

Pocket Guide for Hospitality Managers



Noordhoff Uitgevers

Conrad Lashley & Michael N. Chibili

1st edition

Pocket Guide for Hospitality Managers

Conrad Lashley & Michael N. Chibili

First edition

Noordhoff Uitgevers Groningen/Utrecht

Cover design: 212 Fahrenheit, Groningen

Cover illustration: dreamstime_75548844

Image research: Daliz, Den Haag

Photos:

iStockphoto/Getty Images, Londen: p. 8, 22, 36, 56, 80, 96, 114, 174, 192, 208

Shutterstock, New York: p. 128, 140, 156, 228

If you have any comments or queries about this publication, please contact:
Noordhoff Uitgevers bv, Afdeling Hoger Onderwijs, Antwoordnummer 13, 9700 VB
Groningen, The Netherlands. Website: www.mijnnoordhoff.nl.

The greatest care has been taken in the preparation of this publication. The authors, editors and publishers cannot be held liable in case any information has been published incompletely or incorrectly. If you feel that your rights as a copyright owner have been infringed, please contact Noordhoff Uitgevers bv. They will be pleased to receive any adjustments to the contents.



0 / 18

© 2018 Noordhoff Uitgevers bv, Groningen/Utrecht, The Netherlands

Apart from the exceptions provided by or pursuant to the Copyright Act of 1912, no part of this publication may be reproduced, stored in an automated retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written approval of the publisher. Insofar as the making of reprographic copies from this publication is permitted on the basis of Article 16h of the Copyright Act of 1912, the compensation owed must be provided to the Stichting Reprorecht (PO. Box 3060, 2130KB Hoofddorp, The Netherlands, www.reprorecht.nl). To use specific sections of this publication for anthologies, readers or other compilations (Article 16 of the Copyright Act of 1912), contact Stichting PRO (Stichting Publicatie- en Reproductierechten Organisatie, PO. Box 3060, 2130KB Hoofddorp, The Netherlands, www.stichting-pro.nl).

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the publisher.

ISBN (ebook) 978-90-01-88583-0

ISBN 978-90-01-88582-3

NUR 801

Preface

The *Pocket Guide for Hospitality Managers* aims to provide a resource for all young hospitality managers, and for academics preparing students for careers within the hospitality industry. It is deliberately written in a way that addresses a 'how to do' agenda by offering a practical guide to the skills and knowledge needed by those who will be managing bars, restaurants and hotels in the fast moving hospitality retailing contexts. *The Pocket Guide for Hospitality Managers* is deliberately presented in a non-academic style, without the referencing and quotations typical of academic texts.

At root, the *Pocket Guide for Hospitality Managers* assumes that managers running what are substantial businesses in their own right, need to be 'reflective practitioners'. The very nature of the task-driven practical immediacy of their work means that they have to be capable of active management and practical solutions to unit management situations. That said, they need also to be capable of standing back and reflecting on their actions so as to be more effective in the future. The problem is that many unit managers in hospitality retail operations are by inclination 'activist' learners, using Honey and Mumford's (1986) term. That is, they are mostly people who are comfortable in action and 'sorting things out', but less comfortable with standing back and thinking about what they are doing and why.

Given the learning needs of both current and would be managers, the *Pocket Guide for Hospitality Managers* attempts to combine theoretical concepts and practical advice in a way that uses theory as a tool but is not overly theoretical. The content of the *Pocket Guide for Hospitality Managers* is informed by research, and basically provides answers to the following question: what does a manager of a hospitality unit need to know? The content, therefore, contains a number of key themes that are rarely found in one text. This pocket guide aims to provide a resource for both in-company management development programmes, and for students on taught higher national and degree programmes. It is focussed on the needs of unit managers in branded chains of restaurants, bars and hotels. In an attempt to make the material accessible and relevant to the practical training needs of unit management we have consulted with individuals typical of the target audience. Many managers across the industry have helped us to establish a view about the development needs of managers in hospitality retail businesses.

Fundamentally, the manager has to understand that people are the key asset of the business and a large part of the *Pocket Guide for Hospitality Managers* focusses on understanding and working with people. Understanding what makes them tick, team leadership, successful

recruitment and staff training are all essential in controlling the hidden cost of staff turnover. Apart from the high direct costs to the business, high staff turnover creates barriers to building customers loyalty and competitive advantage through quality service delivery.

A second key theme in the *Pocket Guide for Hospitality Managers* explores the nature of service difference, and different offers made to customers together with the implications this has for service quality and service quality management. In addition to the variations in key service offers, customers use a variety of hospitality retail operations on different occasions. The same customer may have different expectations of the products and services within the same bar or restaurant depending on the 'occasion' of the visit. Unit managers need to have a thorough understanding of service quality management and the critical success factors that will shape customer assessment of quality of the visit.

