting and dynamic hospitality industry.

At home later, David can't wait to share what he has learnt about hospitality and his future career with his family. He tells them about the different components of tourism and how hospitality fits into the larger picture of tourism in South Africa. Although he still has many unanswered questions, he is excited that he will learn more about hospitality in future.

We hope you are feeling the same way as David did in the case study above. Are you excited that you are going to learn what hospitality is all about? Do you know what career you want to follow once you have completed your qualification? When you have completed this module, we hope that (even if by then you still don't know what particular job you want one day) you will not only have a better grasp of what hospitality is all about -- but will also have a much better idea about whether you want to follow a career in this dynamic industry.

However, before we continue, it is important to be sure you do understand the basics. Many people confuse the terms "hospitality industry" and "tourism industry". They are not aware that there is a difference between the two and they don't know the fundamental characteristics of each industry.

Let's start with some basic definitions which form the fundamental building blocks of this module.

The **tourism industry** can be defined as all companies that supply products and services to meet the needs of tourists (Ninemeier & Perdue 2008:4; Anonymous 2006:317). **Tourism**, more specifically, can be described as the temporary movement of people outside their normal routine of work and family life and will include a journey and a destination (Bennett 1995:6). It is therefore evident that the tourism industry refers to everything that tourists need to have enjoyable travel experiences away from their normal places of residence, including a place to stay, access to foods and beverages to satisfy their hunger and thirst during their travels and, of course, something to do during their holidays or time away.

Figure 1.1 illustrates the **tourism industry** which consists of three main **segments**: hospitality, transportation services and recreation. These three segments form part of the tourism product. It is important for you to realise that a tourism experience cannot be successful without a tourism product, and that all these segments and elements need to combine and work interdependently to meet the guests' expectations and fulfil their needs. They are interrelated and therefore should not be viewed in isolation of one another.

A **tourism product** basically consists of the following elements:

- *Image*. The image or perception the general public has about a specific destination will usually determine how popular an area is.

- *Attractions*. Tourism revolves around attractions, since they are often the main drawcards to an area or destination.

- *Facilities*. Facilities such as accommodation, food service and recreation are of the utmost importance at any destination.

- *Accessibility*. Visitors to an area need to have easy access to all attractions, which will include transportation, equipment and infrastructure.

- *Price*. Tourists are usually required to pay for tourist products and will expect to receive value for money.

The tourism product is the key to the success and the continued sustainability of a region or a destination, and its importance cannot, therefore, be overemphasised (Bennett 1995:8-14).
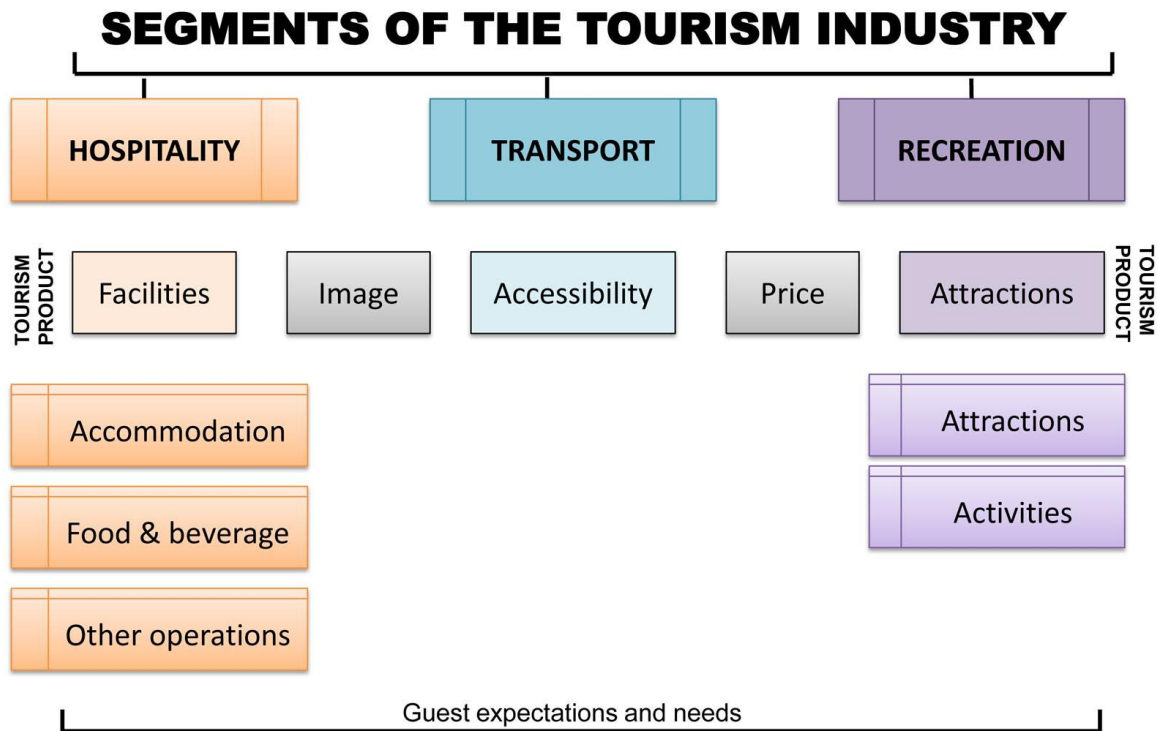
SEGMENTS OF THE TOURISM INDUSTRY

