

# CHAPTER ONE

## CUSTOMER SERVICE

### Objectives:




Dear students! The main objectives of this chapter tries to give you highlight about customer service in Tourism and Hospitality Industries which enables you to develop your knowledge on how to serve customers in service industries and how to get a right qualities along service delivery system to satisfy and maximize the company's profit you are expected to work in.

### Introduction

Dear students, before going deep in to the definition of customer service, it will be important to notify you to know about the meaning of each of these terms, i.e. customer, service, supplier, purchaser, end user, the need of service, understanding service product and customer and product philosophy.

**Customer:** customer is some body for whom you satisfy a want or need with some form of payments.

These form of payments can be;

-  Money
-  Time or
-  Good will

### Facts about customer

A customer is:

1. The most important person in any business.
2. Not dependent on us. We are dependent on them.
3. Not an interruption of the work. They are the purpose of it.
4. Not someone to argue or match with.
5. Part of the business. Not an outsider.
6. A person who brings his/ her want. It is our job to fill these wants and needs.
7. Deserving of the most courteous and attentive treatment we can give them.
8. The backbone of every business
9. A person who makes possible to pay the employee's salary.

While delivering customer need and want, the following three questions have to be taken in to consideration.

- ❖ Who are suppliers from the potential customers' point of view?
- ❖ Who are purchasers from the suppliers' point of view?
- ❖ Who are end users/clients from both purchasers and suppliers point of view?

**Supplier:** Somebody who sells a product or service.

**Purchaser:** somebody who buys a product or service and whom may or may not use it directly, but becomes the next supplier in the chain.

**End user:** somebody who uses a product or service but not necessarily purchases it and is called a client.

**Service:** Anything of value other than physical goods, which one person or organization provides to another person or organization in exchange for something.

What is Customer Service?

**1.1 Definition: Customer service** is often seen as an activity, performance measurement and a philosophy. That is why, generally speaking, one single definition of customer service does not exist.

So, here are some definitions of customer service in use in Hospitality and related Industries to day.

*"Customer service is the ability to provide a service or product in the way that it has been promised"*

*"Customer service is about treating others as you would like to be treated yourself"*

*"Customer service is an organization's ability to supply their customers' wants and needs"*

*"Customer Service is a phrase that is used to describe the process of taking care of our customers in a positive manner"*

*"Customer Service is any contact between a customer and a company, that causes a negative or positive perception by a customer"*

*"Customer service is a process for providing competitive advantage and adding benefits in order to maximize the total value to the customer"*

*"Customer Service is the commitment to providing value added services to external and internal customers, including attitude knowledge, technical support and quality of service in a timely manner"*

*"Customer service is a proactive attitude that can be summed up as: I care and I can do"*

Why students are intended to take the course customer service?

This course enables the students to upgrade and develop the theoretical knowledge in class and the actual practice while on job in Tourism and Hospitality Industry how to serve those potential customers since they are dealing with people from different corner of the world.

## **1.2 The need of service**

Providing your customers with quality service is important for the following reasons;

### **I. Service is a distinguisher**

This means that there are many businesses competing by providing similar services and products. In leisure and tourism, the quality of the product can usually be seen in the customer service that is offered. If you can't distinguish your product from the competition by price, you need to do so through a good reputation for service.

### **II. Service is a value adder**

A product has value addition when it is made more useful to the customer. Example tea bags are more expensive than loose-leaf tea.

## **1.3 Customer oriented and product oriented philosophies**

### **1.3.1 Product oriented philosophy (old philosophy)**

It is a management philosophy or organizational culture that is based on the company's product. The tendency here is to focus on how to get customers to buy the product, and decisions are based on what is good or bad for the company's products.

### **1.3.2 Customer oriented philosophy (modern philosophy)**

It is a management philosophy or organizational culture that is based on the needs and desires of its customers. The tendency here is to focus on what customers in the market place want and to develop products to meet those needs. Decisions are usually based on customer needs.

## 1.4 Understanding the service product

For many years businesses treated services much the same as they treated any retail good. However in the 1970's a new view emerged which understands service is distinctly different from retail.

The basic nature of the service product differs from that of the retail product in three major characteristics.

- + Intangibility
- + Simultaneity
- + Customer participation
- + Non transferability
- + Perishability
- + Heterogeneity
- + Seasonality
- + Labor intensive
- + Competitiveness

### Retail

Produces and sells things  
Produces then sells  
Produces away from customers

### Service

produces and sells experiences and feelings  
Produces then sells  
Produces along with customers

### **Summary**

It is all the direct and indirect contact between an organization and its customers. It includes all contacts with the customer either faces to face when selling organization's products and services or indirect contact for example when dealing with letters of complaint. All leisure and tourism facilities need to make sure their customers are happy with the service they receive because customers are the most important part of any successful organization.

## ***Activity: I***

*Mr. Jeffry, an American, has visited the historic route of Ethiopia for a month, and he was very excited by the service offered throughout his stay. After return, however, it was impossible for him to pass services he consumed during his visit around his colleagues who were elated at what they had heard about his memorable time. If so, what type of service characteristic (nature) does the above case indicates?*

### **Review questions:**

1. Define the basic words of customer and service  
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2. Describe the terms of supplier, purchaser and end user in relation to customer service.  
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3. Explain why the course of customer service is so important for students in service industries.  
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4. Compare and contrast customer oriented philosophy against product oriented philosophy.  
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## **CHAPTER TWO**

### **Designing Quality Service**

#### **2.1 The law of service**

##### **Objectives:**

The objective of this chapter will help the students familiarize to the new concept, "law of service" in Tourism and Hospitality Industries and also educate them how to put it into an actual way after the theoretical and practical service rendering system.