Finally, and by no means least, the *Pocket Guide for Hospitality Managers* explores a number of issues associated with managing the unit as a commercial venture. At an immediate tactical level, managers need to understand how to manage their own time effectively and how to ensure that other team members are working towards the set aims and objectives. The business planning process is therefore a core aspect of effective unit operation. It is through this device that team members' efforts are directed towards global goals to manage costs and ensure that revenues surpass expenditures, and generate profits for the organisation. Within this framework, the *Pocket Guide for Hospitality Managers* argues for and demonstrates an alternative approach to managing people compared with traditional management approaches in the field. The approach takes for granted that people are the key asset in delivering improved business performance and shows that an investment in people through improved salaries and training budgets can boost the bottom line performance of the business.

Production-wise, we hereby wish to thank the team at Noordhoff Publishers, principally made up of Petra Prescher and Ada Bolhuis, for accepting to publish the *Pocket Guide for Hospitality Managers* and also their help in reading and editing the text.

Conrad Lashley & Michael N. Chibili
January 2018

Table of content

- 1 Hospitality services management 9**
 - 1.1 Knowing your hospitality business 9
 - 1.2 Hospitality businesses pros & cons 9
 - 1.3 Possible solutions 12
 - 1.4 About services 13
 - 1.5 Working with customers 19
 - 1.6 About hospitality 20

- 2 Empowering unit management 23**
 - 2.1 Empowering employees is more than a name change 23
 - 2.2 Empowerment: cutting through the jargon 24
 - 2.3 Feeling empowered 33

- 3 Team leadership and motivation 37**
 - 3.1 Ensuring the happiness of your employees 37
 - 3.2 What kind of leader are you? 39
 - 3.3 A matter of choice 49
 - 3.4 Working in teams 52

- 4 Working with people 57**
 - 4.1 It is people, people, people 57
 - 4.2 Individual differences 57
 - 4.3 Individuals in groups 69
 - 4.4 Influencing others 71
 - 4.5 Dealing with conflict 73
 - 4.6 Motivating people at work 77

- 5 Staff turnover and retention 81**
 - 5.1 Hidden problem, hidden costs 81
 - 5.2 Causes and types of staff turnover 81
 - 5.3 Counting the cost 84
 - 5.4 Measuring staff turnover 86
 - 5.5 Keeping your staff is not rocket science: Everyone can do it. 89

6 Staff recruitment and selection 97

- 6.1 You cannot train nice 97
- 6.2 Flexible employees 97
- 6.3 The local market for labour 99
- 6.4 The importance of planning ahead 100
- 6.5 Describing the job to be done 100
- 6.6 Describing the ideal recruit 101
- 6.7 Attracting candidates 103
- 6.8 Making the selection 108
- 6.9 Approaches to recruitment and selection 112

7 Employee development and training 115

- 7.1 Learning by trial and error always involves lots of error 115
- 7.2 The benefits of training 116
- 7.3 Training your staff 121
- 7.4 The ABC of training 125

8 Managing service quality 129

- 8.1 You serve hot food hot, and cold food cold, and everybody smiles 129
- 8.2 Hospitality retail service quality 130
- 8.3 Quality management and hospitality retail operations 136
- 8.4 Total quality unit management 137

9 Time management and activity planning 141

- 9.1 What sets you apart from others is how you use your time 141
- 9.2 Time management 142
- 9.3 Activity planning and management 146
- 9.4 Reviewing performance 154

10 Control and operating profit management 157

- 10.1 It is all about keeping sales and costs under control 157
- 10.2 Understanding costs and sales 157
- 10.3 Cost-volume-profit relationships 161
- 10.4 Costs and sales control 164
- 10.5 The control process 168

11 Food and beverage cost management 175

- 11.1 To be successful we need to be smart business people 175
- 11.2 Levels of menu complexity 175
- 11.3 Purchasing control 178
- 11.4 Receiving control 180
- 11.5 Storage and issuing control 181

- 11.6 Portion control [183](#)
- 11.7 Quantity control [186](#)
- 11.8 Monitoring costs [188](#)
- 11.9 Monitoring sales [189](#)

12 Labour cost management [193](#)

- 12.1 There is more to it than cutting wages [193](#)
- 12.2 Elements of labour costs [194](#)
- 12.3 Measuring staff costs [200](#)
- 12.4 Adding to staff income [202](#)
- 12.5 Scheduling employees [204](#)

13 Sales generation and marketing [209](#)

- 13.1 Meeting and exceeding customer expectations [209](#)
- 13.2 Marketing services [210](#)
- 13.3 Customer occasions [211](#)
- 13.4 Know your customers [219](#)

14 Preparing a unit's business plan [229](#)

- 14.1 Business plans, like any map, improve the chance of reaching the destination [229](#)
- 14.2 Describing the business [229](#)
- 14.3 Description of the products and services [231](#)
- 14.4 You and your team [232](#)
- 14.5 Market research [233](#)
- 14.6 Competitive business strategy [236](#)
- 14.7 Operations [238](#)
- 14.8 Forecasting results [239](#)
- 14.9 Writing up, presenting and working with your business plan [241](#)

