Measuring and Managing Service Delivery

HOSPITALITY PRINCIPLE: PURSUE PERFECTION RELENTLESSLY

Unless you have 100% customer satisfaction—and I mean that they are excited about what you are doing—you have to improve.

—Horst Schulze, Former President, The Ritz-Carlton Hotel Company, L.L.C.

Good isn't good enough.

—Len Berry, Service Marketing Author and Scholar

Success is never final.

—J. Willard Marriott Jr., Chairman & CEO, Marriott International, Inc.

LEARNING OBJECTIVES

After reading this chapter, you should understand:

- How to measure the effectiveness of service delivery and of the overall guest experience.

- How to use methods of measuring service effectiveness, including service standards, process strategies, managerial observation, and employee assessment.

- How to acquire guest opinions of service effectiveness using comment cards, surveys (mail, Web, and phone), focus groups, and mystery shoppers.

- How to determine the costs and benefits of the different methods for acquiring guest opinions.

- How to use service guarantees.

- How to achieve continuous improvement in the experience provided to guests.

KEY TERMS AND CONCEPTS

process strategies
management by walking around
 (MBWA)
guest focus groups

job performance standards
service guarantee
structured guest interviews

comment cards
SERVQUAL
mystery shoppers

The service has been planned, and the guests have arrived. Now you must deliver the expected service experience. You hope to provide great service, but how will you know wheather you are succeeding? Accurately measuring what guests think about their hotel stay, restaurant meal, or some other service experience is a difficult challenge for hospitality organizations striving to achieve service excellence. Nevertheless, it must be done. All hospitality organizations face rising guest expectations and an increasing guest unwillingness to settle for less than they think they paid for. This new customer activism has made service quality more important than ever as managers strive to meet both heightened customer expectations and increasing competition.

This chapter focuses on finding out how the guest perceives the quality of the guest experience so that the hospitality manager can see, from the guest's perspective, where there are any problems. The critical challenge for hospitality managers seeking this information is to identify and implement the methods that best measure the quality of the experience from the guest's point of view *as the experience is occurring*. Measurements taken after the experience may be too late to enable recovery from failure, though they may be useful in improving the service experience for the future.

As we have stated throughout this text, the guest determines the quality and value of the service experience. Consequently, an acceptable experience for one guest might be a wow experience for another and totally unacceptable to a third. The subjective nature of the quality and value of a guest experience makes identifying and implementing the appropriate measurements particularly difficult.

One key to creating a flawless guest experience is that the organization must know what errors are being made, what failures are occurring. If you don't know it's broken, you can hardly fix it. Consequently, monitoring and measuring the quality of the guest experience with an eye out for flaws or failures is a crucial part of the hospitality organization's responsibility. Satisfied guests come back, and dissatisfied guests go elsewhere.

The best time to find out about possible service failures is before the guest ever arrives. The best mistake is one that never happens because the organization planned thoroughly to ensure that each part of the experience is flawless. But no matter how well the management planned the meal, scheduled the convention, or designed the hotel lobby, mistakes will happen. The organization wants to have measures in place to identify the mistakes as soon as possible—certainly before the guest leaves the service setting, while the information is still fresh in the guest's mind. Finding out about failure on the spot gives the organization the opportunity to recover. The worst time to learn of a service failure is after the guest has departed because the opportunity to fix it is substantially decreased once the guest has left the premises.

As we have discussed in prior chapters on planning the service experience with blueprinting, fishbone analysis, waiting-line simulations and other techniques, the most effective tool for ensuring quality is through planning to ensure that anything that might go

wrong is anticipated and failsafed to the extent humanly possible. In this chapter we look at techniques for assessing and monitoring how successful this planning has been. Since achieving perfection in hospitality experiences is impossible no matter how thoroughly you plan, we will discuss the art and science of finding and fixing service failures in Chapter 13.

TECHNIQUES AND METHODS FOR ASSESSING SERVICE QUALITY

Process Strategies

Process strategies include various ways in which organizations can avoid failing their guests by monitoring the delivery while it is taking place, while it is in process. A process strategy is a means of comparing what is happening against what is supposed to happen, usually, but not always, expressed as a measurable service standard. Sometimes process strategies are the experience and training that managers and employees have in delivering the high-quality service experience that organizations want their customers to have. The idea behind process strategies is to design monitoring mechanisms into the delivery system to find and fix failures before they affect the quality of the guest experience. A supervisor can monitor telephone calls, a server can check the food order against what is served, or a machine can control the frying time of french fries to get them perfect every time. The advantage of process strategies is that they can catch errors before or as they occur, enabling prevention or immediate correction before the errors impact guest satisfaction beyond repair. Of course, organizations need to devote the resources to create and maintain the error-prevention system, and that has costs.

Hard Rock Cafe, for example, hires an additional person to stand at the end of the food preparation line to match the order against the food on the plate to be served, to catch discrepancies before the guest ever sees the order. Even though the traditional job description for wait staff includes this checking responsibility, the additional person reduces the possibility of error even further. The Opryland Hotel in Nashville cross-trains some of its employees in front-desk service so that they can be called upon in peak demand times when the front desk is extra busy. If line lengths threaten to exceed the service standard, this "swat team" staffs extra positions at the front desk to reduce the wait for the incoming or departing guests.

Service standards that can be applied while the service is in process provide employees with objective measures against which to monitor their own job performance while they are doing it. Specifying the maximum number of times the phone can ring before it is picked up is an example. Other process-related measurements that allow the organization to minimize errors or catch them while the guest experience is underway include the number of times a server should revisit a table during the meal, or the number of people who can stand in line before the manager adds extra personnel to the check-in.

Rusty Pelican Standards

Restaurants know that guests value prompt service. Figure 12-1 shows an example of some of the service standards from the Rusty Pelican Restaurant. Although the full document is nine pages long, Figure 12-1 shows the portion describing how the server should "approach the table and seat the guests." Because the servers themselves determined the standards, they were eager to monitor their own performance and try to meet or surpass the standards. Several benefits resulted. Service quality improved; increased server productivity meant that fewer servers were needed, which increased the tip income of servers;

The Rusty Pelican restaurant has created explicit service standards both to inform servers of the quality of service expected from them and to motivate better service as servers try to beat the standards. The figure on the following page shows just one of nine pages of standards for the restaurant.

Photo by John Meyer. Used with permission by the Rusty Pelican.

customers (to management's surprise) were willing to pay more to receive better service, and servers identified a couple of bottlenecks—potential failure points—that interfered with prompt, reliable service. Smoothing out those points improved service quality even more.[1]

Continually checking the performance of organizational members against preestablished service standards while the service experience is in process is an excellent way to ensure a successful experience. Two other in-process methods of assessing the service quality of the experience while it is happening are managerial observation, sometimes called **management by walking around (MBWA)**, and employee observation and inquiry. If managers or employees ask a guest "how is it?" or see someone unhappy, they might be able to identify and fix a service failure immediately. Some standards of performance are embodied in organizational service guarantees, so organizations will want to keep the terms of these guarantees in mind while providing service. After providing the service experience to the guests but before they have left the premises, the organization may want to solicit their opinions about whether their expectations have been met.

The methods designed to assess quality while service is being provided are intended to ensure the success of individual service experiences. Also important for long-run organizational success is having methods in place for collecting data directly from guests after their experience, to identify the areas needing improvement to satisfy regular guests and attract new ones. Among these methods are comment cards; toll-free 800 numbers; e-mail, telephone, and Web surveys using various techniques; and **guest focus groups**. Mystery shopping is an additional widely used approach for gathering data about the quality of a service experience.

FIGURE **12-1** The Service Standards at the Rusty Pelican

Used with permission by the Rusty Pelican

Approach the table and seat the guests:

1. Server will approach the table and greet guests by name within one (1) minute.
   Immediately after the guest is seated:
   "Good evening Mr. or Mrs. Jones, welcome to the Rusty Pelican". Do not memorize greeting for all tables. Use creativity, vary wording to guests. Do not slouch, but stand up straight. Smile. Hold your tray at the side and not in front of you.
   If guests appear to be rushed, find out what time they must leave and make a notation on top of the check. For guests in a hurry or at lunch, you will discuss the menu and attempt to take order immediately during the greeting. Suggest faster service items.
   Suggest and sell a specific cocktail, appetizer. Use a head nod when making suggestions.
2. Suggest a cocktail to all guests at the table. "May I bring you a Fresh-Lime Margarita with Cuervo Gold and Grand Marnier, a glass or perhaps a bottle of Kendall Jackson Chardonnay?
   For non drinkers suggest "Mocktails" (virgin drinks such as virgin strawberry margaritas). Suggest bottled water. "May I bring you some water?" If response is yes..."we serve Pelligrino, Evian and Perrier. Which would you prefer?" If exotic drinks are not requested, then you may suggest juice, soft drinks, iced tea or coffee.
   Create a "Drink Special for a Day". Tell your guests about the ingredients. Remember to garnish all drinks as specified in the Mr. Boston liquor guide. If your guest would like a cocktail, UPSELL. If he/she orders a scotch on the rocks, ask them "Would you prefer Johnnie Walker Black or Chivas Regal?" Always give two choices.
   REMEMBER: Repeat back the order as the guest orders.
3. Suggest an Appetizer:
   "and how about a delicious _____ made with mouth watering _____ and a tangy _____ sauce, or my favorite _____ to begin your dinner? Encourage guests to share an appetizer!!!
   Use buzz words to entice and describe food and beverages. See attached list of buzz words.
   At lunch, for the benefit of the guest, the total order should be taken at this time, IF GUEST DESIRES.

The various methods differ in cost, accuracy, degree of guest inconvenience, and at what point in the guest experience they are used. Measuring service quality can have many organizational benefits, but as usual, the benefits must be balanced against the costs of obtaining them. The organization must balance the information needed and the research expertise required to gather and interpret the information against the available funds. As a rule, the more accurate and precise the data, the more expensive it is to acquire.