As a given country is ruled and governed by different constitutions (rules and laws) what that country follows may be parliamentary or presidential system of government, every individual must obey those rules according to the law of the country.

When we come to the law of service, the truth will be not far from the law of a given country. So, every employee in Hospitality and Tourism Industry should have to follow and governed by these laws of services.

These laws of services are;

- ✓ First law of service
- ✓ Second law of service and
- ✓ Third law of service

##### **1. First law of service**

$$\text{Satisfaction} = \text{Perception} - \text{expectation}$$

One of the most common mistakes that service providers make is to judge performance of customer expectations based on what they feel the customer should think, not what the customer actually thinks. The equation used to determine the level of a customer's satisfaction is:  $\text{Satisfaction} = \text{Perception} - \text{Expectation}$ . So, if a customer expects a 7 and you provide a 10, then the customer leaves with a +3. On a 10 point scale that is actually very high, may be too high!

While our expectations were very different, we shared the experience- as a customer service provider; satisfaction is of course a priority. But, you need to recognize that it is just as important to understand your customer's expectations as it is to deliver a great experience. Looking at the equation, the ideal satisfaction score is close to a 0; you delivered what was expected. Too high and the next visit will come with an expectation that you might not be able to deliver on a consistent basis, too low and the customer is not likely to return. Keep in mind that there are three ways that customers set an expectation: past experience, word of mouth or your marketing messages. While you cannot control past experience or word of mouth you can control your marketing message. In the world of electronic media use technology to set an expectation that is inviting, yet realistic; the result will be higher levels of satisfaction because of the expectation you helped to set for the customer

The ability to put your self in some one else's shoes, often called empathy is a critical skill in delivering excellence in service. The first law of service says, if customers expect a certain level of service and perceive that an equal or higher level was delivered, they will be satisfied.

Service providers have both to manage customer expectations and deliver quality service. For the sake of delivering service that meets customers' expectations, customer contact employees (personnel must understand the basic customer expectations.)

Generally customers have seven basic expectations. These are;

- 1. Accessibility:** Customers expect prompt and efficient service. This means they must be able to get some one in the organization who can help them. They want their questions to be answered and their needs met as soon as possible.
- 2. Courtesy:** Customers need to be treated in a professional manner. They react poorly to rudeness. They also expect their property to be treated with care and respect as well. They also expect a neat and clean appearance.
- 3. Personal attention;** Customers want to be treated as unique individuals. They want to know that the company they are dealing with cares about them as individuals. They expect to be told what services will be provided, and some one to care about their problems.
- 4. Empathy:** empathy is a person's ability to see and feel things from some one else's point of view. It is the essence of customer-oriented philosophy. Customers don't expect to be treated as though their presence there is an imposition on the employee.

5. **Job knowledge:** customers expect that employees will know the facts about their job and their company. They wait for honest answers. On some special requests, they may accept the employee going to a supervisor for an answer provided that the answer comes quickly.
6. **Consistency:** customers anticipate getting the same answer no matter whom they talk to. If every one meets the criteria for job knowledge, there is no reason for two different employees to give conflicting answers for the same question. They also look forward to be treated the same as they see other customers being treated. Finally, customers look a head to get consistent service in the industry.
7. **Team work:** the company may be composed of many different departments with different goals and methods of operation. But to customers it is a single entity. They don't expect internal turf battles to affect them nor do they expect to be passed from one department to another for answers to simple questions.

## 2. Second Law of Service

**First impression is the last impression.**

If a few things are done right at the beginning or a complex initial problem is handled well, service providers will benefit from the so-called **halo effect**. The customers' initial good encounter will leave them in a frame of mind that is positive and it becomes very important for service providers especially in Tourism and related industries.

## 3. Third Law of Service.

**Good service = Knowledge + Training**

A service-oriented attitude alone will not assure good customer service though it is necessary. It must be backed up with the knowledge and training, distribution and Service delivery systems, offices and equipments as well as every thing else necessary to get the service product quickly and effectively.



## **2.2 The 7 don'ts or deadly signs in the service industry**

The old saying “one bad apple spoils the bunch” applies here more than any thing else. While good service is often the result of many small things going right, poor service is often the result of just one or two things going wrong. Keeping with that, there are seven particular behaviors that can spoil an excellent service product. All customer contact efforts should ensure that they never occur.

**i. Don't leave some one expecting a reply.**

Providing immediate and prompt response is significant for the customers. Even if we don't have an answer or any thing else, useful to say to a customer, we can call the customer to say that we have no new information yet and we are still working on it

**ii. Don't argue with a customer.**

If you remember the saying “The customer is always right”, even when the customers are completely wrong, service providers shall not get any points to for proving it. Taking an argumentative tone with a customer puts a service person in a poor position from the start. We may get the personal satisfaction of knowing we are right while suffering the consequences of watching valued customers take their business and their money else where.

**iii. Don't present a dirty or unprofessional look**

This is one of the best ways to get of the wrong start from the beginning with a customer. Dirty facilities or unprofessional looking employees immediately the over all credibility of any service organization. This is particularly true in the food and beverage industry.

**iv. Don't give conflicting or incorrect information**

Nothing is more frustrating to a customer than hearing two conflicting pieces of Information from two different people in the organization. Customers expect each of us to be perfectly up- to date and knowledgeable about practically every thing to do with our products.

When we don't know some thing, we are much better off tactfully admitting our lack of knowledge and promising to call them back. It far better to admit lack of knowledge than to take a guess and give incorrect information.