About the authors [245](#)

Bibliography [246](#)



1

Hospitality services management

1.1 Knowing your hospitality business

In the past, many people thought that the key to successful hospitality business was 'location, location, location'. In other words, the location of the property was the most important factor in determining its success. There are many successful pubs, restaurants and other hospitality businesses, which are in poor locations yet still manage to build sales and good profits. *It's not so much where your business is located, but what goes on inside it.*

This chapter aims to show that although hospitality businesses are different, customers expect the quality of product and services to match their expectations. Good managers understand what customers want, and recognise that employees - their selection, training, motivation, reward and management are key to customer satisfaction.

1.2 Hospitality businesses pros & cons

Hospitality organisations provide food and/or drink and/or accommodation in a service context. Each of these terms needs close consideration if you are to understand the nature of the business you are managing.

Hospitality organisations provide these services in a way that is:

- *Branded*: usually sold under a brand name through a chain of restaurants, bars, cafés, pubs or hotels. The brand will represent a cluster of attributes or benefits to customers who have a pretty good idea of what to expect when entering the premises.
- *Customer focussed*: a consequence of branding is to shape the nature of the products and services that make up the brand to particular customer types and needs and experiences. Issues to do with age, gender, social class, income, region, consumption patterns and service needs help retailers to consider the nature of the brand and the messages required by customers.

- *Standardised*: though this will vary according to the nature of the brand and business, standardisation follows from the requirement of customers for consistency and predictability. Typically, the menu of items, the prices charged, décor and building layout are standardised across all units.
- *Consistent in quality*: management of the hospitality experience has to be concerned with ensuring the customers get the experience they expect. That is, not only the physical products but also the type of service they get from staff must be consistent and in line with customer expectations. Thus the management of service quality, staff training and performance appraisal become important tools for the manager.
- *Managed via operating systems*: consistency and standardisation across hundreds or thousands of units usually require that all operate to a centrally designed system which guides the way that products are purchased, assembled and served. In many cases these systems also lay down how training, recruitment and other staff management issues are to be handled.
- *Sales driven*: using techniques from the retail goods sector hospitality businesses are concerned to ensure that communication with customers is clear. The nature of the product and services on offer are stated in a way that allows minimal confusion and misunderstanding. Point of sale material and staff training in 'up-selling' techniques, together with an array of other techniques attempt to maximise the sale to each customer.
- *Mass marketed*: to generate customer identification and to shape clear communications with customers hospitality organisations frequently use mass advertising through television and newspapers, as well as other promotional techniques to inform customers about the brand and services on offer.

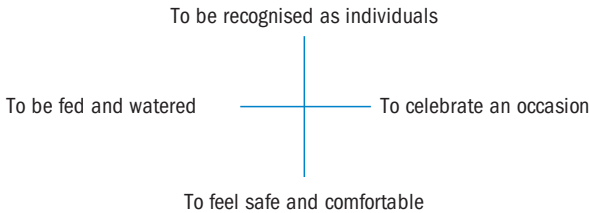
Over the past few decades, branded hospitality businesses have taken an increasing share of restaurant, bar, café and hotel business in many countries. The consistency of service, lower costs through the scale of their operations and appeal of a variety of brands to target markets have ensured wide success.

As a unit manager, probably working in one of these branded businesses, you need to understand the nature of the brand in which you are working. That is, what is it that customers are buying into? With this understanding you are able to focus on customer expectations and what has to be done to ensure customer expectations are met. Most importantly, as a unit manager you need to understand and work within the disciplines of the brand. Customers who experience different services, prices, quality and service in different establishments in the same brand will become confused about what the brand represents. Their expectations become less clear and more uncertain. A likely consequence is that they will seek out a competitor who is more consistent.

Whilst branded hospitality services have been very successful in capturing an increased share of hospitality service business, they face some difficult issues to manage. Many of the features of these operations which have brought about their success also lead to problems.