Measures of Service Quality

Managers of outstanding hospitality organizations try to develop measures for every part of the guest experience so that they can monitor where they are meeting or failing to meet their own definition of quality service. These measures are critical to ensure that

the service is delivered to the customer as it should be. According to Phil Crosby in *Quality Is Free*, the price of not conforming to a quality standard can be calculated. That price is how much it costs to fix errors and failures that result from not meeting the quality standard in the first place. Although some may think that determining the cost of not answering phone calls within three rings is impossible, quality experts such as Crosby think it can and should be done.[2]

Some standards are built directly into the design of the service system. For example, a restaurant bar is designed to contain sufficient beer capacity and wine storage space to meet forecasted demand. Some standards are for employee use in anticipating guests coming in the door. To use the restaurant again as an example, if the restaurant has reliable predictions of how many customers come in on the different days of the week, those predictions can be used as a basis or standard for the number of salads that should be pre-prepared, the number of tables that should be pre-set, and the amount of silverware that should be rolled into napkins. If the prediction is correct and the standards for these aspects of the service are met, a service failure should not occur. A final group of standards is used after the guests have arrived and while the service is taking place, such as maximum number of minutes before greeting and number of visits to the table during the meal. Poka-yokes such as those described in Chapter 10 can be used to prevent failures in some of these activities.

Other examples of how performance standards can prevent failures might include annual hours of training required of service personnel, number of computer terminals to be purchased to serve anticipated demand, and number of banquet tables to be set up or other facilities to be available when the organization can reasonably predict requirements before the service experience ever begins.

Table 12-1 provides a summary of the methods and techniques available to hospitality organizations for monitoring and assessing the quality of the service experience while it is being delivered. They all depend on careful planning to set service standards, careful training to prepare the employees to meet those standards, and rewards for employees when the guest experience meets or exceeds the set standards.

Use Many Measures or Just One Super Measure?

Most hospitality organizations measure quality by developing and using standards in as many ways as they can. British Airways, for example, tracks some 350 indicators of quality, ranging from on-time performance, to aircraft cleanliness, to how much time to check in on a flight. It issues a monthly report on its key performance indicators to all of its managers, who can use these internally generated indicators in conjunction with the external customer surveys to assess the quality level of their airline.[3]

Others argue that a "super measure" capturing the most important factor in the experience is a better managerial strategy as it focuses everyone on that one important thing. At the other extreme from British Airways, Continental Airlines, now part of United Airlines, returned to profitability in the mid-1990s by using just one of the BA quality indicators—on-time performance—as a single super measure: Be On Time. For every month that the airline was in the top three of Department of Transportation monthly rankings of on-time flight arrivals, all Continental employees received a bonus. The airline extended the on-time concept throughout its system; everything—from baggage handling to aircraft cleanup—had to be on time. By 2000 Continental had become not only number one in on-time flight arrivals but was also rated number one in customer satisfaction by J.D. Power.[4]

TABLE 12-1 Techniques for Assessing Quality During the Service Experience

TECHNIQUE	ADVANTAGES	DISADVANTAGES
Job performance standards	• Translate service standards into behaviors that can be measured • Provide objective criteria for rewarding employees for doing what the standards require • Allow easy monitoring by supervisors and self-monitoring by employees of what they should be doing	• Can't cover all aspects of every service encounter • May discourage innovative solutions to customer requests falling outside service standards and prescribed behaviors
Managerial observation (MBWA)	• Management knows business, policies, procedures, and service standards • No technology or up-front costs required • No inconvenience to customers • Opportunity to recover from service failure • Opportunity to collect direct, specific guest feedback • Opportunity to identify service problems • Opportunity for immediate coaching or reinforcing of service-providing employees	• Management presence may influence service providers • Lacks statistical validity and reliability • Objective observation requires specialized training • Management may not know enough about situation to gather all the facts • Takes management time away from other duties
Employee observation	• Employees have first-hand knowledge of service delivery system obstacles • Customers volunteer service-quality feedback to service-providing employees • No inconvenience to customers • Opportunity to find and fix service failures immediately • Employee empowerment improves morale • Opportunity to collect detailed guest feedback • Minimal cost for data gathering and documentation	• Objective observation requires specialized training • Employees disinclined to report problems they created • Lacks statistical validity and reliability • Employee trust of management will influence what feedback is shared • Organizational system for collecting/analyzing customer feedback is required
Service guarantees	• Allow customers to see service standards and monitor them • Send employees strong message about organizational commitment to service quality • Document service failures • Enhance likelihood of guest complaining to allow fixing service failures	• Employees may try to avoid mentioning them or honoring them when invoked • Guarantee may not be written in a way that is consistent with the actual service product and may not be taken seriously • Managers may hide guarantee policy to avoid negative performance implications
Structured guest interviews	• Opportunity to collect detailed guest feedback • Ability to gather representative and valid sample of targeted customers • Opportunity to recover from service failure • Suggest that company is interested in customer opinions of service quality	• Require a significant investment in training and time • May not be a representative sample of guests • Difficult and expensive to collect a large sample of respondents • Recollection of specific service experience details may be lost • Memory of other service experiences may bias responses • Respondents tend to give socially desirable responses • Inconvenience makes incentives for participants necessary

Adapted from Robert C. Ford and Susan Bach, 1997. Measuring Service Quality: Tools for Gaining the Competitive Advantage. *FIU Hospitality Review* 15(1):86-87. Reprinted with permission.

Planning as described in Chapter 10 establishes a range of standards before and during the entire experience. If the standards are met, the experience should happen as it is supposed to happen. Now we need techniques and methods to assess how those plans work out in practice.

Service Standards

As discussed in Chapter 10, part of the process of planning a service delivery system is to develop service standards: the organization's expectations for how the different aspects of the service experience should be delivered every time to every guest. In a lot of ways, service standards in services organizations are the equivalent to quality-control standards in manufacturing organizations, except that no QC inspector can use calipers to measure the aspects of the service experience. Instead, service organizations try to invent surrogate measurement tools, such as service standards, to measure the essentially immeasurable service experience as it is being produced. The hope is that using such standards will enable catching and fixing bad experiences in a way similar to that in which the QC inspector catches and tosses bad ball bearings.

Job Performance Standards

The organization can help to ensure success by setting specific **job performance standards**. These standards for specific jobs, derived from the service standards, provide employees with clear and specific performance expectations for each major duty associated with their jobs. When guests are seated in a restaurant, they expect someone to attend to them within a reasonable time. Emeril Lagasse, famed chef, restaurateur, and television personality, tells how he implements his service standard that waiters must take a cocktail order within fifteen seconds of the guest being seated. Salt and pepper shakers are used to signal whether the standard has been met. The shakers are usually together. The person seating the guest subtly separates them, meaning that the drink order has not yet been taken. When servers take drink orders, they subtly put the shakers back together. This simple cue lets everyone see whether the standard has been met.[5] One additional benefit of setting and monitoring standards is that they can encourage employees who seek to meet or beat the standards to develop innovative solutions. Some servers create partnerships with other servers to cover for them when delays keep them from meeting a standard. If they are busy taking an order at a table, the partner will make the initial greeting for them to beat the standard.

On the other hand, the potential benefits of job performance standards may not be realized, and in fact may even become a disadvantage, if the performance standards are not carefully set. If standards are too limiting, employees may be reluctant to deviate from them if guests make unanticipated requests. Nonetheless, the potential benefits of well-designed standards can far outweigh the disadvantages. Performance standards make supervision easier (the manager can see if the employee is performing according to standards) and also facilitate self-management by employees (employees can see in clear terms what the organization's performance expectations are).

To help assess how well job performance standards are being met, employee performance can be monitored, by managers observing performance or by using technology such as a device that monitors how many rings it takes to answer each call, or by the employees self-monitoring their performance. One of the big challenges for managers here is to ensure that their employees do not feel they will be punished for reporting failures to meet standards because of something they did. While it's easy to report a failure someone else or the delivery system made, most people find it hard to report service failures they made.

Managers must make it clear to employees that doing what they can to fix service failures is their first responsibility and that not telling someone who can fix a problem they caused will get them in more trouble than reporting their mistakes.

The keys to the use of job performance standards are that (1) the standards must be clear and relevant to the service being delivered, (2) employees must know what they need to do, how they must perform, to meet those standards, and (3) the standards must be related to things the employee can control. To gain their benefits, though, managers must use job performance standards effectively. They must (1) ensure that they observe enough of each employee's performance so that the evaluation accurately represents how people actually perform, (2) differentiate between levels of service performance (don't just say everyone is great just to avoid confrontation), and (3) give honest feedback to employees of what they are doing effectively and ineffectively. By measuring the extent to which employees meet the standards, the organization will have a good indication of how well employees are doing their jobs in providing the service. By communicating these results to employees through performance feedback, good employees can maintain high performance levels and poorer performers know what they need to improve.

Managerial Observation of the Delivery Process

The simplest and least expensive technique for assessing the degree to which guest-service quality is meeting service standards while service is being delivered involves simply encouraging managers to keep their eyes open, especially to the interactions between employees and guests. Management by walking around, sometimes called in hospitality organizations "walking the front," means that managers are observing the operation first hand, looking for problems or inefficiencies, talking to both guests and employees to assess their reactions, and then recording and relaying any information that might improve service quality. Managers know their own business, its goals, capabilities, formal and informal service standards, and the job performance standards for their employees. They know when employees are delivering a high-quality experience. At their best, these observations do not interfere with service delivery or do not cause inconvenience to guests, and they often permit immediate correction of guest service problems. Further, managerial observation gives the boss the opportunity to reward the excellent employee immediately or counsel the employee who might not be delivering the service as the organization wants it delivered. It provides a modeling situation, a "teaching moment," in which a supervisor observing a service failure can show the employee how to fix the problem. When managers walk the front to serve as coaches and not as spies, their presence favorably influences employee attitudes and performance, and guest satisfaction.