Figure 1.1: Segments of the tourism industry

Source: adapted from Ninemeier and Perdue (2008:4), Walker and Walker (2012:6), Bennett (1995) and Page (2013:157)

Now that you have a basic understanding of the tourism industry and tourism product, let's look at each segment in a little more detail. **Hospitality** refers to all the facilities that guests will need to make their experience comfortable and enjoyable, which will meet their basic needs. **Transportation services** include all the means of travel (road, rail, air and water) that tourists use to travel and access their chosen destinations. **Recreation options** cover a broad spectrum of activities and attractions that tourists experience at their leisure at a specific destination. It is also important to remember the important role that "service levels", "price" and "image" play in a tourist's hospitality experience: the standard, cost and the overall impression of a holiday are key elements that influence the consumer's decision-making process.

Now that you understand the fundamentals of the tourism industry it is time to consider hospitality in more detail.

The **hospitality industry** includes all businesses involved in supplying lodging and food and beverage services to people while they are away from their normal place of

residence (Ninemeier & Perdue 2008:4; Page 2013:6). Within the tourism industry, it is one of the most interesting, fun and inspiring industries to work in. More specifically, **hospitality** can be described as a **relationship** between a guest and a host: the host welcomes and looks after guests warmly, treating them in a friendly and caring way; they in turn will pay for the products and services they consume by means of an account (Page 2013:6).

The **facilities** offered by tourist destinations therefore form the foundation of the hospitality industry, since the tourist will be looking for appropriate forms of accommodation (or lodging as it is often referred to), different types of food and beverage services, entertainment and leisure activities, and even meetings and events or gaming services.

We will be looking at the different types of hospitality operators that form part of each of these segments in more detail in the learning units of this module.

Watch this:

Visit YouTube.com to view the following videos to discover more about the exciting hospitality industry and the array of career opportunities available:

Hospitality Careers -- Advice from Hilton Worldwide

http://www.youtube.com/watch?v=K8odBS2Xamo

World-wide careers in hotel management

http://www.youtube.com/watch?v=RQIW76rSWnQ

Activity:

There are many professions under the hospitality "umbrella" and all are required to meet the needs of tourists who travel away from home. Browse the Hospitality Jobs Africa website (www.hospitalityjobsafrica.com) and other tourism career sites to analyse the different types of jobs available in the hospitality industry. Take a close look at each job description and its requirements, as well as the working hours and suggested salary.

In your notes, write down a list of hospitality jobs you are interested in. At the end of the semester re-evaluate this list to judge which career you are most attracted to. You may even decide that the hospitality industry is not for you. This is also fine, as fortunately the tourism industry offers a diverse range of jobs and we are sure you will find something that you are passionate about.

Tips:

Most hospitality establishments are open 365 days a year, 24 hours a day. This doesn't mean you will be required to work all day every day, but it does imply that there will be shift work, and there is a good possibility that you may work over weekends or at night. This is not an always an easy task, as people working in the industry are normally on duty, while others are relaxing and enjoying their holidays.

Activity:

Take a moment to think about the career you had in mind. Will you be required to work shifts? Will you be happy to do so? Discuss this with some of your fellow students. What profession do they want to follow? Will they be doing contract or permanent work? Will it be shift work? What kind of salary will you get from working in any of your chosen careers? Will you have to work harder during the peak tourist seasons? "Can you expect better pay during peak tourist seasons when there is more work?" Do you like working with people? Do you have a patient personality?

These are all key questions which you must consider before continuing with this module and especially once you have qualified. Discuss this with your fellow students. Did you learn anything interesting from chatting with someone who is also studying this module?

Tourism and hospitality both form part of the greater service industry, which is often referred to as the "**people business**". Service and people go hand in hand. There are always two parties involved in any tourist experience. Tourists or guests have certain needs while travelling, and hospitality providers supply the products, services and facilities to meet these needs. To ensure the success of any tourism or hospitality business it is critical that the company takes care of its staff, so that the staff will take care of the guest. Ultimately, a happy employee results in a happy guest. It is essential that the guests receive good **customer service** and that their expectations and needs are met and even exceeded. In the next section we will take a closer look at each of these elements in more detail.

1.2   THE DEMAND FOR AND SUPPLY OF HOSPITALITY PRODUCTS:

The simple principle of economics -- supply and demand -- also applies to hospitality products. There is increasing pressure on tourism suppliers to provide the "correct" type of product to fulfil the growing needs and desires of individuals. In the discussion below we will examine each of these components individually and then assess how they are linked.

1.2.1   The demand for hospitality products

Demand can be defined as "the act of asking for something" (Anonymous 2006:88). An individual's decision to take a holiday and to travel will stem from his or her individual needs and desires, which in turn determine motivation. **Motivation** can be described as a feeling (either positive or negative) that prompts a person to do something that will result in action because of some or other situation. For example Peter may be very stressed due to stress at work and feels that he needs to go away to the countryside for the weekend to escape, with the hope of returning home feeling rested and more relaxed. On the other hand, Jane and her three friends are excited as they have just completed their final exams and decide to travel to the beach to celebrate their achievement. In both cases the people involved are stimulated to do something for certain reasons based on certain factors, with the aim of achieving a specific outcome – and this is called "motivation".