- *Management skills*: the closely defined brand supported with operating systems, quality management techniques and policies derived at head office can lead organisations to adopt a *command and control* style which allows little scope for individual manager or employee initiative. Unit managers are expected to work to the 'one best way'. As we shall see, for some businesses this is consistent with the offer to customers, but sometimes it creates unnecessary difficulties, because you may feel stifled and discouraged from being creative in your work. This pocket guide shows that there are a number of ways that your skills as a unit manager can be tapped and developed to the benefit of the brand.
- *Employee dissatisfaction*: again the operating systems, tight product specification and 'one best way' job design allow little scope for individual flair and creativity. Employees experience jobs that are tightly controlled, routine and monotonous. On top of this, the uneven pace of work in many hospitality services, together with difficulties inherent in serving customers add additional stress to hospitality service work. Consequently, many hospitality operations face high labour turnover. It is not unusual for some hospitality businesses to experience average labour turnover over 150 per cent per year across the whole brand, with some jobs and units recording labour turnover over 500 per cent per year. Apart from the direct costs of replacing staff, which can be a considerable added cost in itself, you as the manager will face difficulties through the sheer volume of recruitment, selection, and training that you have to undertake. When labour turnover is occurring at high levels, a constant stream of new employees are joining and leaving the organisation. In these circumstances it is difficult to communicate and train employees to the desired standards.
- *Service inconsistencies*: problems occur for several reasons. Firstly the very scale of these organisations means that they are attempting to deliver consistent customer experiences through a very large number of units. Thousands of management personnel and tens of thousands of staff must all share an understanding of the brand and be prepared to work within the rigidities of operating procedures. With so many people involved, there are clearly many opportunities for things to go wrong. The very nature of service contact means that both employees and customers may react inconsistently with each other. Customer perceptions of different employees will shape the way they evaluate the service and employees as people. It may be unrealistic to expect employees to always act with good grace and with a desire to delight the customer. Now and again tiredness, boredom, and frustration with management may cause service problems.
- *Customer service needs*: whilst customers are attracted to the certainties of the branded service operation, they often dislike being treated as a number. Customer expectations vary in different brands. In some cases the individual wants more consistency and standardisation, and in other cases they may want the service to be more personal and shaped to them. The same individual may want different experiences from the same hospitality operation depending on their mood, the time of day and the occasion as shown in Figure 1.1.

FIGURE 1.1 Typical hospitality customer service need



Furthermore, customer service needs are dynamic. As more people experience hospitality services, their expectations are moving and shifting. Hospitality service organisations have to constantly review and audit customer expectations. They can never sit back and assume they know what customers want.

- *Local and regional tastes:* branded hospitality services may come across tension in the need to maintain the standardised brand through which customers learn to know what to expect, and local or regional tastes that cut across the standard brand. That is, customers may expect to be able to order certain drinks or products in the local restaurant or pub, but the brand does not normally stock these items, and instructs the managers not to provide services 'out of brand'.
- *The 'big is ugly' syndrome:* As we have seen, the scale and coverage of these hospitality business operations brings advantages through cost reduction and standardisation, but large organisations can be unwieldy and slow to change. In fast moving consumer markets, such as in the hospitality business sector, much standardised operating systems and centralised controls can be a disadvantage. The narrow span of control and tall hierarchies that help the organisation to manage consistency over a lot of units makes for long lines of communication and slow decision-making processes. It is, therefore, very easy for these organisations to miss changes in consumer taste and be unresponsive to variations in the customer base.

1.3 Possible solutions

Many hospitality organisations recognise the various problems that they face and are looking to alternative ways of managing their businesses. This pocket guide advocates a more *empowered approach to hospitality unit management*.

The hospitality unit managers and staff have the key role in delivering hospitality services, they need to be empowered in its true sense to manage the business and service encounters in ways which:

- 1 Gives them the authority to do whatever it takes to deliver the service that customers want. Within the limits of the brand, there should be flexibility to meet customer needs.
- 2 Ensures that all concerned are given the skills to do the job. Adequate training and being allowed to be effective is the basic building block of empowerment.

- 3 Ensures that the managers and staff are recognised and rewarded for their contribution to successful service. Removing barriers to empowerment and developing a sense of personal effectiveness is the defining feature of empowerment. Through this, all concerned share a sense of ownership with customer satisfaction and the success of the venture.
- 4 Develops organisation control systems that need to be both 'tight and loose'. In other words the organisation system needs to control those issues which are essential for business success – standardisation of the essentials but which also allow for local responsiveness.
- 5 Manages the organisation through a flat structure that minimises the number of management levels in the organisation, thereby enabling short lines of communication and quick decision-making.
- 6 Encourages initiative and creativity. A learning organisation should be prepared for people to make mistakes, provided people are able to think about their errors and learn from the experience.

The following chapters in this pocket guide discuss this approach further and provide a course of sessions that will help you as a unit manager to be more effective in managing hospitality business operations. Before that it is important that you understand the nature of hospitality services and variations between different types and levels of service offered.

1.4 About services

At the beginning of this chapter we said that hospitality business involved *the supply of food and/or drink and/or accommodation in a service context*. That said, the nature of the food, drink and accommodation supplied varies. Clearly hotels, restaurants, bars, cafés, inns and taverns all represent different types of cluster of the three hospitality activities. However, the distinction between establishments is getting less and less clear as restaurants, for example encourage diners to come to their establishments and drink, and bars increasingly offer their customers food as well as drinks.

Whilst the type and quality of products on offer to customers is important, the key feature which as a unit manager you need to understand, is the precise nature of the service experience that is being supplied, and what customers are expecting of the service encounter. Customer expectations are best understood by building a picture of the key features of service. This shows how different brands offer different bundles of service experiences to customers.