There are, of course, drawbacks to this approach. Some managers may not have enough experience or training to fully understand what they are observing, or they may have biases which influence their objectivity. More importantly, when employees know that managers are observing the service delivery process, they invariably perform it differently. Additionally, although managerial observation may ensure the quality of the experience for a particular guest, managers can't watch every guest–employee interaction. The unobserved guest's reactions to unobserved experiences remain unknown to the manager.

Of course, hiring good managers can mitigate some of these drawbacks. Training them in methods of observing guest–server interactions and measuring servers' performance against quality standards can reduce both ignorance and personal bias. Unobtrusive observational techniques, random observations, and video cameras diminish employee awareness that the boss is watching. For example, many organizations tell their telephone operators and guests that all phone conversations may be "monitored for training

purposes" to eliminate the observation bias by making it uncertain as to when management is actually listening in. The operators know that someone may always be listening, so they do the job by the book. Some larger companies use managers from one location to observe employees at another location as mystery shoppers for the same reason.

Employee Assessment of Guest Experiences

While valuable information can be obtained from managerial observation, employees themselves should be even more aware of how well they are delivering service. Just as managers can observe by walking around, service-providing employees can constantly monitor the guest experience and compare it against either formal standards set by management or informal standards set by their experience, training, and the organization's culture. The process of continuously comparing what they see against what they know they should be seeing enables them to find and fix guest problems, to improve the service as they are delivering it, and to report any findings or observations that might enable improvement of the delivery process.

Line employees are often the best people to find and fix service problems and innovatively adapt the service experience to meet each guest's expectations. They can also provide excellent feedback about the quality of guest experiences that supplements and adds detail to managerial observation. Line employees can provide input on issues such as cumbersome company policies and control procedures, managerial reporting structures, or other processes that inhibit effective service delivery. Because these employees are watching, talking, and listening to guests, they know firsthand about organizational impediments that prevent them from delivering a memorable service experience. The challenge as noted earlier is to make sure that all employees feel safe in reporting all the errors including those they have made. This is a delicate managerial task to build the level of trust that encourages employees to report their own failures. They have to believe from managers' words and deeds that it is better to tell about their failures than to cover them up.

Employee work teams and quality service circles are another source of feedback. The Ritz-Carlton Hotels uses work teams to gather feedback to develop "zero-defect" guest service strategies. Such techniques foster an understanding and appreciation of how each employee can directly influence service quality. Employee awareness of management's strong commitment to service quality is affirmed through work teams. They show not only management trust in employee judgment to correct service problems but also that management is willing to put its money where its mission is by paying for work time lost to team participation and employee training. The entire process of the employee empowerment movement discussed in Chapter 7 depends on such trust.

The Service Guarantee

To make their service standards clear to customers, companies can offer service guarantees, which may be expressed in simple statements such as "Satisfaction guaranteed or your money back; no questions asked" or in complex documents resembling contracts. A **service guarantee** is a publicly expressed, usually written promise either to satisfy guests or to compensate them for any failure in part or all of the service.[6] If both guests and employees know the service standards expressed in the guarantee, both parties can measure quality levels against them as service is being delivered.

Service guarantees are often considered only a marketing tool, to persuade potential guests unsure about an organization's quality to give it a try. They have the potential, however, to do much more for management. That is, they provide a means to encourage

guests to tell the organization what they think of its service quality while sending a strong message to employees about the organization's commitment to provide an experience so good that it can be guaranteed. The guarantee gives guests a strong incentive to tell the organization when a service experience is not meeting their expectations, and it gives the organization a strong incentive to fix whatever problems there may be with its service, staff, or delivery systems, so future guests don't have the same problems. In 1989 Hampton Inn hotels were the first in the industry to offer an unconditional 100 percent satisfaction guarantee: "If you're not completely satisfied, we'll give you your night's stay for free." Every Hampton employee was empowered to approve this refund. According to Stephen Tax and Stephen Brown, the Hampton Inn organization "realized $11 million in additional revenue from the implementation of its service guarantee and scored the highest customer retention rate in the industry."[7]

Here are some examples of service guarantees:

100% Hampton Inn Guarantee: "Friendly service, clean rooms, comfortable surroundings, every time. If you're not satisfied, we don't expect you to pay. That's our commitment & your guarantee. That's 100% Hampton."

Whitbread Travel Inn: "Everything you want for a good night's sleep—100 percent satisfaction or your money back."

Embassy Suites Satisfaction Guarantee: "Embassy Suites Hotels offers an unconditional 100% Satisfaction Guarantee at all of its hotels. The unprecedented guarantee assures that guests will receive high-quality accommodations, clean, comfortable surroundings and friendly, efficient service. If guests are not completely satisfied, they are not expected to pay for that night."

Priceline's Sunshine Guarantee: "Travelers booking on Priceline will be refunded 100% of their air fare, hotel, and car rental if it rains more than 0.5 inches per day on half or more of the holiday. The policy is underwritten by WeatherBill which insures several destination guarantees of vacation perfect weather."

Organizational Advantages of Guarantees

A good service guarantee should meet several important criteria,[8] summarized in Table 12-2. The value of a good guarantee to both guests and the organization is significant. The service guarantee can have a powerful effect on customer intent to return by signaling an organization's commitment to quality to both employees and guests. As described by Chris Hart,[9] service guarantees provide several important benefits for measuring and improving the effectiveness of the service delivery system:

- The guarantee forces everyone to think about the service from the customer's point of view since the customer decides whether to invoke it.
- It pinpoints where the service failed since the customer must give the reason for invoking the guarantee, and that reason then becomes measurement data on the service delivery system. As Chapter 13 will show, a guest complaint helps a hospitality organization become better. Guarantees are an incentive to get customers to complain if their expectations (and the guarantee's terms) have not been met. These complaints help the organization fix whatever is wrong before many more customers have problems.
- It gets everyone to focus quickly on the problem at hand since the costs of making good on guarantees can be quite large. Once a customer invokes the guarantee, the cost in lost revenue directs management's attention to correcting the problem.

JetBlue's Customer Bill of Rights.

JETBLUE AIRWAYS' CUSTOMER BILL OF RIGHTS

JetBlue Airways' Customer Bill of Rights

Above all else, JetBlue Airways is dedicated to bringing humanity back to air travel. We strive to make every part of your experience as simple and as pleasant as possible. Unfortunately, there are times when things do not go as planned. If you're inconvenienced as a result, we think it is important that you know exactly what you can expect from us. That's why we created our Customer Bill of Rights. These Rights will always be subject to the highest level of safety and security for our customers and crewmembers.

INFORMATION
JetBlue will notify customers of the following:
- Delays prior to scheduled departure
- Cancellations and their cause
- Diversions and their cause

CANCELLATIONS
All customers whose flight is cancelled by JetBlue will, at the customer's option, receive a full refund or reaccommodation on the next available JetBlue flight at no additional charge or fare. If JetBlue cancels a flight within 4 hours of scheduled departure and the cancellation is due to a *Controllable Irregularity*, JetBlue will also issue the customer a $100 Credit good for future travel on JetBlue.

DELAYS (Departure Delays or Onboard Ground Delays on Departure)
For customers whose flight is delayed 3 hours or more after scheduled departure, JetBlue will provide free movies on flights that are 2 hours or longer.

DEPARTURE DELAYS
1. Customers whose flight is delayed for 1-1:59 hours after scheduled departure time due to a *Controllable Irregularity* are entitled to a $25 Credit good for future travel on JetBlue.
2. Customers whose flight is delayed for 2-3:59 hours after scheduled departure time due to a *Controllable Irregularity* are entitled to a $50 Credit good for future travel on JetBlue.
3. Customers whose flight is delayed for 4-5:59 hours after scheduled departure time due to a *Controllable Irregularity* are entitled to a Credit good for future travel on JetBlue in the amount paid by the customer for the oneway trip less taxes and fees.
4. Customers whose flight is delayed for 6 or more hours after scheduled departure time due to a *Controllable Irregularity* are entitled to a Credit good for future travel on JetBlue in the amount paid by the customer for the roundtrip (or the oneway trip, doubled) trip less taxes and fees.

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ONBOARD GROUND DELAYS
JetBlue will provide customers experiencing an Onboard Ground Delay with 36 channels of DIRECTV®*, food and drink, access to clean restrooms and, as necessary, medical treatment. For customers who experience an Onboard Ground Delay for more than 5 hours, JetBlue will also take necessary action so that customers may deplane.

Arrivals:
1. Customers who experience an Onboard Ground Delay on Arrival for 1-1:59 hours after scheduled arrival time are entitled to a $50 Credit good for future travel on JetBlue.
2. Customers who experience an Onboard Ground Delay on Arrival for 2 hours or more after scheduled arrival time are entitled to a Credit good for future travel on JetBlue in the amount paid by the customer for the roundtrip (or the oneway trip, doubled) less taxes and fees.

Departures:
1. Customers who experience an Onboard Ground Delay on Departure after scheduled departure time for 3-3:59 hours are entitled to a $50 Credit good for future travel on JetBlue.
2. Customers who experience an Onboard Ground Delay on Departure after scheduled departure time for 4 or more hours are entitled to a Credit good for future travel on JetBlue in the amount paid by the customer for the roundtrip (or the oneway trip, doubled) less taxes and fees.

In-flight entertainment:
JetBlue offers 36 channels of DIRECTV® service on its flights in the Continental U.S. If our LiveTV™ system is inoperable on flights in the Continental U.S., customers are entitled to a $15 Credit good for future travel on JetBlue.

OVERBOOKINGS (As defined in JetBlue's Contract of Carriage)
Customers who are involuntarily denied boarding shall receive $1,000.

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These Rights are subject to JetBlue's Contract of Carriage and, as applicable, the operational control of the flight crew, and apply to only JetBlue-operated Rights.
*DIRECTV service is not available on flights outside the continental United States; however, where applicable, movies from JetBlue Features are offered complimentary on these routes.
This document is representative of what is reflected in JetBlue's Contract of Carriage, the legally binding document between JetBlue and its customers.