**v. Don't argue with a fellow worker in front of a customer**

Arguing with our fellow co-workers in front of the customers undermines our professionalism. As human beings, we will certainly have disagreements with fellow staff members. However, there is a time and place for working out these difficulties. We have to wait until the customer has left. For immediate solutions, we can ask our co-workers to in to a back room where we can discuss a problem, come to an agreement and go back to the customer to deal.

**vi. Don't imply that a customer's needs are unimportant or trivial.**

Customers may be the 50<sup>th</sup> person that day that we have had to deal with on the same service need. But to them this is the first time that day they have needed it. So at that time, trivializing their needs or making it as if they are an imposition, they may decide to impose on some one else who wants the business.

**vii. Don't pass the buck**

Passing the buck is the common practice in service organizations, especially those with large bureaucracies. It can be very frustrating to customers and usually occurs when there is a problem. The best way to avoid this is to be knowledgeable about who is in the organization has the authority to help this person. Some times company policy may force you to pass the person off, but you have to do so in as friendly and informative manner as possible.

## **2.3 Customer Contact and Employee Responsibilities**

Generally customer contact and employee responsibilities fall in to three areas i.e. "The three PRs".

These are the ways that customer contact employees can provide that little "something special" and extra that turns a moment of truth with a customer in to a life time loyalty.

Moment of truth is the actual time that service providers make or break the image of the company.

### **Proficiency**

As it sounds, it is the ability to do the job. This is a combination of training and experience. In the form of job knowledge and accessibility, proficiency is part of the seven basic customer expectations. To excel, customer contact employees must constantly up date their knowledge from different sources.

E.g. from graduate schools, small and large under graduate colleges, night classes, off-campus programs, seminars and teach you're self-kit and books.

### **Professionalism**

Professionalism is the dedication necessary to put proficiency to work at its maximum potential. It also means having the responsibility to control your own ego. Effective teamwork requires that customer contact employees and their co-workers work together to ward the common goal of providing customer service. There is no room for personal egos and personal agendas.

### **Pride**

Pride is the hardest of the three to define. It is contentment, satisfaction and self-confidence. It is to a large degree intangible. Pride results from and causes inner motivation to be the best. When employees share pride with their fellow workers, the team atmosphere is unbeatable.

Pride in short is being happy and comfortable about what we are doing .pride manifests in two ways in relation to its significance for the service delivery industry. First and foremost, it benefits relation ship with customers. When see and fell pride, they are much more likely to have confidence in the company and want to return in the future.

Secondly, it serves as an infectious sprit that promotes teamwork and group identity with in an organization. Conversely poor attitude and lack of pride often breeds a tense and uncomfortable atmosphere hat will create the opposite effect.

The three "PRs" are an excellent guide to the general responsibilities that all customer contact employees have. In a more specific ways (sense) there are responsibilities of four other basic categories.

## **2.4 Responsibility of employees in Tourism and Hospitality Industries**

Since serving a customer needs high quality standard of professions that enable employees of Tourism and Hospitality Industries, each and every individual of these employees have duties and responsibilities related to various activities.

These responsibilities of employees are;

1. Responsibilities to external customers,
2. Responsibilities to the company as a whole,
3. Responsibilities to the fellow workers,
4. Responsibilities to them selves.

### **1 Responsibilities to external customers,**

Customers' perceptions of the company are based entirely on their individual experiences with customer contact personnel or employees. A customer contact employee's responsibility is to do whatever necessary to avoid or minimize the number and effect of positive impressions.

When a company or its individual employees begin to focus more on their needs than the customers, the company is said to have an introverted culture. These companies and individuals tend to put themselves ahead of the customers. They make assumptions based on their needs and want what the customer needs without asking them. As a result, customer contact employees have the responsibility to avoid becoming introverted.

### **2 Responsibilities to the company as a whole**

Service staffs have the responsibilities to their company as a whole. First and foremost is to work within the service strategy set up by the company. It is impossible for the company to function as a team if each person is working to his or her own agenda. They also have the responsibility to seek out opportunities to improve their education and training and to accept these opportunities when they are available. Finally they have the responsibility to use their company's systems and tools as they are intended.

### **3 Responsibilities to the fellow workers**

Team work and consistency are two of the customers' basic expectations. Customer contact employees depend on their co-workers to help to do their job. They have a responsibility to their co-workers to work with them as a team. In addition to this, they must respect their fellows and solve any sort of disagreement among them peacefully.

### **4 Responsibilities to themselves**

Customer contact employees have the responsibility to themselves also to be in good physical, mental and emotional conditions.

### ***Summary***

It is so much important and helpful for employees to understand the law of service even if it is a new concept in today's service industries especially in our country. It enables them to deliver the perfect services and also to be customer oriented rather than money so as to get the minds of customers during the whole life span of the company they are working with.

## **Activity: I**

*A stranger client contacts Dawit Tour and Travel for getting information on attractive places to be visited. The operator welcomes the client, who looks uncertain in choosing spectacular scenery for spending his leisure time, and asks his background profiles so as to advise the best place suit with him. Fortunately, the client is an Anthropologist that comes to Ethiopia on behalf of Nigeria for the meeting of interrelationship and cooperation of African countries on politics, economy, socio-cultural and environmental issues. In this light, the operator recommends the client to spend his free time in Southern part of Ethiopia which is rich in cultural diversity particularly the Lower Omo Valley people.*

*Discuss the following questions based on the above case.*

- 1. Why does the operator recommend the client the Southern part of Ethiopia?*
- 2. The client is so happy in visiting the Lower Omo valley people. How can the operator understand the client's interest?*
- 3. What is the quality of the operator in meeting the client's expectation?*

### **Review questions:**

1. What is law of service in relation to Tourism and Hospitality industry?  
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2. What qualities a given employees of service industry have to take into consideration regardless of customer expectation?  
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3. Discuss the 7 don'ts or deadly sign in Tourism Industry in service delivering etiquettes.  
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4. Briefly explain the 3P's of customer contact and employees responsibilities?  
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## **CHAPTER THREE**

### **Managing Tourism and Hospitality services**

#### **Objectives:**

The aim of this chapter is to teach students to have necessary qualities and full of knowledge that enable them to take part in decision making process while working in various Tourism and Hospitality sectors particularly those areas and part of services require the managing abilities of hospitality professionals from different point of view to make service sectors along the sustainability concept.