1.4.1 Drivers of service types

Almost all services, including hospitality services, can be said to have four features which make them different from manufactured products. Two of these features are of lesser importance in shaping service types, though important in service management. The other two features are key factors in building an understanding of the variations in hospitality business services.

Minor factors

Time: in most cases a service involves an instant interaction between the customer and employee. The service instant is over and gone the moment it

has occurred. It cannot be produced in advance, nor can it be taken back and reworked if a problem occurs. The receptionist's smile cannot be re-enacted if it strikes the customer as mechanical and less than genuine.

Clearly, this *perishable* feature of the service encounter means that hospitality businesses have to get it right first time. Service operation systems, communications and staff training are essential in assisting in the delivery of consistent service quality which gets it right every time.

Face-to-face: in the majority of hospitality business situations the service received by customers involves face-to-face interactions. Customers and staff can see each other, and customers are evaluating the performance of the employee through a whole range of conscious and subconscious cues. Thus body language, tone of voice, words used, appearance and personal hygiene help build a picture of the employee which establishes the customer's impression of the organisation and its service.

This means that your employees need to be well trained in the various techniques used to develop the appropriate feelings of welcome and the importance of customers as individuals. In addition employee satisfaction and dissatisfaction become crucial. As J. W. Marriott is quoted as saying, '*It takes happy workers to make happy customers*'.

Customer loyalty is likely to be most successfully built on the basis of contacts with staff who make them feel welcome and cared for, and with sentiments that appear to be genuinely felt by the person concerned.

Major factors

The product-service dimension: all hospitality business services involve the customer being supplied with a combination of physical products and service based on contacts with customers. In a restaurant the physical elements will obviously involve the food and drink supplied as well as the relationship with service staff.

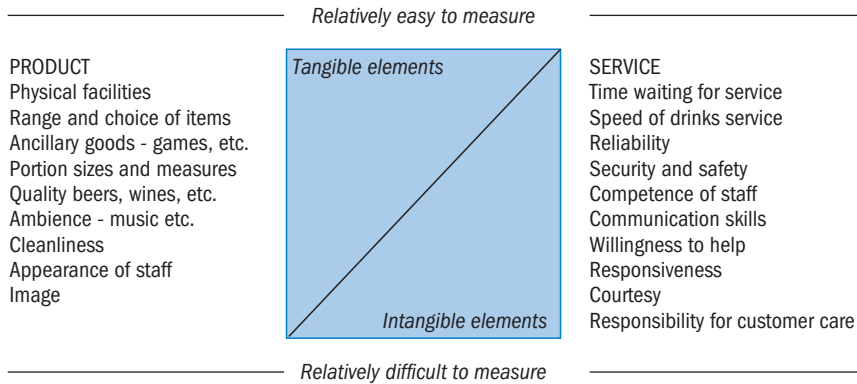
These *tangible* and *intangible* aspects of the services cover a wide range of issues which can be arranged in a list according to the extent that each is tangible and measurable, and intangible and difficult to measure. The portion size is a tangible and measurable aspect of the customer's meal experience; operating systems and manuals can specify the size consistency of portion supplied to customers. However, the décor of the restaurant may involve a physical assessment of the state of repair and cleanliness, but also involve a psychological dimension in its impact on customer mood and impression which is difficult to measure.

Similarly, the intangible service aspects of the customer's experience involve some factors which are clearly difficult to measure – the impact of the service staff's smile, the tone of voice on the telephone. It is almost impossible to come up with some definition and measure of how this should be delivered. However, role models, best practice and core values can be shared through training. On the other hand, some aspects of the intangible service elements can be measured. The time it takes for a customer to receive the starter after having placed the order, or time it takes to be acknowledged whilst waiting at the bar, for example, can be

identified and measured against a standard. These aspects contribute to the customer's evaluation of service quality, and can be subject to specific targets and measures in time.

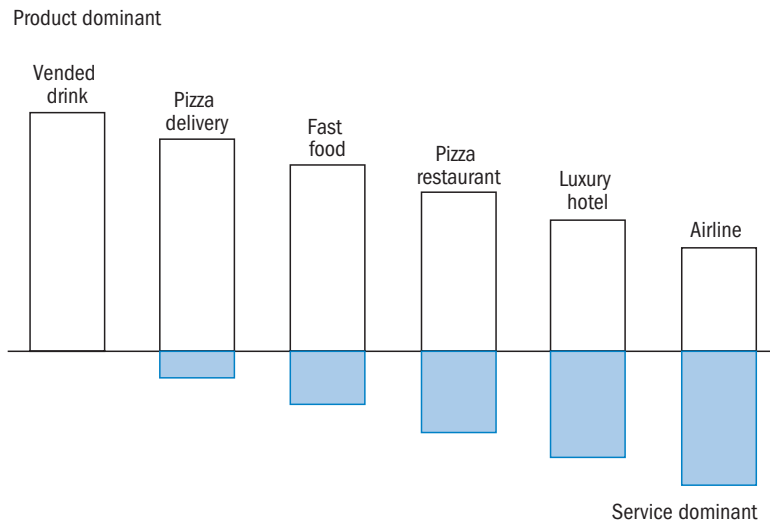
Figure 1.2 provides an example of some of these tangible product and intangible service aspects of the customer's experience for a licensed retail outlet in a bar.