JetBlue Airways

- It enhances the likelihood of recovery from a service failure, because the guest is encouraged to demand instant recovery, instead of sending in a negative guest comment card and taking the business to a competitor.
- It sends a strong message to employees and customers alike that the organization takes its service quality seriously and will stand behind it.

If the company has a strong and well-understood service guarantee that its customers can and do readily invoke, everyone in the organization can learn much about the service delivery system from its use. Embassy Suites, for example, takes its guarantee so seriously that it has created multiple ways to inform guests about the guarantee, such as posting it on a lobby sign and having it mentioned by the person taking the reservation, the van driver, and the front desk agent. Using multiple means increases the likelihood that the guest will know about the guarantee and its message of quality, believe that the guarantee is real, and use it when things go wrong. The guarantee gives Embassy Suites the opportunity to fix any service failures before the guest leaves and to solicit feedback from its guests about any dissatisfaction with the hotel experience.[10]

TABLE 12-2 The Characteristics of a Good Service Guarantee[11]

1. *Unconditional.* The more asterisks attached to the bottom of the page and the more fine print, the less credible the guarantee will seem to both employees and customers. Few or no conditions should be required to use the guarantee.

2. *Transparent.* The guarantee must not appear to have any catches or special conditions. The guarantee should be clear and straightforward and all the "rules" should be known by the customer.

3. *Credible with a high perceived value.* If customers don't believe you will really make good, then they won't use the guarantee. They think "If it sounds too good to be true, it probably is." The classic illustration is Pizza Hut Delivery's 30-minutes-or-free guarantee, which was changed partly because people thought it was too good to be true.

4. *Focused on key features of the service.* The guarantee should focus on the services that the guests are most concerned about or the core features of the service product.

5. *Supported by significant compensation to the customer.* The remedy or compensation should cover the guest's dissatisfaction completely. If invoking the guarantee only partially solves the customer's problem or is of little consequence to the organization, neither the customer nor the service people will value the guarantee.

6. *Easy to understand and communicate.* Follow the old KISS rule: Keep It Simple Stupid. The more complicated the guarantee is, the less likely anyone will believe or use it.

7. *Easy for customers to invoke.* Invoking the guarantee and receiving its benefits should be painless for the guest. The harder a guarantee is to use, the less credible it will be and the less likely it will help identify serious service problems. Don't ask customers to fill out a bunch of forms and talk to several different departments to have their problem solved. It wasn't their fault you messed up so why should they have to do all the work to get it fixed?

8. *Easy to implement.* The policy must also be easy for the company to use. If employees do not have the authority to implement the guarantee or if internal bureaucratic hurdles unduly delay processing the guarantee, the customer will not perceive the company to be taking its guarantee seriously.

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Potential Disadvantages of Service Guarantees

Service guarantees do have some downsides. Perhaps the most obvious one is that employees will not always honor a guarantee when it is invoked. Supervisory commitment to the guarantee must be shown to reinforce for employees that the organization wants to make the guarantee known to guests and honor it without qualification or quibbling when guests invoke it. However, some supervisors may believe that reporting service guarantee use may negatively impact their annual reviews. They may avoid reporting the data generated by the service guarantee that could help to improve the service delivery system. Therefore, the organization must offer incentives to encourage managers, employees, as well as guests to invoke service guarantees. Companies must also be wary of guests who may inappropriately invoke the service guarantee. To avoid abuses of the guarantee, for example, Hampton keeps a database of customers who have invoked it and recommends another hotel to guests who repeatedly violate the company's trust. All parties must clearly understand what the guarantee covers in sufficiently specific terms so that they all take it seriously and use it only when it is appropriate.

Asking Guests the Right Questions

One of the best ways to find something out is simply to ask. Besides the manager and employees' informal observations and inquiries mentioned earlier, there are three additional in-process methods for acquiring the opinions of guests before they leave the service setting: informal queries by employees, formal inquiries by employees, and structured guest interviews.

Informal Queries by Employees

The most basic way to discover a service problem is simply to ask the guest. The desk agent who asks about your stay as you check out is a good example. Asking "Was everything OK?" may be the simplest and most effective way to find out if there was a problem. Some hotels ask employees to act informally as "lobby lizards" by randomly approaching guests on the property and asking about their experience. Of course, employees should be able to respond if the answer is "no." Don't ask this question unless you are prepared for a negative answer. Studies show that whether customers seek redress of a problem or simply let it go is determined by their perception of whether the organization really wants to hear about it and will act on it. Even customers who are reluctant to complain are more likely to do so if they perceive that the organization cares and will solve the problem.[12] Asking is a basic way to find out if your service has met the guest's standards.

Formal Inquiries by Employees

As noted earlier, employees are often in the best position to gather feedback from guests by just listening to them. But this role can be expanded in a more structured way. For example, rather than simply ask "How was your stay?" or "How was your meal?" a front desk agent or restaurant cashier can ask guests a series of carefully developed questions about their experience and then listen carefully to what they say and observe how they say it. Because guests may not always recall or report all the important details, employees recording guest reactions and responses in a systematic survey program can use questions that are professionally developed and validated, perhaps even scripted, to help ensure that the information gathered is useful and accurate for both immediate recovery from service failure (if discovered) and for further analysis.

Acquiring feedback in this way, before guests leave the premises, may allow recovery from service failures that might otherwise go unnoticed or unreported. Guests who have not yet left can be offered some compensating benefit or at least an apology to try to offset any failure. Employee training for many hospitality positions should, therefore, include appropriate service-recovery techniques, since research confirms that the organization benefits greatly from soliciting and quickly resolving guest complaints. As we shall discuss further in Chapter 13, effective hospitality managers know that recovering from service failures yields greater guest loyalty and repeat visits. In addition, because service quality information derived directly from the guest is highly believable to both employees and management, it motivates a quick recovery from service failures.

Structured Inquiries by Professional or Trained Interviewers

Face-to-face guest interviews provide rich information when trained interviewers, able to detect nuances in responses to open-ended questions, have the opportunity to probe guests for details about their experiences. These in-depth interviews can uncover previously unknown problems or new twists to known problems that might not be uncovered in a preprinted questionnaire or reflected well in numerical data. However, **structured guest interviews** are costly. The interviewers must be hired and trained, interview instruments must be custom designed, and they must be implemented on a clear and consistent schedule. Of course, it is impossible to conduct such in-depth interviews to all guests, so guests are typically selected at random. At theme parks and similar attractions, teams of interviewers roam the parks seeking guest responses. These conversations not only gather useful information about the guests' assessment of service quality but also enable the identification of any service failures that can be corrected while guests are still on the property.

As an alternative to hiring professional interviewers into your company, you may employ professionals skilled in customer intercepts to conduct the structured guest interviews. These consultants can design and implement the structured guest interview and provide a detailed report of the results to the organization. Because many businesses do not have the time, resources, or skills needed to design an appropriate structured interview, it is often more efficient to hire professionals to carry out this specialized task.

Regardless of who is conducting the interview, though, it is critical that accurate information is collected from guests. To get appropriate participation, inconvenienced guests must be compensated for participating. Without incentives, most guests see little personal benefit from participating in an interview unless, as with guest comment cards, they are motivated by being very satisfied or very dissatisfied with the service experience. Finally, for most experiences, the most desirable time to interview guests is at the conclusion when the experience is over but before the guest leaves in case there is a problem requiring resolution. Getting guests' attention and cooperation when they are most likely anxious to leave, however, can be a significant challenge.

MEASURING SERVICE QUALITY AFTER THE EXPERIENCE

Companies need good information from their guests in order to evaluate service performance and to make any needed changes. The service experience must be measured carefully and continuously, to make sure that it consistently meets guest expectations.

Service quality can be measured both during and after the service experience. Collecting information during the experience—by means of managers and employees comparing the actual service experience against service standards and other methods previously discussed—provides immediate information and may allow the company to repair the damage if service failures occur (service recovery is the topic of Chapter 13). Collecting information after the service generally allows more data to be accumulated and can yield a more representative sample of the organization's entire customer base. This sampling process allows more thorough analysis of the service systems. Results can be fed back to service planners who can then make changes and continuously improve the service.

Techniques to collect data directly from guests vary in cost, convenience, objectivity, and statistical validity. Informal methods are quick and easy, but generally lack validity. Formal methods generally can offer statistically valid, reliable, and useful measures of guest opinion that informal options cannot. Yet, even formal methods can range in sophistication, precision, validity, reliability, complexity, and difficulty of administration. The formal methods are generally more expensive than the informal ones.

The previously described methods of monitoring and assessing quality during service delivery and before guests have left the service setting are critically important in meeting the expectations of guests receiving service. But, to meet the goal of continuous improvement and to plan for future service success, hospitality organizations need methods for obtaining data from guests who have already experienced the service. The following pages describe several of these methods: comment cards, toll-free 800 numbers, mail and Web surveys, telephone surveys, critical-incidents surveys, the SERVQUAL instrument, and guest focus groups. A special service-assessment method called mystery shopping is also covered. Table 12-3 summarizes the techniques that may be used to assess service after the service experience.