Effective managers are always asking questions about what makes their business unique to be successful in the market and oust other competitors from the market, unless it will be dangerous for them in the free market economy to day especially in service industries.

There are some Steps in managing services to be followed to offer good and quality services.

Henry Fayol believed that, managerial success was not created by inspirational leadership alone, but was the result of applying a set of sound management principles to coordinating group work activities.

"The effectiveness of management is not dependent on the success of any one management function," Henry Sisk wrote, "but upon a balanced interrelationship of the individual management functions that leads to the attainment of the stated goals.

There are some key factors in managing services to be followed to offer good and quality services in service industries.

These steps are:

1. Orchestrate the encounter access; assess the buyers' needs, expectations, manage interactions, elicit customer participation etc.
2. Quality assessment using the established expectations as the basis for judgment.
3. Educate buyers about the unique characteristics of the service.
4. Emphasize organizational image and communicate the attributes of the firm and its services
5. Recognize contact personnel's role very well.
6. Encourage satisfied customers to communicate to others

7. Involve customers during the design process.

While delivering service, some problems and difficulties can occur in dealing with customers from different point of views.

1. Unreasonable demands
2. Demands against policies
3. Unacceptable treatment of employees
4. Drunkenness
5. Breaking social norms
6. Unavailable service
7. Unacceptably slow performance

### **3.1 Service encounters**

Service encounter is a process which people do things together, continuously interpreting the situation and adjusting to each other.

#### **Selling and its function**

Many jobs in leisure and tourism have selling at least part of the role. Selling doesn't merely involve taking the customers money and putting it in the till. Rather it involves:

1. Providing product information

Customers can only make an informed choice between products and services available if they have sufficient information about the products or the services. Remember that although you are delivering a satisfactory service to the customer, if it doesn't match their choice, they will be dissatisfied.

2. Maintaining good customer relations

E.g. giving X-Mass card for customers, this is a way of maintaining good customer relations showing the customer that they are remembered.

3. Operating a complaints procedure

Dealing with complaints is very definitely part of customer care because a badly handled complaint will lose the organizations future business but well-handled complaint may make the customer more likely to return or to recommend you to others. It is one of the most difficult parts of working in any organizations as the customer may be criticizing a colleague or your self. They may be angry and shout, you must remain calm and polite in response and this can be difficult. No matter how the customer treats you, bear in mind that the customer is always right even obviously they are not.

4. Resolving problems

Like complaints problems need to be handled in the same way. They are usually not the fault of your organization but are affecting customers for whom you are responsible.

### 3.2 The objectives of selling

It is most important to bear in mind just why selling is significant and why it is related to customer service.

**Better customer service = increase sales = paying wages**

Generally the objectives of selling are:

**1. Securing repeat business**

It costs five times more than to gain new customers than to keep the existing one. The longer the customer is with you the more they spend each year. It is much easier to get customers to return (assuming they are treated well) than to attract new customers.

**2. Increasing sales**

Any organization that believes it has a worthwhile product to sell will want more and more people to benefit from it.

**3. Achieving customer satisfaction**

Remember that good selling is not getting the customer to spend as much as possible. It is sending the customer away satisfied with a product that meets his or her needs so that he or she will return and buy from you in the future.

**4. Increasing profitability**

If an organization has more money coming in during a year than it is paying out, then it is making a profit. It is important to get the balance right between trying to increase your organization's profit and not selling customers things that they really do not want.

**5. Securing a competitive advantage**

A service organization can secure a competitive advantage over others by emphasizing its friendliness and by conducting a healthy selling process.

### 3.3 Seven Virtual Customer Service Tips

Anybody in business knows that keeping customers is a LOT cheaper than finding new ones. One way that companies keep their current customers happy is through customer service, which has definitely changed due to online sales.



Here is a list of 7 ways you can let your clients know that you care:

**1. over Communication.** Just like with your virtual workers, your clients cannot look over their cubicle wall to see if you are busy at work. Once you accept an assignment let them know. This can be through an automated message or a personal one. Another form of this is “thank you for your order” confirmation emails.

**2. Timely Response.** In addition to letting clients know that you have accepted their order be sure to ask any questions or return items in an appropriate time span. For example, as clients ask us something to offer them in advance, we ask clients' questions in a given time span of accepting the assignment. That way a client knows we have not only accepted the assignment but are actively working on it. Imagine having a 5 day turnaround and then asking questions 3 hours before the deadline. That speaks volumes to your client.

**3. Make a Personal Connection.** With social media, this is pretty simple. A quick scan of any social platform lets you know the client's interest. If you work with clients all the time, it enables you take the time to make connections with them, however, minute can make a big impact on a client.

**4. Establish Boundaries.** When you work online you are free to have any schedule you like. Establishing customer service hours or letting clients know when to expect a response can go a long way in showing your clients you respect their time. Are you going to be out of the office for a few days? Be sure to use your out of office email message. Is your company out of center? But for some reason you only work overnight? Whatever your schedule, let your clients know.