When it comes to taking a holiday and travelling, Bennett (1995) believes an **individual's motivation is influenced by four factors**: an evaluation of a holiday destination or alternative destinations (reviewing several holiday options and deciding which one is the best to take), a booking (making the actual decision, confirming the booking and making payment), the holiday itself (the actual experience; including enjoying and consuming food, accommodation, facilities, activities and services) and the satisfaction with the overall tourism experience (evaluating whether the chosen option lived up to one's expectations and determining whether one would return to the same destination or do the same activities again or recommending them to others to experience).

Bennett (1995:73) further points out several factors that can influence the motivation and decision-making processes, both before the final purchase and during the actual encounter, and ultimately the tourist's hospitality experience. These are

- *The changing environment.* This includes both personal influences, such as culture, demographics, and social networks, as well as destination influences, including activities, facilities, staff and so on. All of these influences ultimately have an effect on the individual's needs and desires.

- *The motivation factor.* This stems from the needs and desires of the tourist, but is also impacted by the many elements in the changing environment in which the tourist continually moves.

- *The decision-making process.* This process starts with the gathering of information in the changing environment; it continues during the actual holiday and hospitality experience, and ends with the post-evaluation process, where tourists decide whether or not they are happy with the choices they made.

Case study

Mr and Mrs Jackson and their four children live in a middle-class suburb of Johannesburg. Mr Jackson is employed as a foreman at Jack's Paint in Rooseveldt Park. Mrs Jackson is a home executive. Their four children are aged between eight and 17 years old and they all attend school.

Mr Jackson's employer gives him an extra bonus of R20 000 for his commitment and dedication to his work. The first thing Mr Jackson thinks of is a HOLIDAY!

As soon as he gets home, he calls his family into the dining room and discusses the possibility of going on a family holiday. He asks everyone where they would like to go. Everyone agrees that they would like to go to Durban for the Christmas holidays.

When Mr Jackson gets to work the next morning, he surfs the internet and visits the websites of South African Airways, as well as the various low-cost airlines operating in South Africa, to determine the best priced ticket from Johannesburg to Durban. Kulula.com currently has a great promotion advertised and he reserves six return tickets. He speaks to various colleagues to get suggestions on where to stay in Durban, and many of them recommend he stay at a Tsogo Sun property. He then logs onto the Tsogo Sun website to reserve accommodation at the Holiday Inn Garden Court, Marine Parade, Durban.

With all the arrangements in place, the Jacksons cannot wait to depart for Durban. After a long, hard year at work and school, the Jacksons see this family holiday as a good chance to recharge their batteries and enjoy time together.

They left for Durban on 16 December and returned on 2 January. They had a wonderful time and agree that it was a holiday never to be forgotten! However they have evaluated the holiday and decide that they would prefer not to travel in peak season next time, as many prices were excessively high and most of the attractions and activities were also extremely busy. They would also like to experience a quieter time away out of season on their next holiday.

Activity:

This case study can be used to analyse the three elements of the tourist's holiday decision. Demonstrate your understanding of these elements by applying each of these elements to the case study. Keep hospitality in mind when you are interpreting the information and employ examples of it in each of the steps.

Activity feedback:

Did you apply the case study to the theory for the above case study successfully? We do hope it helped you gain a deeper understanding of the factors that influence a tourist's buying behaviour. Below are a couple of guidelines to ensure you completed this activity correctly:

- *A change of environment.* The Jackson family really needs a holiday and now have the disposable income available for their holiday. The Jacksons decide to go to Durban for the Christmas holidays and Mr Jackson is able to use the internet (technological development) to make their reservations.

- *Motivating factors.* The Jacksons deserve a holiday --- that is, a break from the normal routine of work and home life --- after a long year of work and school.

- *The decision-making process.* The Jacksons need to ascertain where they are going, how they will get there, how long they will stay, how to get the best value for their money, and whether the trip was memorable.

According to Bennett (1995:76), the motivation to travel, and therefore the experience and use of various hospitality products and services, can be summarised as follows:

- Travel is essentially needs-related and it acts as a motivational energiser of action.

- Motivation is based on sociological and psychological norms, attitudes, cultures and perceptions.

- The image of a destination created through several communication methods and channels will influence motivation and subsequently affect the type of travel undertaken.

Page (2013:63) further states that in reality actual tourism demand, and thus hospitality demand, is created through a consumer decision-making process. From this process, Page (2013) suggests three components that influence demand:

1. *Energisers of demand.* These are what encourage a tourist to choose a specific vacation or hospitality product. For example a deliciously cooked steak can make a person want to go to a certain restaurant or a stunning bushveld setting can push a tourist to want to stay at a particular hotel.

2. *Filters of demand.* In spite of the reality that a tourist has a need for a hospitality product or service, there may still be other economic, sociological or psychological limitations that may affect their final decision. **"The current economic downturn in the country may be the reason why many people travel less and do not eat out**, even though they have a deep desire to.