TABLE 12-3 Techniques for Assessing Quality After the Service Experience

TECHNIQUE	ADVANTAGES	DISADVANTAGES
Comment cards	• Communicate company interest in customer opinions of service quality • Signed cards are an opportunity to recover from service failure • Low-to-moderate start-up cost • Minimal cost for data gathering and documentation • If printed in-house, can be modified easily to evaluate needs or new service products	• Self-selected sample of customers not statistically representative • Comments generally reflect extreme guest dissatisfaction or extreme satisfaction • Limited in information provided • Employees can influence results • Time lag between filling out and reading of card • Lack of specifics may make it difficult to use information to find real problem
Toll-free 800 numbers	• Permit potential and prior customers to ask questions, volunteer opinions on service • Opportunity to recover from service failure • No cost to callers	• Self-selected sample of customers not statistically representative • Comments generally reflect extreme guest dissatisfaction or extreme satisfaction • Time lag between experience and making phone call may cause important feedback to get lost in memory
Surveys: mail and Web, phone, critical incidents	• Gather info from potentially representative samples of targeted customers • Opportunity to recover from service failure • Allow follow-up discussion to probe into potential problems and opportunities in all parts of service experience • Send message that company cares enough about its service quality to spend money to ask customers what they think about it	• Recollection of details of a specific service experience can be inexact • Other service experiences may bias or confuse responses because of time lag • Inconvenience of participation makes offering incentives to participants necessary • Cost to construct questionnaire and then gather and analyze data from representative sample can be great • Responses may still represent only highly satisfied or dissatisfied guests
Guest focus groups	• Permit potential and prior customers to ask questions, volunteer opinions on service • Gather info from potentially representative samples of targeted customers • Send message that company cares enough about its service quality to spend money to ask customers what they think about it • Allow follow-up discussion of potential problems and opportunities identified by group	• Are very expensive • Rely on facilitator skill to enable group participation and focus discussion • Small sample can lead to misidentification of important or overemphasis on unimportant opportunities and challenges in total service experience

(continues)

TABLE 12-3 Techniques for Assessing Quality After the Service Experience (*Continued*)

TECHNIQUE	ADVANTAGES	DISADVANTAGES
Mystery shoppers	• Unannounced observation by seemingly typical guests allows sampling of typical experience, not "dressed up" • Can be scheduled to observe/test specific training outcomes, times of day, or problem areas • Can be used to observe competing organizations • Provide more detailed data on all elements of service experience • Can be very accurate on objectively measured elements of experience • Are more accurate than guest feedback on subjective aspects of experience • Employees see shopper feedback as less subjective than manager's performance review	• Are expensive • May not be used often enough to gather statistically accurate data • Shopper biases, other experiences, and preferences can over- or underemphasize quality assessments

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Comment Cards

Other than asking guests the right questions before they leave, **comment cards** are the cheapest and easiest to use of all formal data collection methods. If properly designed, they are easy to tally and analyze. These advantages make them attractive for gathering guest-satisfaction data, especially for smaller organizations that cannot afford a quality assessment staff or consultants. Widely found throughout the hospitality industry, comment cards rely on voluntary guest participation. Guests rate the quality of the guest experience by responding to a few simple questions on a conveniently available form, typically a post-card. Guests deposit the form in a drop box, return it directly to the service provider, or mail it to the corporate office.

Increasingly, companies are using the Internet to implement the comment cards method. Companies provide Web addresses in visibly prominent areas on their printed material such as credit card receipts and bill copies; many post them in their ads, on their coupons, and any other place their customers might see them. Most organizations use a "contact us" link on their Web sites to provide a mailing address and contact names for those customers who prefer to write their comments to a specific person or functional area. Many paper comment cards include a Web address so that customers can complete the card online rather than on paper. Some companies such as Marriott and Olive Garden have completely replaced paper comment cards with electronic ones. The benefits of using the Internet to collect comment cards are that the data can be easily monitored, sorted, and analyzed, and the technology usually offers an easy way for the company to respond to customer comments.

What questions should appear on the comment cards? The organization studies its guests to determine their expectations and then embodies those expectations in the comment-card questions. If studies show a restaurant that its guests expect a friendly greeting, a properly setup table area, and overall cleanliness, its card will ask guests

Maxie's Supper Club, located in Ithaca New York, strives to provide great New Orleans-style food and warm professional service

Maxie's Supper Club and Oyster Bar

Maxie's Supper Club's Comment Card.

MAXIE'S SUPPER CLUB AND OYSTER BAR

comments & suggestions

What do you like about Maxie's Supper Club?: _____

_____

_____

What would you change about Maxie's if you owned it?: _____

_____

_____

Maxie's Supper Club and Oyster Bar

Name: _____

Address: _____

Email: _____ **Phone:** _____

☐ **Check here to receive our e-newsletter "SUPPER CLUB LIFE" every two months**

• • • **Your comment card will be entered into a monthly drawing for a free dinner for two** • • •

about those elements of the guest experience. If an organization tries to differentiate itself from similar organizations, questions regarding the differentiating factors may appear on the comment card, so that the organization can gauge the success of its differentiation strategy.

Once the issues that the comment card should address are known, it should then be carefully designed. To do this, according to Bartkus and colleagues,[13] comments cards should adhere to the following guidelines:

1. Include a secure return mechanism (e.g., locked drop box or postage-paid mail)
2. Make introductory statements brief and neutral, not leading
3. Provide an opportunity to complete the comment card using the Internet
4. Limit the number of questions; don't make the survey too long
5. Provide enough writing space for open-ended questions
6. Make questions concise, and ask about only one issue in each question
7. For closed-ended questions, use at least five response points
8. Make questions neutral (e.g., "How was your stay") rather than containing positive cues (e.g., "What did we do especially well?") or negative ("Were there any problems with your stay?").

Of course, comment cards are available in many forms and styles. Consider the following examples:

• The West Inn and Suites[14] asks guests to evaluate the front desk, housekeeping, maintenance, and breakfast, in addition to providing general comments using a four-point scale (Excellent, Good, Fair, and Poor) with an opportunity to provide open-ended comments also.
• The Hilton Garden Inn at the Montreal Airport uses a ten-point scale to assess overall satisfaction and two questions related to the likelihood of return and overall value for price paid.
• The Rusty Pelican asks guests how often they visit, their favorite thing about the restaurant, what the restaurant should do to get them to visit more often, and whether they'd recommend the restaurant to a friend, and it provides a place for "other comments."

Completed comment cards indicate whether the organization is meeting the general expectations of the guests who take the time to fill them out. Written remarks about long waits for food, long lines at the front desk, or housekeeping problems reveal the weaknesses of the service delivery system, the personnel and their training, and the service product itself. Positive comments provide management with the opportunity to find and fix service delivery system problems, rework the service product, and, importantly, recognize employee performance. Positive comments can be used to reinforce the behaviors that lead to good guest service and create role models and stories about how to provide outstanding service that other employees can use in shaping their own behavior in their jobs. Negative comments can be used for individual coaching, departmental training (without mentioning specific employees) to illustrate behaviors that caused negative guest experiences, and as input for reviewing employee training programs. Using comment cards in these ways allows managers to coach and train employees about how to provide excellent guest service through the voices of the guests themselves.

Comments accumulated from cards may be categorized and plotted as numerical values on bar graphs and charts that visually display how guests perceived their experience. The plots will suggest whether service failures are occurring occasionally and randomly, or whether overall service quality might be deteriorating.

Disadvantages

The greatest disadvantage of comment cards is that many guests ignore them and don't fill them out, so the cards received are not likely to be a true general picture of guest perceptions. Typically, only 5 percent of customers are motivated to return comment cards, and they are usually either very satisfied or very dissatisfied with the service experience. Managers don't even know what percentage of the delighted total or the dissatisfied total these responses represent. The other 95 percent say nothing. Were they happy, unhappy, or indifferent? You might guess that they are indifferent, but there is a very good chance you would be wrong. A large percentage of dissatisfied guests fill out no cards, leave quietly, and never return. To help overcome the lack of response, some companies use incentives, like coupons or potential cash prizes, to encourage participation. These incentives do help increase participation, but of course they also cost additional money.

Another major disadvantage of comment cards, and in fact of many methods for acquiring feedback, is that the time lag between guest response and managerial review prevents on-the-spot correction of service gaps and failures. Once the moment of truth has passed and the angry or disappointed guest leaves after expressing negative responses on a comment card, the opportunity to recapture that guest's future business is diminished. Even worse, negative word-of-mouth advertising generated by dissatisfied guests cannot be corrected. Moreover, card usefulness can be impacted by employees themselves who may try to influence guests in filling them out. Some employees will watch guests while they fill out cards or even tell guests what to put down on the cards to influence the grades given, especially when scores may affect employees personally. If bonuses rest on comment-card scores, good comment cards will be kept and bad ones may disappear.

While guest comments and their visual representations are interesting and helpful to management, the information lacks statistical validity, one reason being that the random-sample requirement of most statistical techniques is not met because the guests who respond tend not to be representative of all customers that organization serves.

Because of the negatives associated with comment cards, some restaurants simply decide not to use them. For example, one of this book's authors asked the hostess at a Legal Sea Foods restaurant for a comment card. She said that the restaurant no longer uses them, and then asked if he would like to speak to a manager. Such a procedure conveys a simple yet powerful message: don't fill out a card; instead, tell us about your experience, and, if there is a problem, let us hear directly from you so we can try to fix it immediately.

Toll-Free 800 Numbers

Another way of measuring the quality of service is the customer-service 800 telephone number. This technique lets customers say what's on their minds twenty-four hours a day. This method also allows companies to get back in touch with customers to let them know how they addressed problems and comments. Like the guest comment cards, the usefulness of the 800 number depends upon the willingness of the guests to respond, and even the convenience of this method does not guarantee a representative response from all types of guests. Some companies also offer incentives such as coupons to encourage customers to call the 800 numbers. Others enter the caller into a lottery to win cash or other prizes.

New Technologies for Gathering Feedback

As technology changes and improves, companies are looking for new ways to get new and better information from their customers. The goal is to use new technology to solicit more

representative feedback, get better response rates, and be able to use the information more effectively.