**5. Broadcast Effectively.** When you run an online business you have multiple venues of promotion. You have a blog, email, social media feeds, etc. If you have company news be sure that to post it everywhere. Don't assume that your clients read your blog and your Face book and your email newsletter. Most clients are only going to pay attention to one type of medium. Especially for items that effect clients like a site being down for maintenance or a change in billing, be sure to post all over and frequently.

**6. Ask for Feedback.** Ever wonder why big box companies send you those feedback emails after a purchase? It's because it works. And it works in two very different ways. One, the company receives feedback on a product or service. This is great because the company can modify if necessary. The other reason is much more important – clients feel like they have been heard. When you provide an opportunity for feedback you are making a connection. You are sending the message that you care what this person thinks.

**7. Goodies.** Whether you send Christmas cards or gift baskets, sending physical goodies to your clients is a powerful tool for keeping current clients coming back. Coupons, referral discounts, etc are great as well if physical gifts are out of the budget. Just because your business is virtual doesn't mean you are limited to virtual interactions!

Imagine customer service as the wrapping paper around your product. The product itself is important, but the customer service often makes the biggest impression. In this fast paced virtual world the most important thing you can do is remind your clients they are more than an email address.

### **3.4 Sales techniques**

It would be a good idea to satisfy customers whether in handling of complaints or offering of services. It is crucial in selling and expecting them to come back and give more business in the future, eventually in increasing sales and profitability.

Some tips to be involved in selling as part of customer services are:

**1. Approaching the customer**

Generally people don't like to feel pressured in to buying some thing and this is especially true in leisure and tourism industry when people are trying to relax. On the other hand, people don't like to be ignored: therefore, a delicate balance to be achieved between being available to a customer who wants to buy a product and avoiding pressure. It is usually possible to read from the customers' body language whether they require assistance. But a polite greeting can put the ball in their court. If you open the conversation with a friendly greeting then, the customer can choose whether to continue the conversation.

**2. Identifying customers' needs**

"Can I help you?" is a good way of starting a conversation to get a general out line of what customers want or need.

**3. Sales negotiating**

Negotiation involves explaining although what the customer wants can't be provided, a slightly different alternative can be provided.

**4. Overcoming objections**

This doesn't mean encouraging customers to buy products, which they really don't want, but involves providing customers with information and re assurance that their objections are unfounded.

**5. Time management**

It is important to strike a balance between giving customers all the help that they need, while not keeping potential customers waiting a long time. This is a difficult balance, which requires time management.

#### 6. Closing the sale

Closing the sale means getting the customers to buy the product that you are selling. Any attempt to rush to this point may mean that the sale is lost. Sometimes, it will not be possible to close the sale immediately as when the large amount of money is involved. The customer may quite reasonably want time to think and consider the alternatives.

#### ***Summary***

Management is the important key factor for the success and failure of a given companies. Furthermore, Tourism and Hospitality Industries need a good management philosophy because in service industries, the first impression is the last impression and has a halo effect on these industries products and services.

If service delivery system is not managed in a good condition, it will be failure for the company and it is enforced to close the business because of management is the kick-start of every business to be successful and to achieve the goals why the company was established for.

#### ***Activity: I***



*Based on the above diagram, answer the following questions.*

- 1. What each of the above words separately indicates in Tourism and Hospitality service delivery system?*
- 2. Discuss the message of the diagram in general.*
- 3. Discuss the success and failure of service industries using and not using the above key words from the customers and service provider's point of view.*

**Review questions:**

1. Explain the steps that enable service industries particularly those running for business which make them successful and profitable in short and long term plan.  
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2. What is service encounter?  
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3. Discuss briefly what is meant by the objectives of selling?  
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4. Since you are a Tourism professional, what are the techniques you have to use to sell the company's product and service you will work in at maximum margin?  
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## CHAPTER FOUR

### Customer and Employee Communications in Tourism and Hospitality Industries

#### Objectives:

The main goals of this chapter is to give a deep understanding about communication model and communication process in various service industries, how professionals use effective communications to get responses(feedbacks) from potential customers and what communication abilities they use in dealing with guest's complaint to solve those complaints successfully and properly.

#### 4.1 The need and Importance of communication

1. **Information** - informational communication is the lifeblood of service. It is used by the service staff to serve customers and it is used by customers to communicate their needs.
2. **Motivation** – another purpose of communication is to motivate the receiver to take some actions. Many service staffs are also working at the points of the sale. So, they are expected to be a good sales person. Much of the communication they engage is laced with messages intending to motivate potential customers to make a particular purchase.
3. **Control** – finally, many forms of communication are designed to control the activities of the recipient. Communication can control the actions of people and how they respond to a given situation. For instance, when the tour operators prints and give the terms and conditions of the tour to a group of tourists.

#### 4.2 Visual and Verbal communications

Communication is absolutely critical to the success of any service encounter. Service, after all, is mostly just the movement and processing of information. Without effective communication, excellent service can't be delivered. With out communication it is difficult even to deliver poor services.

In fact, most problems between a service company and its customers can be traced back to some form of miscommunication or lack of communication. Communication comes in many forms; both oral and written. The person may even be communicating just by looking (visual means).

#### 4.2.1 Verbal communication

Speaking as a means of communication can reveal much about a person. The most important verbal tools in ensuring guest satisfaction are the simplest. The basic rules for effective verbal communication are:

- Use appropriate greeting,
- Personalize the conversation,
- Thank the guest,
- Listen thoroughly,
- Avoid jargons and slang.