3. *Affectors.* These include a variety of things that can either strengthen or weaken the "energisers" that support the tourist's choice of hospitality experience. A birthday or an anniversary celebration, or the need to meet tight deadlines at work or even a family member visiting from overseas are all examples of what can further persuade a tourist to do, or not do, something.

The **demand** for hospitality is thus directly influenced by tourist's needs, motivations, target markets and movements. In a nutshell, it basically explains why we need hospitality products and services, where we use them and what we are experiencing once we are using them. Now let's have a look at the flip side of the coin, the supply of hospitality products.

1.2.2 The supply of hospitality products

Now that we have established the demand for hospitality products, based on needs and motivations, it is important to look at how such products can be supplied to satisfy the tourists' needs. **Supply** can be defined as "the act of providing something which is needed" (Anonymous 2006:302).

The supply of hospitality products looks at how the different components of the tourism product are placed at the disposal of the tourist. Tourism suppliers can be classified under the following three headings:

1. **attractions** (the main reason why a tourist will visit a specific destination, i.e. the drawcard or appeal, e.g. the food, view or hotel room)

2. **transport** (the various modes of transport to allow tourist access to the attractions, e.g. car, bus, train or aeroplane)

3. **hospitality** (the accommodation, food service and entertainment sectors during the journey and at the destination)

The suppliers of hospitality products, be it accommodation, food service, entertainment or gaming, must be strategically situated in relation to the other components of the tourism product. In South Africa these suppliers may vary from privately owned organisations to large hotel chain groups or consortiums. In South Africa, the most prominent accommodation suppliers include the Tsogo Sun Group, Sun International South Africa, Protea Hotels, the Hilton Group and the Sheraton Group.

1.2.3 The link between the supply of and demand for hospitality products

Now that you have a better understanding of demand and supply in hospitality, let's analyse how they are linked. Figure 1.2 illustrates the relationship and interaction between supply and demand and how the marketplace (distribution) links the two components and thus facilitates the whole process.
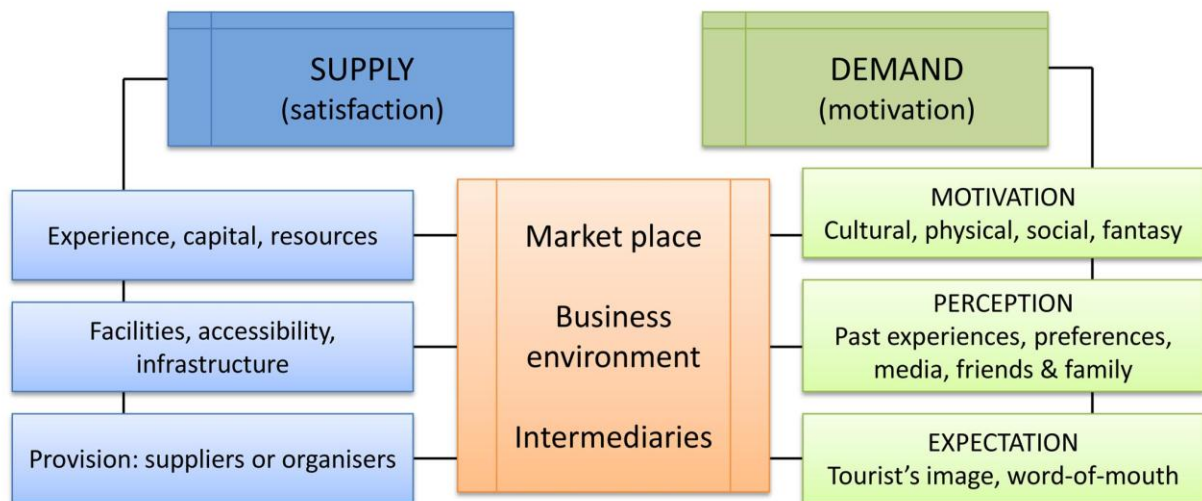

Figure 1.2:   *The relationship between supply of and demand for hospitality products*

Source: adapted from Bennett (1995)

The **demand for tourism** is based on motivation (flowing from the cultural, physical, social and fantasy framework), perception (based on past experiences, preferences or choice and word of mouth) and expectation (the tourist's image, i.e. the preconceived ideas that are formed in the mind of the tourist, and information from others via word-of-mouth).

The **supply of tourism** revolves around three things. First are *experience, capital and other resources* (knowing which product to provide, how it will be financed and what other resources will be required). Then come *facilities, accessibility and infrastructure* (once the product has been identified, putting the necessary facilities and infrastructure in place and making them accessible to the tourist). Finally is *provision* (the suppliers or organisers of attractions, transportation and hospitality products).

The link between supply and demand is made possible by the following elements:

- *Destination marketing.* Destination marketers are responsible for exposing the product offering of a destination to a target audience and/or to the wider general public. Managing the entire process is just as important as marketing the destination.

- *Distribution management.* This involves making the tourism products more accessible to tourists. The process includes principals, wholesalers and retailers, who have a major responsibility in the distribution process.

- *Transportation.* Transportation has already been discussed under supply, but it plays an important role here in terms of accessibility.

The whole process is facilitated by the market structure of distribution channels to allow the exchange between supply and demand (Bennett 1995:76-77).