For example, Marriott's Fairfield Inns developed their Fairfield Inns Scorecard program as a means to get greater customer participation than comment cards, 800 numbers, or Web sites typically receive. At checkout, guests are asked to answer several brief questions on a computer touch screen while the receptionist is processing the bill. Responding by touching a computer screen is easy and the guests need to wait at least briefly as the bill is processed. Most guests are willing to share their opinions about the quality of their hotel stay while the experience is fresh in their minds. This provides much better information to Marriott than they would receive if they received comment cards from just the very happy or very unhappy customers.[15]

BD's Mongolian Barbeque uses an electronic customer comment card. This hand-held device is provided to each table at the end of a meal. Customers input data that are immediately processed. The technology encourages more customers to complete the evaluation and enables easier analysis of the data. For example, the company can look at evaluations by server and shift and can track the number of declined requests to complete the survey. Furthermore, by means of a wireless paging system, the device also alerts managers to serious guest problems (such as a guest indicating that she does not plan to patronize the operation again), allowing the manager to take immediate action.[16]

Hospitality organizations seeking feedback on their service experiences will find ways to take advantage of the Web generation's inclination to be in constant communication with everybody as much as possible. Some organizations are already providing addresses so that customers can tweet their reactions while they are still in the midst of their experiences.

Surveys

Mail/Web Surveys

Well-developed mail or Web-based surveys, sent to an appropriate and willing sample, can provide trustworthy information concerning guest satisfaction. Brinker International, the parent company of such restaurants as Chili's, On the Border Mexican Grill and Cantina, and Maggiano's Little Italy, has developed a variation that combines the mail survey and the frequent-diner card program. The feedback advantages of the survey join with the card's promotion of guest loyalty and return visits. Once Brinker obtains basic guest demographic information on an application form for the card, it not only can record the buying patterns for that customer whenever the card is used but it can use the guest's address information to follow up with mailed surveys that will collect valuable feedback on eating preferences and patterns.

Yet, while organizations can use mailed or Web surveys to their benefit, many uncontrollable factors can influence guest responses to them. Inaccurate and incomplete mailing lists or Web addresses, or a simple lack of interest in responding, can produce a participation rate too small to provide useful information. In addition, the time lag between the experience and filling out a survey can blur a guest's memory of details. Further, many people have so many experiences across their lives that it is difficult to recall specifics of any one of them, especially when it was brief or unmemorable. Trying to learn why the experience you provided is not memorable is impossible when customers can't remember anything about it.

While these surveys are usually used to generate reports full of numbers, the subtleties of the guest experience and guest perceptions cannot be fully expressed numerically. Also, averages may not be sufficiently informative. If some guests remember an experience as

terrific and give it a high rating while an equal number of other guests rate it low as terrible, the numerical average would suggest that guest expectations were met on average.

Finally, formal mail or Web-based survey techniques require proper questionnaire development, validation, and data analysis, so they can be expensive.

Telephone Surveys and Interviews

Telephone surveys and interviews are another useful method for assessing customer perceptions of service. Car dealerships, for example, frequently use telephone surveys to measure customer satisfaction with a recent transaction. In the hospitality industry, some tour operators call their customers to obtain feedback about a recent vacation experience while paving the way for subsequent travel arrangements.

Telephone surveys and interviews are easy to conduct and can be inexpensive. If the company's own employees make the calls in their slack times, the only costs are for setting up a well-designed interview/questionnaire and a calling strategy/protocol that will yield the best possible statistical results. The data-collection process must ensure that the data are captured into a database that will permit solid analysis of the responses. Moreover, a telephone survey allows the immediate identification of service failures (or successes). The guest being called might well tell the interviewer about a failure that would not otherwise have been reported to anyone who might be able to fix it or offer restitution. Finally, the telephone survey allows the company caller to probe deeper into issues raised by the respondent in ways that no online or mailed questionnaire can. Only a face-to-face encounter is a better way of digging deeper to capture the whole story behind either a service success or failure in sufficient detail to ensure that the service experience was provided in the way it was supposed to be or to find out why it wasn't.

Unfortunately, although telephone interviews eliminate the inconvenience to guests of gathering information while guests are still in the service location, they do present other challenges. Telephone interviews can be expensive when organizations use a trained interviewer who uses a sophisticated questionnaire to solicit feedback from guests. When data analysis and expert interpretation are included, the total cost for a statistically valid survey can become quite high.

This technique, like surveys, also relies on retrospective information that can be blurred by the passage of time. If the service received was too brief or insignificant for guests to recall accurately, or if guests have no special motivation to participate, the information they provide is likely to be unreliable or incomplete. In addition, in this age of intense telephone solicitation, customers often regard telephone surveys as intrusions on their time and violations of their privacy. Annoyed respondents feeling resentment toward the organization for calling them at home are likely to bias the data. Red Lobster and Captain D's avoid some of these difficulties by building into their guest checks a code that asks every nth guest to call an 800 number to respond by pressing Touchtone buttons to questions about their experience at the restaurant. In return for participation, the restaurant offers coupons for free desserts or "two entrées for the price of one" when the guest visits the next time.

Critical-Incidents Surveys

Another important survey tool is the critical-incidents technique. Through interviews or paper-and-pencil surveys, customers are asked to identify and evaluate numerous moments—classified as dissatisfiers, neutral, or satisfiers—in their interactions with the organization. The survey lets the organization know which moments are critical to customer satisfaction, and the critical dissatisfiers can be traced back to their root causes and rectified.

In one study done by a cruise line, for example, passengers were asked to describe one positive and one negative aspect of their cruise either on board or at a port of call that might have impacted their decision to take another cruise with this company's ships. Analysis of the responses indicated that ten negative and eight positive categories or themes emerged as critical incidents and factors. Once the cruise line knew which incidents passengers viewed as most important in determining their post-cruise evaluations of satisfaction (e.g., service, staff, and food), it could concentrate on turning any incidents with negative ratings into positives.[17]

Servqual

Of the many service quality measures that have been developed,[18] one well-accepted technique is **SERVQUAL** (short for "service quality"), developed by A. Parasuraman and his associates. An adaptation of the SERVQUAL survey instrument, designed to evaluate service quality at Belle's Restaurant, is presented in Figure 12-2. SERVQUAL has been

FIGURE 12-2 Instrument for Measuring Guest Perceptions of Service Quality at Belle's Restaurant

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DIRECTIONS:

Listed below are five features pertaining to Belle's Restaurant and the services they offer. We would like to know how important each of these features is to you when you evaluate a restaurant's quality. Please allocate a total of 100 points among the five features according to how important each feature is to you—the more important a feature is to you, the more points you should allocate to it. Please ensure that the points you allocate to the five features add up to 100.

1. The appearance of the restaurant's physical facilities, equipment, and personnel. _____ points
2. The ability of the restaurant to perform the promised service dependably and accurately. _____ points
3. The willingness of the restaurant to help customers and provide prompt service. _____ points
4. The knowledge and courtesy of the restaurant's employees and their ability to convey trust and confidence. _____ points
5. The caring, individualized attention the restaurant provides to its customers. _____ points

DIRECTIONS:

Based on your experience as a customer of restaurants, please think about the kind of restaurant that would deliver excellent service quality. Think about the kind of restaurant at which you would be pleased to eat. Please show the extent to which you think such a restaurant would possess the feature described by each statement. If you feel a feature is not at all essential for excellent restaurants such as the one you have in mind, circle the number "1" for Strongly Disagree. If you feel a feature is absolutely essential for excellent restaurants, circle "7" for Strongly Agree. If your feelings are less strong, circle one of the numbers in the middle. There are no right or wrong answers—all we are interested in is a number that truly reflects your feelings regarding restaurants that would deliver excellent service quality. **[The 22 survey items for this section are the same as those in the next section, but without any reference to Belle's Restaurant.]**

DIRECTIONS:

The following set of statements relate to your feelings about the service at Belle's Restaurant. For each statement, please show the extent to which you believe Belle's Restaurant has the feature described by the statement. Once again, circling a "1" means that you Strongly Disagree that Belle's Restaurant has that feature, and circling a "7" means that you Strongly Agree. You may circle any of the numbers in the middle that show how strong your feelings are. There are no right or wrong answers—all we are interested in is a number that best shows your perceptions about the service at Belle's Restaurant. [On the instrument itself, the five category labels (Tangibles, etc.) would be omitted.]

TANGIBLES

1. Belle's Restaurant has modern-looking equipment.
2. Belle's Restaurant's physical facilities are visually appealing.
3. Belle's Restaurant's employees are neat-appearing.
4. Materials associated with the service (such as menus) are visually appealing at Belle's Restaurant.

RELIABILITY

5. When Belle's Restaurant promises to do something by a certain time, it does so.
6. When you have a problem, Belle's Restaurant shows sincere interest in solving it.
7. Belle's Restaurant performs the service right the first time.
8. Belle's Restaurant provides its services in the way it promises to do so.
9. Belle's Restaurant insists on error-free service performance.

RESPONSIVENESS

10. Employees of Belle's Restaurant tell you exactly when services will be performed.
11. Employees of Belle's Restaurant give you prompt service.
12. Employees of Belle's Restaurant are always willing to help you.
13. Employees of Belle's Restaurant are never too busy to respond to your requests.

ASSURANCE

14. The behavior of Belle's Restaurant employees instills confidence in customers.
15. You feel safe in going to Belle's Restaurant and doing business with them.
16. Employees of Belle's Restaurant are consistently courteous to you.
17. Employees of Belle's Restaurant have the knowledge to answer your questions.

EMPATHY

18. Belle's Restaurant gives you individual attention.
19. Belle's Restaurant has operating hours convenient to all its customers.
20. Belle's Restaurant has employees who give you personal attention.
21. Belle's Restaurant has your best interests at heart.
22. Employees of Belle's Restaurant try to learn your specific needs.