FIGURE 1.2 Tangible and intangible elements of customer service for a bar



Whilst all hospitality businesses involve combinations of these product and service aspects in the offer to customers, not all are equally weighted. In some cases, the tangible product aspects are more important sources of customer satisfaction. In other cases the intangible service factors become more important. Figure 1.3 shows a continuum of hospitality service businesses which have different bundles of product and service benefits to customers.

FIGURE 1.3 Continuum of different bundles of product and service benefits



In some cases, the same brand may represent a different cluster of benefits, depending on the means by which the customer is supplied with the product and service. Pizza Hut provides a valuable example. Pizza Hut sell pizzas through three types of outlet. The restaurant operation involves traditional service interactions between customer and staff. The home delivery service requires limited interactions, though issues to do with delivery speed and product temperature will be important. The kiosk sales involve customers buying pieces of pizza and again involve minimum staff interaction.

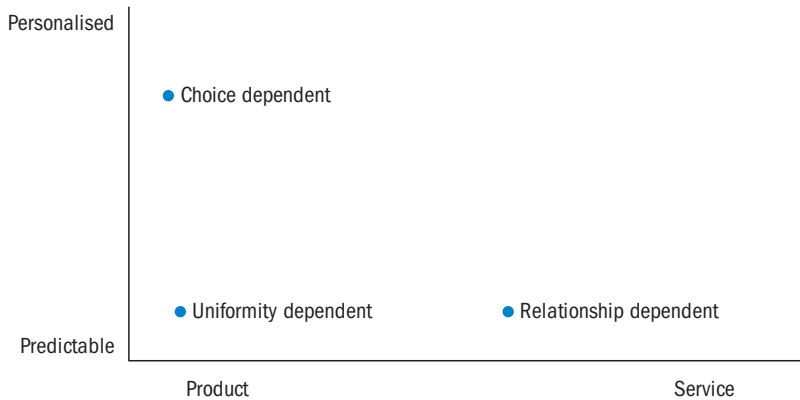
It can be seen from the above that the range and complexities of hospitality business services will vary. The source of customer satisfaction will also vary. In some cases, satisfaction will largely be product derived. Product taste, variety, size, temperature, etc. In other cases these factors will be important, but the range and quality of contact with service will also be important. Following from this, the management of employees will vary according to the complexity and predictability of service needs.

The predictable-personal dimension: given the personal nature of the service interaction, customer are faced with a difficulty in predicting the quality of the service they will get. For the reasons outlined above, they cannot judge the quality of an experience until they have had it. In part this customer difficulty explains the success of the branded standardised service in some hospitality businesses. They attempt to make it clear to each customer what they can expect, and they spend a lot of time and energy attempting to ensure that their expectations are met.

Not all services can be *standardised* in this way; some services have to be *customised* to the needs of the individual. Professional services like dental and medical services provide the most obvious examples. In hospitality businesses, there are clearly limits on the degree that services can be totally customised, because the operating systems and standardised offer which made the customers to be attracted to the brand, also limit the possibilities for giving each customer a totally individual service. It is possible in many ways to personalise the nature of the customer's experiences. It is possible to provide service which either allows a wide choice through which the service is personalised, or through the service interaction it is possible to encourage the customer to feel important as an individual.

It is possible to detect a services continuum which puts different types of service experience in the way they offer the customer a fairly predictable service, and variations in the degree to which different services personalise the customer experience. As with the products-services continuum, most services involve some elements of personalisation because of contacts with service personnel, but the degree to which predictability or personalisation is important varies between services.

These two sets of factors interplay to create a number of ideal service types. Figure 1.4 shows three ideal types of service depending on the nature of the offer on these dimensions. As we have seen, most hospitality businesses supply customers with a set of service elements that are at the same time standard and shaped to the customers' needs, and they offer service benefits that supply physical products served to them. By bringing these two sets of factors together we can reveal a number of ideal service types, three of which have particular relevance to hospitality businesses.

FIGURE 1.4 Hospitality business service types

1.4.2 Uniformity dependent hospitality services

Uniformity dependent hospitality services are based on customer expectations that the goods and services supplied by the brand will be consistent. In many ways they are buying into the certainty that they will be able to predict the experience, the product and even the price they will pay for their hospitality service. Customer satisfaction is more dependent on the food, drink and accommodation that customers receive. It is more dependent on the tangible dimension of service. The intangible service aspects are important, but customers are more concerned with speed and are prepared to accept simpler and shorter contacts with service employees. Many fast food and self-service restaurant operations are typical of this type of hospitality retail brand. In retail supermarkets, the introduction of self-billing techniques are in part a response to this kind of customer need.