1.3   HOSPITALITY AND SERVICE

Brymer (2007:454) defines **hospitality** as "an environment of friendliness, warmth, cheer and graciousness", while Bardi (2011:317) provides a more formal definition by stating that hospitality is "the generous and cordial provision of services to a guest". The most comprehensive definition is provided by Barrows, Powers and Reynolds (2012:4) as "the reception and entertainment of guests, visitors or strangers with liberality and good will".

As you can see, hospitality means different things to different people, but in general terms it means anticipating and satisfying guests' needs. Hospitality can thus be defined as "the art of satisfying the needs of a guest". This definition emphasises that hospitality is an art form: it is a product or service that must be moulded to the satisfaction of the guest or customer. Hospitality does not only include hotels and restaurants, but also refers to other providers of shelter, food, and so on, to guests or persons away from home. An essential part of hospitality is therefore the provision of some kind of service.

Activity:

Take a moment to consider the definitions of hospitality provided in this learning unit. Immediately write down any key thoughts that come to mind while you read through them. Now, write your own personal definition of hospitality to show that you understand the term in a tourism context.

Service can be defined as "all actions and reactions that customers perceive they have purchased" (Barrows et al 2012:513). Service is provided by staff and also by systems, such as an online booking system. It entails the guest's whole experience for the duration of their involvement with an establishment.

Service is based on people's perceptions. Guests may have a perception that an establishment offers high quality service if their expectations have been consistently exceeded. However on the other hand, they may perceive the establishment to offer poor quality service should it not meet their expectations. To provide quality service it is therefore essential that staff strive to meet and exceed guest's expectations consistently (Barrows et al 2012:296).

Example:

Mr and Mrs Ndlovu decide to go on a holiday to Cape Town to celebrate their wedding anniversary. They phone the Central Reservations offices of a well-known hotel group to make a reservation. The reservationist sends them a confirmation for their seven-night stay in Cape Town. When Mr and Mrs Ndlovu arrive at the hotel, they are greeted at the entrance by the doorman who offers assistance with their luggage. He directs them to the front desk, where the receptionist welcomes them by name and quickly and efficiently processes their check-in. They are informed that management has provided them with an upgrade from a standard room to a suite, as a "gift" for their anniversary. They are most pleased about this.

This is an example of guests receiving good quality of service.

Tips:

Visit *About.com* by clicking on the following link to read more about handy customer service advice that you can use:

http://sbinfocanada.about.com/od/customerservice/a/custservrules.htm.

Profitable Hospitality has a number of interesting podcasts (a type of digital media consisting of audio radio clips that you can listen to online) about hospitality, including customer service. Visit the following website link: http://www.profitablehospitality.com/public/programs/opendownloads.cfm

Click on "Topics" on the right-hand side of the page to choose the topic that interests you.

You can also go to www.profitablehospitality.com and click on "Download Centre" or "Free Resources" for other interesting information about hospitality.

The provision of service involves identifying guests' needs and the service quality offered, and always considering their unique characteristics, all of which will be discussed in the following sections. To sum up, it is evident that hospitality and service go hand in hand and need to work together to supply a memorable customer experience. Now let's look at the needs of the guest more closely.

1.3.1 Guests' needs

Bardi (2011:380) highlights the theory of Abraham Maslow, by applying Maslow's hierarchy of needs to the needs of employees in a hospitality environment. Hospitality providers can also relate this theory of needs to the needs of hotel guests.

According to Maslow, human beings have a number of needs, which can be ranked in a specific order. These needs must be fulfilled by first satisfying a person's lower-level needs before the next level can be met. Two levels can be met simultaneously and the lower-level needs usually demand more immediate attention and satisfaction before a person can start to meet higher-level needs.
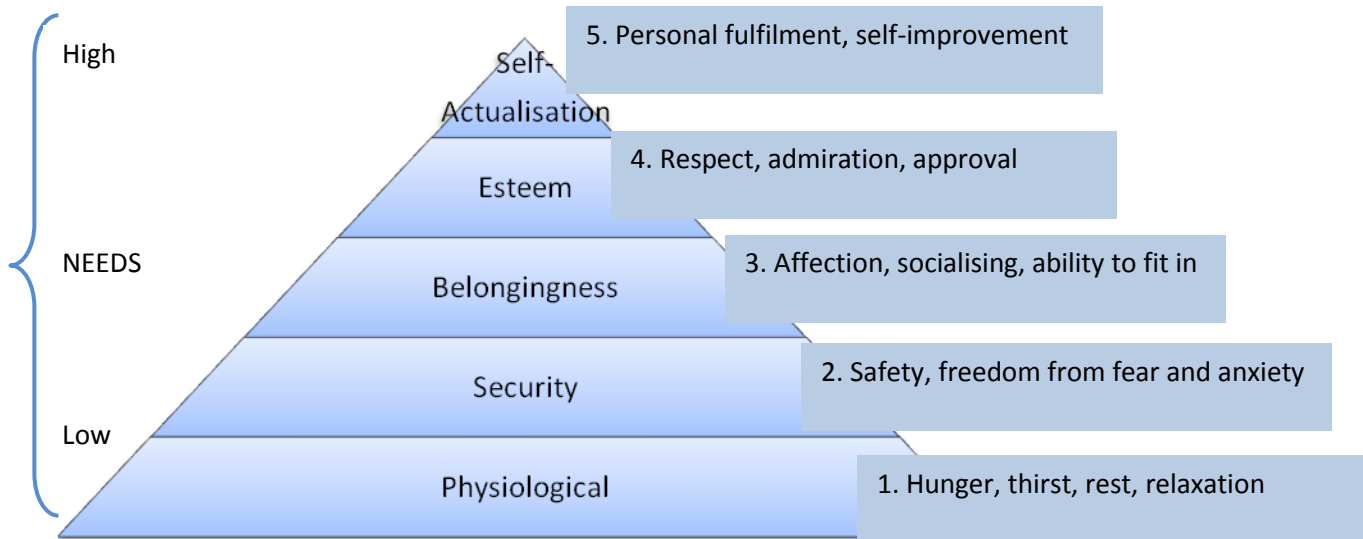
Figure 1.3: Maslow's hierarchy of needs