Source: Adapted from A. Parasuraman, V. A. Zeithaml, and L. L. Berry. 1988. SERVQUAL: A Multiple-Item Scale for Measuring Consumer Perception of Service Quality. *Journal of Retailing*. 64(1): 38–40. Used with permission.

extensively researched to validate its psychometric properties. It measures the way customers perceive the quality of service experiences in five categories: tangibles (the physical facilities, equipment, and personnel), reliability (the organization's ability to perform the desired service dependably, accurately, and consistently), responsiveness (its willingness to provide prompt service and help customers), assurance (employee knowledge, courtesy, and ability to convey trust), and empathy (providing caring, individualized attention to customers).[19]

SERVQUAL also asks respondents to rate the relative importance of the five areas, so organizations can understand what matters most to customers. In each area SERVQUAL asks customers what they expected and what they actually have experienced, to identify service gaps at which organizations should direct attention. Figure 12-2 shows how the items on the SERVQUAL instrument might be adapted to a restaurant situation.

The SERVQUAL instrument reflects a point we have made throughout—the importance of the frontline server to service quality. While tangibles refer primarily to the setting and to the physical elements of the delivery system, and reliability reflects a combination of organizational ability and server ability, the remaining three elements—responsiveness, assurance, and empathy—are almost exclusively the responsibility of the frontline server.

If an organization's quality ratings on any of the SERVQUAL categories are unsatisfactory, it might consider setting up performance standards for the unsatisfactory items. For example, if the responsiveness ratings are unsatisfactory, standards could be established for promptness and helpfulness.

Focus Groups

Focus groups provide in-depth information on how guests view the service they receive. Typically, six to ten guests gather with a facilitator for several hours to discuss perceived problems and make suggestions. Researcher J. Santos used focus groups to discover the critical characteristics for e-service Web sites.[20] By asking participants to bring in examples of good and bad Web sites to the group discussions, researchers identified many important factors that were important to e-service. Many hospitality organizations routinely invite current or former guests to participate in focus groups to discover their feelings about and perceptions of existing or potential service experiences. Current guests are especially valuable because they can share their reactions and insights before they leave the premises, before they can forget the details of the service they just experienced. Focus-group guests are usually impressed that the company cares enough about their opinions to ask for them, and they use the free return admission, complimentary dinner, or other expression of appreciation that compensates them for their time.

Focus groups are useful but also expensive, time consuming, and labor intensive. They require a group facilitator, meeting space, travel and sometimes lodging expenses for the facilitator and participants, and, typically, some compensation to the participants. Since focus groups should represent the targeted customer market, correct selection of participants is crucial in obtaining accurate information. If the customer sample is not accurate or doesn't match the desired customer profile, the resulting information can lead to inappropriate conclusions about customer experiences. A large hospitality organization like a theme park can pick ideal and representative groups from its thousands of customers; an individual restaurant, a hotel, or a travel agency will have much greater difficulty in assembling a focus group that accurately represents the targeted customer profile.

Customers Evaluating Service on Their Own

We have reviewed a number of ways in which companies can solicit feedback from customers. However, with the Internet facilitating the spread of information, and with so much information available through social media sources, customers often don't wait for the company to ask them what they think. Individuals post blogs, post information to company Web sites, send in unsolicited letters and e-mails, provide reviews on Web sites like TripAdvisor, or express their opinions on discussion boards. When researching where to stay or eat, many people look for these unsolicited reviews in places like blogs, TripAdvisor, or Yelp with the hope of finding useful information about the quality of various service products.

While customers posting information on their own is generally out of the company's control, some organizations proactively monitor this information to look for problems. Many hoteliers monitor TripAdvisor to see if any complaints have been posted. Some organizations use search tools to scan through blogs for mentions of their establishments. Other companies are hiring consulting companies specifically devoted to monitoring and tracking social media comments and trends. Clearly, when considering unsolicited information, the company has no idea of who responded, if they actually stayed or ate at the establishment, are expressing a typical problem, have some ulterior motives, or are actually real customers trying to give useful reviews. Nonetheless, this information is widely available and it does affect customer decisions, and so the best companies pay attention and seek to address problems that may appear in these customer-generated sources.

Mystery Shoppers

Mystery shoppers or secret shoppers provide management with a relatively objective snapshot of the guest experience. While posing as guests, these sometimes trained and sometimes untrained observers methodically sample the service and its delivery, take note of the environment, and then send a systematic and detailed report of their experience back to management. They are often specifically instructed to determine if service standards were met (did the server introduce herself, did their drinks come in under three minutes, were they offered an appetizer, etc.). They can sample a restaurant meal, a trip on a cruise ship, or an overnight stay at a full-service resort hotel. Shopper reports generally include numerical ratings of their observations so that assessments of the guest experience can be compared over time and with other organizations. While employees usually know that their organization uses a mystery-shopper program, they don't know who the shoppers are or when they will shop. Owners of smaller organizations, such as independent restaurateurs or hoteliers, can hire an individual consultant or ask a personal friend or university class to conduct a mystery-shopper program. Larger organizations and national chains may employ a commercial service or use their own staff as shoppers.

Since visits by mystery shoppers are unannounced, employees cannot "dress up" their performance. Research shows that shoppers are especially accurate when reporting objective aspects of the service experience (e.g., Server uniforms clean? Paper towels/trash on rest room floors?) where service standards are clearly set. In addition, shoppers can be scheduled at specific times to assess the quality of service during various shifts, under diverse conditions, with different employees, and through the eyes of different types of shoppers.[21] For example, a hotel designed as a family resort employed a shopper and her children to assess the "family-friendly" factor at the property. The children said the front desk counters were too high and prevented them from seeing what was going on. As a result, a special registration desk was installed where young guests could check in and learn about the activities available for them at the hotel.

Mystery shoppers can also observe competing organizations in a particular market and systematically gather information on their service level, facilities, prices, and special packages. Some hotels employ mystery shoppers to test the ability of their properties to respond to anticipated service problems and service delivery failures. For example, shoppers can create a problem or intensify a situation by asking certain questions or requesting unique services to assess employee responses under pressure.

Mystery shoppers can also gauge the effectiveness of a particular training or incentive program by shopping at a hospitality organization before and after the training occurs or incentive is implemented. They are more accurate than customer surveys when the experience or service encounter being assessed is too brief for most guests to recall accurately. Finally, and most importantly, mystery shoppers give managers objective data to use in coaching employees identified by the mystery shopper as performing poorly or in praising those identified as performing well. Because the appraisal is provided not by a manager but by a real customer, employees are more likely to accept the assessment as objective and fair. A manager can collaborate on improvements with employees when the performance data come from customers themselves.

The main disadvantage of using a mystery shopper is the small size of the sample from which the shopper generates reports. Since anyone can have a bad day or a bad shift, a mystery shopper may base conclusions on unusual or atypical experiences. One or two observations are not a statistically valid sample of anything, but hiring enough mystery shoppers to yield a valid sample would be impractical and too expensive for many organizations. Further, the unique preferences, biases, or expectations of individual shoppers can unduly influence a report. Well-trained shoppers with specific information about the organization's service standards, instructions on what to observe, and guidelines for evaluating the experience avoid this pitfall.

One restaurant, for example, employed mystery shoppers for daily visits to units in the chain. The data confirmed that the benefits in improved customer service and headcount outweighed the costs of the daily shopper program. The mystery shoppers were reimbursed only up to a fixed amount, and they were required to bring at least one paying dinner partner. Not only did this approach generate positive revenues, but further analysis revealed that the shopper program had the effect of a marketing campaign using coupons to get customers to try the restaurant, as the mystery shoppers liked the restaurant so much they were returning again and again to eat.[22]

FINDING AND USING THE TECHNIQUE THAT FITS

Tables 12-1 and 12-3 provide an overview of quality assessment methods and show some advantages and disadvantages of each. Organizations should choose the techniques that fit their particular purposes. A luxury resort hotel, for example, may require more elaborate and expensive strategies to measure feedback since any reports of poor service can harm the reputation and bottom line of the hotel, the brand with which the hotel is affiliated, and the livelihood of countless employees up and down the line. The value to such a hotel of finding and correcting service failures so that it can deliver the service quality its guests expect is tremendous. Failing to meet guest expectations will quickly make the hotel and all services and business affiliated with it uncompetitive in a dynamic marketplace. On the other hand, a small independent restaurant whose owner loves to "interview" his patrons will probably not require sophisticated quality assessment methods.

Costs and level of expertise used to gather data also vary. An important question to ask is who should collect data: line employees, managers, consultants, or a professional survey research organization. Using line employees and managers is the least expensive alternative, but they also have the least expertise in research and may lack the communication skills to interview effectively. Consultants and survey organizations cost more, but they are better able to gather and interpret more detailed statistical data using more sophisticated techniques. Employee-surveyors cannot measure eye-pupil dilation; some professionals can.

Finally, the organization must consider when to request feedback. Is information to be collected during or after the service is delivered? The best companies do not limit themselves to one approach and hope for the best; they do both. Information collected during the service experience (such as by talking to guests, using management by walking around, monitoring adherence to service standards and guarantees, using employee assessments of the guest experience, or having the technology to receive immediate feedback on evaluations) allows companies to react immediately to any problems. This information, though, cannot be analyzed in depth (at least at that moment) because by its nature it requires quick decision making to respond to immediate customer concerns. Information collected after the service experience (such as through analyzing comment cards, toll-free numbers, surveys, and gathering reports from mystery shoppers) gives companies much more detailed information about service quality. Taking the time to conduct detailed analysis provides valuable information on trends in guest services and issues, indicates where problems might be emerging, and helps spot service problems that can perhaps be fixed before they escalate into large service failures.

Your Best Evaluators: The Guests

Regardless of the evaluation technique selected to measure service quality, one thing is certain. Guests evaluate service every time it is delivered, forming distinct opinions about its quality and value. All hospitality organizations that aspire to excellence must constantly assess the quality of their guest experience through their guests' eyes—while planning the experience, during the experience, and after it is over. Although guests will usually offer an unsolicited opinion only if they are very satisfied or dissatisfied with their experience, most guests are happy to offer an opinion if they are asked in the right way at the right time. Telephone surveyors calling on Friday night at dinner time will get the rejection they deserve. Hospitality managers striving for excellence need to find appropriate methods to elicit from guests the information necessary to ensure service that meets and exceeds guest expectations.