Customers judge the quality of their experience with this kind of brand by the extent that it continues to be consistent and predictable. Quality measurement is based on monitoring consistency and uniformity. Operational standards rigidly define the product, such as the size of portion, service presentation etc., and service aspects, such as times, contact, even the words to be used, in very precise ways.

Managers in these types of hospitality operations are chiefly concerned with managing the delivery of the standard product and service. Managers spend a large part of their time monitoring the production of the food, drink and accommodation to ensure they meet the standards set. Staff training is concerned with learning the 'one best way' by which goods are produced and served. Staff are managed and monitored to make sure that they are working to the standard set. Staff appraisal, pay and rewards are frequently linked to service consistency. Managers and staff are encouraged to work in the set way and not to use initiative and flair.

1.4.3 Choice dependent services

Choice dependent services have many similar features to uniformity dependent services in that customer satisfaction is largely based on the tangible nature of the food, drink and accommodation supplied. Customers

also have a high expectation of consistency in the product and service, but they also want to be able to give their experience a personal touch. In this case the product range is sufficient to allow customers a wide choice of the food and drink that they consume. In some instances the service aspect too allows them to be given the kind of service that they want. Staff are trained to give one of a number of service performances, depending on the customer type or occasion.

Customers judge the quality of their experience through a combination of product consistency and feeling that they have been recognised for themselves as individuals. Being able to predict and recognise these service needs becomes important, but through branding and the identification of the customer service types the service is 'customised'. In many ways these organisations supply hospitality services which are similar to customised cars. Mass production techniques ensure uniformity and lower operating costs, but customers are able to personalise their experience. Operational standards are like those in the uniformity dependent services. Product specifications define the way food and drink is to be prepared and served, with portion sizes and the product range all laid down by the national brand manual. Service methods and service time targets are also defined and measured as an assessment of quality management. However, the importance of making the customer experience more personal and tailored to developing feelings of individuality, require the staff to give a range of performance which cannot to be so tightly defined or scripted. Staff performance is vital to ensuring that the customers feel important as individuals.

Managers are also concerned with monitoring consistency in production and service. They have to be able to evaluate the quality of customer experiences. This means applying judgements which cannot be so easily systematised. Given the importance of employee performance, managers spend a considerable amount of time and effort recruiting employees who will 'naturally' summon up the feelings and emotions needed to give the customer the service needed. Training and providing staff with role-model examples are key activities. Training in particular has a core significance. All employees are trained to advise the customers about their choice. Knowing the contents and production methods of menu items, for example, is essential in guiding customers. Pay and rewards are typically associated with sales and staff performance.

1.4.4 Relationship dependent services

Relationship dependent hospitality services are those in which the customer is buying into a standardised and predictable offer, but which involves a more elaborate service. The number of contacts between the customer and the service staff are more frequent and customers give priority to the quality of the service as a source of satisfaction. That is not to say that the tangible products-food, drink and accommodation are not important, they are, and customers have expectations about these. However, the nature of the service they receive becomes of particular importance. Many hospitality businesses are attempting to compete through the quality of their service offer to customers. Thus there is movement in the way the organisation delivers service to its clients.

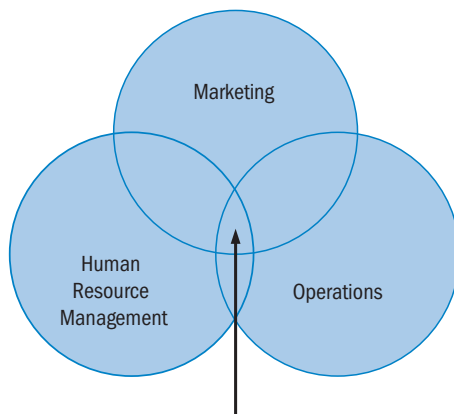
The nature of the service interactions may require service staff to be flexible. They may need to make some decisions as a response to the customer's

service requirement. Typically employees would be empowered to make some decisions, within prescribed limits, to meet customer service needs or deal with customer complaints.

The service organisation is concerned with maintaining the standard products and service targets as well as ensuring staff take ownership of the service encounter. Empowered employees need to be trained sufficiently to be able to make the decisions needed to give customer satisfaction. Management styles are likely to be more participative because managers are not able to sanction every detail of the service encounter and employees need to be left to make the decisions needed. Employee motivation, training and rewards are particularly important in that they need to match with the forms of participative management being applied.

The three types of relations above show how the different service offers to customers result in different approaches to managing hospitality business operations. The idea of 'fit' is important. In other words the nature of the service that customers buy needs to match with marketing strategies, the way employees are managed and the work that managers do in managing the hospitality operation. Figure 1.5 shows how these functional aspects of hospitality service management overlap with each other.