#### 4.2.2 Visual communication

Communicating visually is as important as communicating verbally. It reinforces what is said verbally. The complete delivery of guest service can be accomplished by incorporating both means.

The rules for effective visual communication are:

- Communicate with smile,
- Be cognizant of body language,
- Look or observe appropriate grooming standards.

#### Common body Language and what they imply while delivering services

- ✚ Crossed arm -----May indicate defensive posture.
- ✚ Leaning across the front desk during conversation-----may indicate aggressiveness.
- ✚ Strong and consistent eye contact-----may indicate confidence.
- ✚ Red eye-----may indicate fatigue.

#### 4.3 Models of communication

1. **Sender** – a person who originates a piece of information is the sender.
2. **Message** – words and non-verbal actions that convey meaning.
3. **Channel** – the method used to transmit the message is referred to as channel. Channels for oral communications can be face to face, over telephone, in group meeting or teleconference. Channels for written words can be letters, memos, rules or regulations, brochures, menus, newsletters and so on.
4. **Receiver** – the ultimate destination of the message is the receiver. The people who receive the message may or may not be the people that the sender intended to get the message. Furthermore, they may or may not interpret the message as the sender intended. Since it is the receiver who interprets the message and ultimately gives it meaning, the sender must take care to assure effective communication.

**5. Feedback** – any message sent from the receiver back to the sender in the form of response is called feedback. It may be the repetition of what the sender said or a question asking for classification. It may even be something as a nod that indicates acceptance or confusion.

#### 4.4 The communication process

In relation to Communication model, Communication process transfers necessary information with the help of the following diagram.

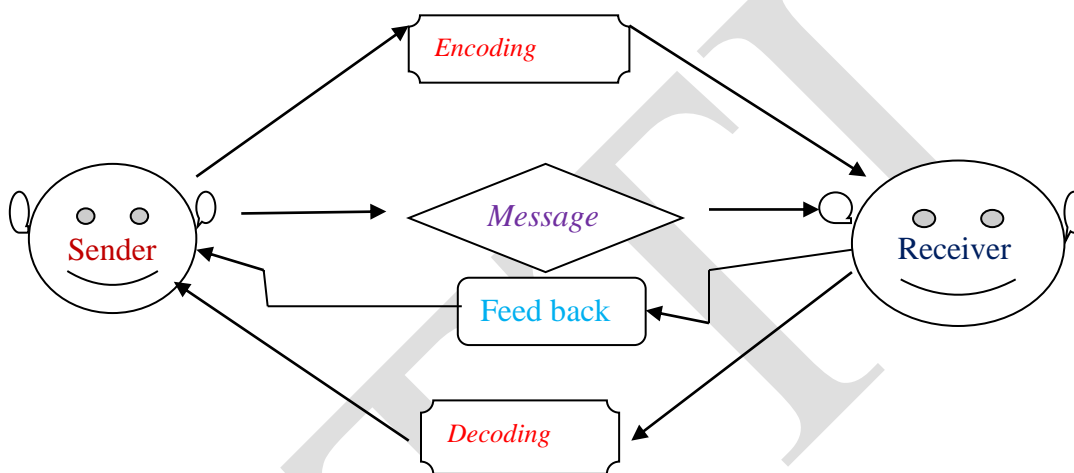


Diagram 4.1 Communication Model

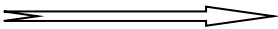
- ✓ **Encoding:** The message that a sender intends to send to the receiver.
- ✓ **Decoding:** The message that a receiver analyze and interpret to the encoded message before sending the feedback to the sender.

In communication process, there are three key elements that determine the feedback of receiver which enables the sender to know whether the feedback is positive, negative or none of the two in three ways.

These key elements are:

- i. **Selective Attention:** When the decoded message's response (feedback) of the receiver to the encoded message of the sender is positive, it is called selective attention.  
 I.e. Positive message  $\Rightarrow$  Positive response/feedback
- ii. **Selective Distortion:** When the decoded message's response (feedback) of the receiver to the encoded message of the sender is negative, it is called selective distortion.  
 I.e. Positive message  $\Rightarrow$  Negative response/feedback

- iii. **Selective Retention:** When the decoded message's response (feedback) of the receiver to the encoded message of the sender is neither positive nor negative, it is called selective retention.

I.e. Positive message  No response

#### 4.5 Barrier to effective communication – how we fail to communicate?

There are many reasons that communication fails. Since the transferring and processing of information are the major products in service, the increase in effective communications will substantially improve the service they provide.

**1. Structure** – the larger the company, the more number of people and offices within the organization that are involved or may have an interest in a particular message. As more people involved, the chances for people to misread the message or get left out increase exceptionally.

**2. Authority/ status** – when the receiver and sender are not of the same authority or status, either one or both may listen or speak in a less than full and open manner. Customer contact employees are all too familiar with this situation within a company. They are not often expected to act as equals when communicating with their boss. Unfortunately this often leads to poor communication. They may withhold or change information because of the desire to impress or a fear of reprimand.

**3. Language problems** – problems of misperceptions are the result of a difference in perception. This usually manifests itself as differences in the interpretations of the connotations of the words. Differences in perception come from a number of sources. The sender and the receiver may come from different regions of the country or world and interpret the word differently. The use of slang or non-standard (substandard) English is another problem. The sender's choice of words can be a source of problems as well. Their use of technical language or jargon is a common problem.

**4. Over loading** – if too much information is sent across a channel at one time, the channel and/ the receiver is over loaded. When the sender provides more information than the channel or the receiver can handle, messages may get lost or garbled

**5. Routing** – routing problems occur when the right message is sent to a wrong person.

**6. Unwillingness of receiver to admit ignorance** – a final cause for miscommunication is the receiver's unwillingness to question what the sender has said. This is usually the result of fear that the sender will think the receiver is ignorant, uncultured or stupid. Unfortunately although this fear is powerful, it is also directly undermines the entire communication process.