Source: adapted from Bardi (2011) and Cooper, Fletcher, Gilbert and Wanhill (2008)

Looking at figure 1.3, we can consider how the principles of Maslow's hierarchy of needs are applied to a hotel guest (Abbott & Lewry 1999; Bardi 2011):

- *Survival.* Maslow indicates that human beings require certain basic essentials in order to survive, such as food, drink, recreation and accommodation. Hotels are given the opportunity to provide these facilities to a guest who requires food, drink and accommodation.

- *Security.* According to Maslow, human beings need to feel safe and secure. Hotels provide a "home away from home" atmosphere where guests can feel comfortable and secure. Increased emphasis is placed on safety and security as an important component of the guest's stay. Several factors, such as the location of a hospitality operator and the type of security system in place (even the type of guest room key used) can influence the level of security at an establishment.

- *Belongingness.* Guests would like to feel as if they belong in an environment and will want to socialise with other people. Interactions with the hotel staff and management, and as well as with other guests, increase this sense of belongingness. Hotels have facilities, such as restaurants and bars, where social gatherings can take place. It is important that these facilities match the needs of the guests to ensure they will "fit in" and feel that they "belong". A

pensioner for example may not enjoy staying at a hotel where there is a noisy night club.

- *Esteem.* Esteem can be defined as how people are perceived by others. In a hotel situation, guests meet new acquaintances as they move around the hotel, and they will want to make sure that the other guests have a good impression of them. Hotels also subscribe to loyalty programmes, whereby guests are allowed access into exclusive areas, because of their membership. Different levels of membership are offered, such as Silver, Gold and Platinum, based on the frequency of the guests' stay and the status of the guest. Platinum guests are for example given a preferential express check-in over other guests. Such facilities and services will allow guests to feel that they have the respect of other patrons staying at the establishment.

- *Self-actualisation.* Human beings typically desire to improve themselves in some or other way, be it physically, mentally or spiritually. Hotels offer accommodation and a wide range of other facilities to satisfy their guests' needs, thereby fulfilling their guests' physical, mental or spiritual desires. Features such as a higher status loyalty membership, for example Gold to Platinum, or being greeted by name by top management in the hotel, often add to the guest's feelings of self-actualisation and personal fulfilment.

Example: Take Piet for example. He would like to travel to Zanzibar for his annual holiday. Before he decides what activities and excursions he would like to do, he first sets out to book suitable accommodation. He does this right at the beginning, before he leaves, as he wants to satisfy his basic needs for accommodation and food first, as well as his need for security. Now Piet is sure he has a safe place to stay for the duration of his holiday, where he will have somewhere to sleep and get food and drinks to satisfy his hunger and thirst. So the next thing he does is research the various accommodation options according to his need to get a sense of belongingness, esteem and self-actualisation. He has to decide which hotel or resort will best satisfy all these higher-level needs for him. Piet may enjoy the company of other tourists and want to socialise with them, or his big dream may be to go swimming with the dolphins. However, both are needs can only be met once his basic needs have been satisfied.

1.3.2 The primary characteristics of hospitality service

Since hospitality is a service, it is essential to note that services and manufactured products have different characteristics. This results in hospitality requiring different distribution systems, marketing principles and customer services. Ford, Sturman and Heaton (2012:14) outline the nature of service by focusing on the following characteristics:

- Services are partly or wholly **intangible** (service is often something you can't touch, but rather "feel", i.e. an experience of some kind):
  - o Since service is intangible, it becomes very difficult to judge the quality of the service until it is delivered. The customer ultimately decides the value or quality of the service and for this reason service providers put great emphasis on customer feedback.

  - o Every guest experience would also be unique as service personnel react to the unique nature of each guest. Even though the service provider tries to "script" the service and offer a standard, the unique interaction will provide a unique experience.

  - o The intangible nature of service does not allow the hospitality service provider to build up stock of the service; in other words the demand for service versus the service provider's capacity to provide that service can greatly influence the speed and quality of service. For example when only one cashier is available during lunch time in a fast-food restaurant, clients may have to wait longer than usual to place and receive their order.

  - o Marketing materials provided for intangible services often relate to a picture of a client or guest enjoying a similar experience to what you the hospitality provider want to sell, such as friends having dinner at the restaurant.