The Improvement Cycle Continues

Once the systems for identifying service failures and delivery system flaws have been put in place, the data that they have generated have been collected systematically, and the customers who were the source of complaints have been contacted and offered restitution, the organization can now use all of this information to revisit its planning process for the entire service experience. Knowing what has failed, and even what has not failed, provides the knowledge needed to reassess all aspects of the service experience to ensure that where it has not met guest expectations, it will do so in the future; where it has only met expectations, it might be improved to exceed them; and where it has exceeded expectations, it can learn why and how to extend the features that led to success to other parts of the experience. In other words, the benchmark organizations in hospitality or any service industry use information to learn how to improve. A key element in the continuous-improvement philosophy—which the best organizations use to drive continual

reassessment of what they do—is to learn from their own history how to improve their future. The tools and techniques covered across the past several chapters are the means by which they gather the information needed to drive continuous improvement. Using these tools and techniques consistently and effectively is how the best stay the best.

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LESSONS LEARNED

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1. The quality of employee work and the quality of guest service can be different; manage so as to achieve high quality in both.

2. If you don't measure it, you can't manage it; if you don't manage it, you can't improve it.

3. Balance the value of service information obtained from guests with the cost of obtaining it.

4. Recognize the strengths and weaknesses of available assessment techniques.

5. The more sophisticated the information needed from guests, the more expensive it is to acquire.

6. If you want to become or stay the best, be proactive. Be driven to continuously learn and improve.

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REVIEW QUESTIONS

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1. Is it critically important for hospitality organizations to measure how satisfied guests are with service quality and value? Or is it sometimes sufficient for organizations simply to offer the best service they can and hope for the best?

2. Regarding the strengths and weaknesses of different methods for measuring service quality:

    A. What are the strengths and weaknesses of managerial observation?

    B. What are the strengths and weaknesses of guest comment cards?

    C. Why is the comment card technique used so frequently in spite of its weaknesses?

3. What provisions would you expect to find in a typical service guarantee for a restaurant?

    A. What are the advantages and disadvantages to restaurants of offering such a guarantee?

    B. How might the service guarantees of a quick-serve restaurant and a fine-dining restaurant differ?

    C. Why would a hotel be more apt to use a guarantee than a restaurant, or a restaurant than a hotel? Do the restaurants with which you are familiar have guarantees?

4. What are the advantages and disadvantages to hospitality organizations of mystery shoppers? In which types of hospitality organizations do you think mystery shoppers would be most and least effective?

5. To what extent should managers use a cost/benefit analysis when trying to determine which techniques to use to measure the guest's perception of the guest experience's quality and value?

ACTIVITIES

1. Collect guest comment cards or examine Web-based surveys from several hospitality organizations and compare the factors about which organizations solicit comments. What conclusions can you draw? If possible, interview the managers whose organizations make the cards or Web-surveys available to guests and ask how the managers use the results.

2. Imagine that you are a mystery shopper for a hotel. Write up a list of the activities in which you would engage, starting with deciding how long you will stay to do a thorough evaluation (twenty-four hours? forty-eight hours?). Develop service standards, such as for calling in to make a reservation. (What will your "number of rings" standard be? three rings? four rings?, and so forth.) What evaluation system will you use for the different hotel areas? Pass/fail? An excellent-through-poor scale?

3. Go mystery shopping. If appropriate, use some of the activities from your hotel evaluation list created for question 2. Or do a quick evaluation or service audit using "the three Ts"—Task, Treatment, Tangibles. Write up a brief description of what you found and observed on your shopping trip and send it to the manager of the service location.

4. Either in groups or individually, use Hart's criteria for a good service guarantee as presented in this chapter and create a guarantee for a real or imaginary hospitality organization.

ETHICS IN BUSINESS

A national restaurant chain in the United States has an interesting policy to help detect service problems. If any tip to a server is particularly low, the server must immediately report it to the manager. The manager then inquires as to what problem there might have been. If there was a problem, the manager can perhaps take some steps to correct the situation. This policy raises some interesting questions:

1. Is it appropriate to require servers to report low tips? The requirement may place the server in a very uncomfortable position. A server may have to report a low tip knowing it is justified because of his poor service, or the server may know that everything was fine and by reporting the low tip, she will be placing the customer in an uncomfortable and embarrassing situation. On the other hand, failure to report a low tip can result in the server being fired. Is it appropriate to put servers in this position?

2. What responsibility, if any, does a restaurant have to inform customers as to what is an appropriate tip? Many tourists from other countries do not know the "norm" in the United States to provide a tip of 15 percent–20 percent of check size. Even many Americans do not necessarily know this "norm." Should the company take steps to educate customers before causing them public embarrassment?

CASE STUDIES

Try Before You Buy: The Service Guarantee

Ed Jennings had never stayed at Super 10 Suites before, but he hadn't been very satisfied with the only other lodging establishment in Grover, Montana, a regular stop in his western sales territory, so he decided to try Super 10. The guarantee of service offered by Super 10 persuaded him to make the switch. It was basic, but it offered all that Ed wanted:

"Try before you buy. We guarantee that your rooms will be cleaned, inspected and ready, with all amenities in place, or you pay nothing! No questions asked. We want you to be happy in your choice of Super 10 Suites, Grover's finest."

Ed checked in late in the evening after a hard day on the road, went to his room, and looked around. The room wasn't exactly dirty, but it wasn't exactly clean either. There were small scraps of paper on the floor, some hair in the sink, and mold in the shower. He sat down in a chair, opened the complimentary bag of pretzels, and chewed on one while he thought about whether to stay or to leave.

"Oh, well, if it doesn't get any worse than this, I guess I can take it."

Without going into all the details, it did get worse. The hot water didn't work, the bed was lumpy, and the air conditioner failed during the night. A screaming baby in the next room kept Ed awake for several hours. When Ed checked out the next day, he informed the clerk that he was exercising his service guarantee; he wasn't going to pay. Of course the clerk asked why, and Ed explained the problems he had experienced.

"Your guarantee said the room would be clean and inspected, and it was not clean. There was hair in the sink, paper scraps on the floor, and mold in the shower."

"No," said the clerk. "The guarantee says that the room will be cleaned, and it was cleaned, last week. As for inspection, I inspected it myself."

Ed said, "When you inspected it, didn't you notice the scraps, the hair, and the mold?"

"This guarantee doesn't say anything about what I noticed or didn't notice. It just says the room was inspected. And before you even ask about the amenities, that's what the pretzels are—amenities."

"All that may be true," said Ed, "but this guarantee says 'No questions asked.' "

"Didn't you see the asterisk by that? Didn't you see the fine print?" asked the clerk. "The asterisk refers to our statement at the bottom that if you ask questions, this guarantee is null and void. This other asterisk, which apparently you didn't see either, says that 'This guarantee and the terms thereof shall be valid and its terms exercisable with respect to the cost of one night's room only, with all the covenants appertaining thereunto. Management shall retain its sole and exclusive right to interpret the terms of the guarantee.' In my opinion, and I'm the management this morning, we fulfilled our guarantee to you the guest, and then some."

Ed Jennings gave it up. He had sales calls to make. Mighty tired and upset, he headed out into the day.

What was wrong with this guarantee? Indicate as many faults as you can.

Standard Times at Happy's Restaurant

The top management at Happy's Restaurants, Inc., had assigned its new Work Methods and Standards Department the task of establishing "standard times" for the chain's units. Work Methods personnel went out into the restaurants as mystery shoppers and observed operations carefully. Work Methods then reported to management that the speed and efficiency of service in virtually all of the restaurants was in need of improvement.

Laura Martin, manager of a very successful and profitable Happy's Restaurant in South Carolina, got the e-mailed memo about the new "standard times for food and cocktail service" late one afternoon. A highly experienced server herself and a respected manager, Martin just laughed at the proposed standards and set the memo aside. She thought she had noticed some mystery shoppers making secret notes, so she had expected some

kind of ivory-tower memo like this. It might look good on paper, but it just couldn't be done.

Next day at the afternoon meeting, Martin told her servers: "If you hear anything about new standard times and methods for serving food and drinks, don't pay any attention. As you know, we have all committed ourselves to getting the entrées to guests within eighteen minutes of taking their orders, but our average is sixteen minutes. We've been averaging sixteen for all the years I've been here, and our comment-card results on promptness are excellent. Because you are all terrific at your jobs, I'd say fifteen minutes is the absolute best we could do. But those bozos at headquarters say the new standard is all entrées to guests within fourteen minutes of taking the order." The servers looked at each other with disbelief, then they started to laugh.

"And they also think we can have the drinks on the tables within three minutes of first guest contact." The servers just rolled their eyes and smiled. "Don't worry," said Laura Martin. "I'll straighten this out in a hurry." Martin sent her boss an e-mail telling him that the new standards had to be a mistake because they were entirely unrealistic.

Her boss soon called her and straightened her out in a hurry: "Laura, the new standards will go into effect tomorrow. Work Methods has achieved improved results in several of our other chains already, and now all Happy's branches must conform. Sure, servers always resist at first, but they can meet the standards if you lay down the law, and if they use more efficient methods."

"Maybe that's true elsewhere," said Laura, "but I know my restaurant, my kitchen staff, my servers, and my guests, and I know we can't make fourteen minutes, even with these new methods they want us to use. Things can only be done so fast."

"Martin, call a meeting of your staff, explain that the new standard times will be met, teach your people the new methods, stick to managing your unit, and leave methods and times to the Work Methods and Standards Department. That's what we pay you for, and that's what we pay them for."

Martin tried her best, but her restaurant knew how she felt about the situation. The servers at this South Carolina Happy's Restaurant failed to meet the new work standards, and the head of the Work Methods and Standards Department blamed Laura Martin. He recommended that new talent should be located for her position.

1. What is the problem here?

2. Under what circumstances can such "by the minute" standards be made to work?

3. How would you determine service standards at your restaurant?

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