Employees better learn to implement empowerment techniques in how they communicate with guests as well. Certain words and phrases should be avoided whenever possible. There are other ways of communicating the same message.



### **Phrases to avoid**

I don't know  
We can't do that  
  
You have to  
No  
  
That is not my job

### **phrases to use instead**

that is a good question. Let me find out.  
well; I haven't encountered this before; let  
Me research it& find a resolution.  
next time here is how you can avoid this.  
we are not able to reduce your room rate but  
We can upgrade your room.  
the person who handles that is Mr. "X" please  
Let me get him.

## **4.6 Appropriate grooming standards**

It is the first and the last perception a guest makes on an employee's appearance. It is for that reason; most travel and hotel industries have instituted employee-grooming standards.

Some grooming standards of personality characteristics of professionals working in Hospitality Industry employees have to:

- Clean uniform and properly pressed, trim, button missing.
- Footwear should match with the uniform and appropriate for job.
- Should wear nametag.
- Hair length, jewelry, make up should be appropriately used.
- Facial hair should be properly shaved and cleared.
- Excellent physical appearance.
- No high sensitive perfumes, cosmetics and deodorants.
- No leg and finger nails.
- Brush tooth to keep it clean.
- Keep body smell good.

## **4.7 Handling of guest complaints**

Every guest's experience is not free from problems at all. Customers don't expect you to be absolute or perfect. Some what they do expect you to fix things when they go wrong.

Techniques of handling guest complaints are the following:

### **a. Listen completely**

Give them your complete attention. Don't multi-task. Don't "half-listen". Write down what they are telling you and get specifics from them. Then confirm that you understand. Focus only on them.

**b. Let them vent.**

Don't interrupt. Don't explain, defend or justify. They don't care why the problem occurred and they don't want your side of the story. They are angry and they want to vent, so let them.

**c. Apologize and mean it.**

This is often hard especially if you did not cause the problem. When you apologize in this situation you are not necessarily taking blame for causing the problem. You are apologizing for the customer having a bad experience. Put yourself in their shoes. Be sincere.

**d. Ask them how you can make things right. Then do more.**

Too many employees have either no response to complaints or a generic, stock response, like taking money off the bill. But those risks making the customer even angrier if that's not what they want done. In fact you might even offend someone by offering him or her discount.

A better strategy is to ask them what they want. You have been genuine and polite. Most people don't want much. They usually just want you to listen. But whatever they say always do it and more. For example, if they ask for their meal free your response might be "Mr. Smith, of course your meal tonight is on the house. But I'd also like to buy you and your family dinner the next time you join us. Would that be okay?"

**e. Assure them you'll fix the problem**

Because you listened and you confirmed their complaint you know why they are upset. Take the next step and assure them you will take action to prevent it from happening again. Otherwise, why would they come back? (By the way, you need to fix the problem too.)

**f. Thank them**

Without direct customer feedback we have no idea if we are delivering the experience our customers want. When they tell us we have failed they are offering

priceless information on how we can improve our business. They are telling us what we need to do to keep customers coming back. So thank them for their help. It's a rare customer who will take the time and effort to offer feedback. Thanking them will go a long way toward winning them back. If your employees handle every customer complaint using these steps, you'll keep 99% of them coming back. You'll have a healthier business because it keeps getting better. And we all know happy, loyal customers are the foundation of a healthy, sustainable business.

### ***Summary***

It is much more important for business to receive feedback from their customers. If the business is doing things that customers like, then this fact should be publicized. If things are going wrong, it is important that the management is made aware that the actual level of service doesn't relate to the quality criteria or to customer expectations.

### ***Activity: I***

Assume that, you are working in a four star hotel as a receptionist. A new client named, Mr. Germy, an American tourist wants to book a room for two nights. He carried two briefcases which contain a digital camera, laptop, money and necessary materials. Per his request, you gave him a room key. Beside this, at front desk and reception area, there was a warning says" If you have an expensive materials such as, gold, diamond, laptop, camera and etc, give them to the receptionist to put it into a secured guest box." Unfortunately, the client didn't see the warning that was written and publicized at front desk and reception area while he booked a room. As a result, he brought the brief cases to his room. Having stayed five minutes in the room, he left for toilet. As soon as he left, the room's door was broken and the two brief cases were stolen. When he came back, surprisingly nothing was in the room!

Answer the following questions based on the above complaint case.

1. Can a client complain the receptionist? How the receptionists handle the client's complaint?
2. Since you are a receptionist and have the responsibility to deal with client's complaint, what will you do being not to spoil the hotel's image?
3. Fortunately, if the client brought the case to the court, who would you think going to be penalized? The receptionist or the client himself?

**Review questions:**

1. Why communication is so important in service industry?  
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2. Compare and contrast visual and verbal communication with their advantages and disadvantages?  
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3. Explain the relationship between communication model and communication process?  
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4. Discuss feedback of some body in relation to selective attention, selective distortion and selective retention?  
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5. What is over loading in barrier to effective communication?  
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6. What are the personal qualities of appropriate grooming standards someone fulfills while delivering customer service?  
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7. What are the methods (techniques) you use to handle client's compliant?  
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## **CHAPTER FIVE**

### **Customer Satisfaction Research**

#### **Objectives:**

The main objectives of this chapter enable students to assess market research especially assessing the feedback of customers on what products and services they consumed, what attitude they have against your services after post purchase decision was made despite that they will be either satisfied, delighted or dissatisfied based on your overall service delivery system and also it tries to give a general high light about the Golden rules that are using in today's Hospitality service Industries.