FIGURE 1.5 The functional interdependence of service management



This interface of the three functions determines service delivery quality

As a unit manager you need to understand the nature of the service you are supplying to customers so that you are able to manage the operation, the staff and service quality with consistency.

1.5 Working with customers

As we have seen, hospitality businesses have increasingly used branding as a way of telling customers what to expect. In some cases, the business has been focussed at a service offer without being formally branded through common logo, décor, menu, etc., but has been 'blueprinted' in a way that targets customers and the services that they want to receive. A useful

starting point for giving a hospitality business focus is the consideration of *customer occasions*, which are the reasons why customers use hospitality businesses. In each case, there are critical success factors that ensure the customer gets the service needed for that occasion. These categories will be discussed more fully in Chapter Thirteen, but Table 1.1 has some examples:

TABLE 1.1 Examples of customer occasions in hospitality retailing

Customer Occasion	Description	Critical success factors
Feed me	Customers want feeding with minimum effort and formality	Quick service, good value for money, friendly service
Family outing	Visits with children (under 10 years old). May be single parents in the week and two adults at the weekends.	Child-friendly service, value for money, children's menu, female friendly, children's facilities.
Refuel	Shoppers, business people, and tourists having a break-usually lunch-time and early evenings	Quick service, easy communication of the menu and drinks, female friendly, smoke free atmosphere
Special meal out	Couples and groups, spend time over the meal, several courses, high expectations of service and quality, some shared special occasions e.g. Valentine's Day.	More paced service, multi-course offer, drinks to support the occasion, table ordering, good quality environment
Out on the town	Typically Friday and Saturday evening, groups and couples, students, having a good time, involves drinks	Lively informal atmosphere, music and atmosphere of something happening, rapid drinks service, fashion drinks

Clearly, brands and blueprints cluster these customer occasions to attract customers who are using the brand for similar reasons. This consideration of customer occasions recognises that people use hospitality businesses in different ways, and the same individuals may be visiting different hospitality business units for different occasions. This focus allows you, in your capacity as the manager, to concentrate on the factors that are critical for success, and to consider what other occasions might be explored that are compatible with the brand's core occasions. Equally importantly, they also help to identify customer occasions that do not sit well with the brand's core occasions. In other words, customer who might upset the core business.

1.6 About hospitality

The term hospitality has been used in connection to industrial activities that used to be called 'hotel and catering' for several decades now. The nature of hospitality needs to be carefully considered by organisations who are attempting to operate chains of hospitality businesses, because the provision of genuine hospitality can be an important way of building competitive advantage over those who do not understand its true meaning.

To better understand the commercial applications of hospitality it is necessary to explore hospitality in its widest sense. In times past, hospitality and the need to be hospitable were highly valued. Being genuinely hospitable to travellers and less fortunate members of the community were seen as a

good thing and highly valued. Today, in many western countries, hospitality and the expectation to be hospitable are not afforded anything like the same status that it was given in the past, nor is currently given in other societies. That said, there are lessons which commercial operators can learn from a study of hospitality in private domestic settings.

Importantly, being hospitable in a private setting involves the host being responsible for the guest's happiness. There is a special link and the guest is in a mutual pact. The host becomes the guest and the guest becomes the host on another occasion. In private domestic settings hospitality:

- Involves mutual giving and obligation.
- Is generous.
- Is unselfish.
- Is open-handed.
- Is welcoming.
- Is warm.

Most importantly, hospitality is based on appropriate motives and is more than hosting. A good host may be effective at keeping glasses full, food on the table and the room temperature comfortable, but may be acting for ulterior motives – say to win favour, seduction or vanity. Good hospitality requires the right motives:

- The desire for the guest's company.
- The pleasure of entertaining.
- The desire to please others.
- Concerned for the needs of others.
- A duty to be hospitable.

Hospitable people are those who possess one or more of these motives for entertaining.

This raises the difficulties faced by many hospitality industry organisations. The commercial rationale in which they operate often distorts the relationship with their guests. The commercial rationale sells hospitality as a commodity. Guests become customers, and both the host and guest develop a reduced sense of mutual obligation. A consequence is that many organisations report difficulties in retaining customers and want to develop more repeat visits by existing customers.

Clearly, individual hospitality organisations cannot change society's sense of hospitality nor run their operations as though they were private domestic hosts, but they might be better able to build a community of customers more robustly loyal if they better understood hospitality in these contexts. For example, genuine hospitality is closely linked to values of generosity, beneficence and mutual obligations. Without wishing to suggest that profit-driven organisations would be willing to give away their products, consideration of how regular customers can be rewarded with extra benefits, which celebrate their importance and uniqueness as individuals could be successful. The key here is to making the giving seem like acts of genuine generosity rather than the formulaic 'give-aways' typical of many branded hospitality businesses.

Also hospitality businesses need to consider the recruitment, selection and training of hosts who are capable of being hospitable, and who display characteristics of hospitableness.