- Services are **consumed at the moment of or during the period of production** or delivery (i.e. service is **perishable** and cannot be stored for later use):
  - o Clients can take a product, such as a car, home with them, but not a service. You cannot package the friendliness and efficiency of the person who serves the meal. In the case of hospitality providers, a hotel for example will try their utmost to sell as many guest rooms as possible each day, since any rooms that are unsold mean income that is lost forever.

- Hospitality providers have to plan service delivery processes to ensure that clients consistently receive similar levels of service, even though their experiences will be unique.

- Services usually **require interaction** between the service provider and the customer, client or guest (i.e. service is **simultaneous**):

    - In a service environment, the customer and the provider are co-creators of the service. This means that without the customer, the provider has no one to serve and therefore no service takes place. Similarly, the customer needs the supplier to provide the service.

    - Technical services, such as using a vending machine to buy a cold drink, or using the internet at a hotel business centre, require the customer to be present, but not service personnel. Here the personnel are replaced by technology and service systems, and the service element comes in when the technical service is efficient and meets the needs of the client.

By understanding the characteristics of hospitality service, it also becomes easier for hospitality service providers to create a guest experience. Ford et al (2012:11) list the following important **elements of a guest experience**:

- *The service product.* The service product refers to the tangible basic product for which the guest comes to your hotel/restaurant, for example the hotel room. However the product is also attached to a service. Depending on the type of business, the service may be a larger component of the product (intangible) than the physical product itself (tangible).

- *The service setting.* This refers to the setting or environment in which the service takes place and is also referred to as the servicescape (Ford et al 2012). The guest will get a certain impression of the environment. The décor, layout and building design, background music and even the staff uniforms contribute to the service environment. The service setting plays an integral role in creating the overall guest experience.

    An amusement park for example offers rides on different machines, rollercoasters, etc. It is made memorable by the décor, the themes and designs, music and the way in which the rides are offered. It is much more exciting and memorable to ride in a pirate ship across rough seas, with staff and décor resembling pirates and dramatic music to set the scene, than to take a boat ride across a dam or lake. The product, that is the boat or ship, is basically the same, but the servicescape makes the two experiences very different.

- *The service delivery system.* The service delivery system would include everything about the service offering. Let's use a practical example of ordering a burger in a take-away restaurant. The service delivery system would relate to producing the product or service (kitchen staff preparing the burger), the actual service of the product (waiter taking the order and serving the burger once it's ready), the cashier who gives you the bill and takes payment, etc.

Ford et al (2012) emphasise that while the delivery system processes are very important, the hospitality operator must realise the value of the people (the staff) who interact with the guest to create the service. Staff members have a significant effect on the outcome of the guest experience. It is however imperative to remember that the guest experience, with its three primary elements discussed above, is incomplete if there is no guest. A guest experience can only take place if there is a guest to experience it. A key factor to take note of is that hospitality and the guest experience both start with the guest and that, in essence, both end with the guest as well.

Activity:

Consider the following hospitality establishments in South Africa: McDonalds, Kentucky Fried Chicken, Chicken Licken and Steers. In essence all these fast-food outlets provide the customer with the same type of product – whether it be burgers, chips or a milkshake. Now consider what really makes each of these establishments different from one another.

Think about the service. Is it different? How is it different? How did you, as the customer, influence the service? Why do you visit McDonalds instead of Steers for example?

Pretend you are the manager of a McDonalds franchise. What would you do to ensure your outlet provides customers with the highest quality service?

Imagine you are the front office manager of a Protea Hotel. How would you ensure your hotel provides guests with the highest quality service?

Activity feedback:

A customer's decision about which provider to support often depends on the quality of service offered by the particular operator. Have you noticed that, even though the restaurant serves exactly the same menu as another branch, the service may be different? Steers may have more friendly staff or McDonalds may serve your order faster. Whatever the factor, the level of service is a key ingredient to any hospitality operator and can act as a competitive advantage over competitors.

A hospitality provider needs to remember that to deliver quality service and provide a good customer experience they have to consider the effect that both the customer and the staff have on that service.

Below are a couple of suggestions that could be implemented in the McDonalds or in a Protea Hotel. These recommendations can however also be amended for any organisation to ensure it offers good customer service:

- Answer the phone within three rings.

- Go the extra mile and be helpful.

- Discuss the importance of customer service with staff and allow them to watch videos or do role play about good and bad service so that they can experience it for themselves.

- Be friendly to customers when taking their order or making their hotel booking.

- Train your staff or ensure that you receive proper training if you are the employee.

What other customer service guidelines did you provide McDonalds and the particular Protea Hotel?

Tip:

To make a success of any hospitality operation it is important to remember that people make the difference! If you are on the demand side and require the services of a hospitality operation, make an effort to be a good, calm, patient customer. On the flip side of the coin, if you are a hospitality provider and you work in the industry, try your best to offer quality customer service at all times. You can make a difference!