#### **5.1 Areas of Customer satisfaction research**

Customer satisfaction research begins inside and out side our organization. Our customer satisfaction efforts inside our organization can include obtaining valuable information in three areas.

**A.** whether customer needs and expectations are currently understood by our front line customer contact employees,

**B.** Actual statistical information about our performance regarding these needs and expectations,

**C.** Preliminary competitive information about to include both the identification of competitors and their current practices and performance as it impacts our customer.

Just as our organization should know its actual performance level on all processes important to customers, we should know how our competitors are performing on these processes. We can obtain this competitive information from variety of sources. Certainly the first place to look is with in our organization. Our customer contact personnel may be very familiar with the comparative processes and performance levels of our direct competitors. They may hear about them from shared customers on daily basis.

Next, we can conduct our own sampling of our competitors' performance through visiting their business.

Finally, suppliers can also be an additional source of information concerning our competitors.

## 5.2 Types of customers

Generally speaking, customers fall in three types. These are;

**1. Dissatisfied customers:** Only 4% of all dissatisfied customers complain. 96% just go away. The problem is they don't go away quietly. They tell 10 to 15 people about their bad experience with us. If these customers are telling 10 to 15 people, that would be bad enough. But do we imagine that the telling remains the same from person 1 to person 15? In fact as we all know from personal experience, the story grows and worsen as it is told.

Dissatisfied customer occurs when the expectation of customer exceeds customer's performance/experience.

I.e.  $\text{Expectation} > \text{Performance/Experience}$  or  
 $\text{Performance} < \text{expectation}$

**2. Satisfied customers:** These customers are willing to stay until some thing better comes along. They are satisfied for now. This is the trap that many organizations fall in to on the subject of customer satisfaction.

Satisfied customer occurs when the expectation of customer meet with customer's performance/experience. I.e.  $\text{Expectation} = \text{performance/experience}$

**3. The delighted customers** are actually a power full marketing weapon for our organization. Owners of organizations have realized that delighted customers are singing phrases to others potential customers.

Delighted customer occurs when expectation of customer is less than the customer's performance/experience.

I.e.  $\text{Expectation} < \text{performance/experience}$  or  $\text{Performance} > \text{expectation}$ .

## 5.3 Eight ways to built customer loyalty

Loyal customers spend more, provide free word of mouth promotion and visit more often. Yet small businesses often focus on chasing new customers as a way to improve the bottom line.

Here are ten simple ways to increase loyalty and build profits.

**1. Make a connection, and then plug in.** A recent survey shows that 71% of customers who ended a business relationship did so further research shows that consumers are begging for a conversation with a real person more than ever. In a world filled with tweets, status updates and text messages, it is ironic that consumers, particularly young consumers, seek human interaction as part of their shopping experience. Automated phone systems save money. Call backs from a

well-trained customer service representative earn loyalty. Once you make the personal connection, and then do your thing on face book, text messages, and Google to deepen it.

**2. Shop around.** The best way to discover how to treat a customer is to be one. Academic ability to study consumer behavior using different methods and techniques that enables to measures how positive vs. negative interaction affects consumers' experiences. Next time, you wander to assess those feedbacks on the customer's experience. If you are a service provider shop a competitor's web site or try to navigate their telephone help line. What about your experience made you feel good? What added stress? Take notes.

**3. Consider payment options.**

**4. Say Hello and Goodbye.** Such a small thing, right? The truth is that customers remember the first and last moments of their interaction with you far more than anything that happens in the middle. That means, the way you greet and thank each customer is critical.

**5. Challenge your employees.** Don't assume your employees care about your customers; they probably don't. It is your job to let them know that you expect them to deliver a great experience, and also help them understand that it will make their job much more rewarding.

More importantly, the more the representatives make the case to them, the more excited they get about making it to potential customers. "We come back exhausted but full of new ideas and the employees are always anxious to share with our customers what they discovered for them.

**6. Anticipate needs.** Customers are very good at convincing themselves that they need what they want. It is your job to provide what they want and then just give them a reason to need it. Loyalty comes when you are able to predict what your customers are going to need before they know it. Demand: Creating What People Love Before They Know They Want It.

**7. Invest in the right customers.** We must invest in customers today, recognizing the long term benefit of loyalty is well worth the short term investment.

**8. Do the unexpected.**

#### **5.4 Ten Golden Rules of customer service**

1. It costs far more to gain a new customer than to retain an existing one!
2. Unless you recover the situation quickly, a lost customer will be lost forever!
3. Dissatisfied customers have far more friends than satisfied ones!

4. The customer is not always right, but how you tell them that they are wrong can make all the difference and ultimately they do pay your wages!
5. Welcome complaints, they allow for recovery!
6. In a free market economy, never forget that the customer has a full of choices!
7. Treat internal customers as you would do for external ones!
8. You must listen to your customers to find out what they want!
9. If you don't believe, how can you expect the customer to!
10. If you don't look after your customer, somebody else will do!

### **Summary**

Always we consider how we would to be treated if confronted by our or any organization. We always remind ourselves that we must have consistent standards in our personal and professional lives. We are always seeking value, goods and services, which exceed our needs and expectations, so why should our customers be different?

### **Review questions:**

1. What is customer satisfaction research and why we need it day to day?

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2. Briefly explain types of customers?

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3. What are the Golden rules in service industry and explain each of them separately?

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4. What happened if the Golden rules are failed to be taken into consideration by employees of the company to accommodate customer in service delivery system?

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