1.3.3 Service quality

The service product is largely dependent on staff behaviour while providing the service elements which make up the total package or customer experience. Furthermore, guests and customers judge the quality of services based on their perceptions and their actual experience of how the service was delivered. This means that it is very difficult to measure quality of service and to deliver standard products. Zeithaml, Bitner and Gremler (2006) suggest that customers base their assessment of service quality on the following five dimensions:

1. *Reliability.* Deliver on promises. Reliability can be defined as the capability of someone to carry out a required service consistently and correctly. In essence it means that a company delivers on its promises. It achieves what it set out to accomplish by maintaining certain standards throughout the service offering. Customers want to stay at hotels and eat at restaurants that keep their promises, especially the promises that refer to service and quality. For example, when customers order pizza from a restaurant that guarantees their meal will be ready within 15 minutes they will measure the service quality on that specific promise. If the pizza is delivered within the time frame provided, the customer will be happy with the quality of service offered by the business; if not, the customer will be unhappy.

2. *Responsiveness.* Be willing to help. Responsiveness refers to staff being enthusiastic and prepared to help customers and provide prompt service. It highlights how much attention and at what speed staff respond to guests' requests. Guests often measure responsiveness in terms of how well and how fast their questions have been answered, or their problems resolved or requests fulfilled. Responsiveness also encapsulates the need for a degree of flexibility and the ability to customise a service encounter should the need arise. For example, at a hotel responsiveness means that everything should be ready when the guest arrives: that is, rooms should be allocated and all special requests should be honoured. Things should be done in accordance with guests' needs and not when and how staff feel like doing them.

3. *Assurance.* Inspire trust and confidence. Assurance can be described as the ability of the establishment and its staff to create a sense of trust and confidence in the service provided. This dimension consists of important characteristics including certain job competencies, politeness, credibility and security. These may be found in the hospitality operator or more directly in the staff member that links the guest to the particular establishment.

4. *Empathy.* Treat customers as individuals. Empathy can be explained as the caring, individualised attention and personal understanding that hospitality staff give their customers. The key to empathy is the ability to treat each guest individually by showing that his or her unique needs and desires are understood. Guests like to feel important and that the hospitality establishment really cares about them. Staff who work at a small guest house or intimate restaurant have the opportunity to really get to know their clientele and build relationships with them. This will reflect their personal knowledge of customer's needs and preferences. If managed correctly, this dimension can represent a key competitive advantage for hospitality operators.

5. *Tangibles*. Represent the service physically. The physical facilities, amenities, equipment, materials provided, as well as the appearance of the staff during a guest experience are referred to as "tangibles". These represent the features that guests can easily use to evaluate the quality of service offered by the establishment. Service industries that emphasise tangibles in their strategies include hospitality services in which the customer visits the establishment to receive the service, such as restaurants, hotels, retail stores and entertainment companies. Tangibles, such as high-quality sheets in a hotel room for example or the beautiful décor in a restaurant, can be used by hospitality establishments to improve their image and they represent a certain level of quality to customers.

Tip:

This is a simple tip to help ensure you offer good customer service while working in the hospitality industry.

Take a moment to think how you would normally treat a friend or family member who has come to visit you and stay in your home as a guest. I assume you would normally go out of your way to keep that person happy and satisfy his or her needs. By considering this, you will have established how a guest at a hospitality establishment should be treated. The key principle to remember is that there is a difference between the terms "guest" and "customer". You will most likely be more successful as a hospitality service provider if you treat a visitor to your establishment as a guest instead of as a customer (Ninemeier & Perdue 2008:21).

1.4   CONCLUSION

This learning unit gives a brief overview of the hospitality industry and how the hospitality product fits into the wider tourism product. It highlights the supply of and demand for the hospitality product and the link between them.

The diagram at the start of this learning unit depicts the hospitality management model, which forms the foundation of this module. We shall be discussing all the aspects of the hospitality industry and its components. This model gives you a broad understanding of the hospitality industry and its various components: you will find it at the start of each learning unit to illustrate the topic under discussion.

By providing excellent customer service a hospitality establishment will ensure it provides customer satisfaction. This is imperative, as a satisfied customer is a loyal customer. This is a key factor in hospitality, as loyal customers will not only return to the same

establishment over and over again, but they will also share their experiences with others. This in itself plays an important marketing role, especially in today's world of social media and online customer reviews. In essence, hospitality is about providing excellent customer experience. I hope you will enjoy this module and are excited to learn more about hospitality. In learning unit 2 we will explore the hospitality product further.

1.5 KEY TERMS

Travel and tourism industry	Demand
Tourism	Supply
Tourism product	Motivation
Hospitality	Satisfaction
Transportation services	Customer service
Recreation options	Customer satisfaction
Hospitality industry	Guest experience

1.6   SELF-ASSESSMENT QUESTIONS

1. Define the concept hospitality.

2. Describe how hospitality fits into the wider tourism industry.

3. What is meant by demand for and supply of hospitality products?

4. Explain the linkage between demand for and supply of hospitality products.

5. Differentiate between the terms "hospitality" and "service" in a tourism context, and how do they relate to each other.

6. Briefly explain how the theory of Maslow's hierarchy of needs relates to the needs of a guest in a hotel or guesthouse.

7. Explain the major characteristics of service. Support your answer by applying examples from the fast-food industry.

8. Fully discuss the elements of a guest experience as identified by Ford, Sturman & Heaton (2012).

9. Customers base their assessment of service quality on five dimensions. Discuss these dimensions with reference to a guest's stay at a hotel.

1.7   BIBLIOGRAPHY

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