


CONSUMER BEHAVIOR IN HOSPITALITY INDUSTRY

CHAPTER 2: CONSUMING HOSPITALITY AS SERVICES

IN THIS CHAPTER, WE WILL DISCOVER:

- Whether benefits consumers receive from consuming hospitality services more difficult to evaluate than physical goods.
 - Whether the process of developing, planning and delivering hospitality services are different from physical goods.
 - The service encounter relationship
 - Whether or hospitality homogeneous.
 - Consumer behavior within service consumption is different from physical goods consumption.
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THE NATURE OF PRODUCTS, GOODS, AND SERVICES

Products

Any bundle or combination of qualities, processes and capabilities (goods, services, and ideas) that a buyer believes will deliver satisfaction

Product is multi-dimensional and dependent upon how the buyer responds to different facets of the offering

Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. It includes physical objects, services, persons, places, organization, and ideas

A complex cluster of value satisfactions.

Core benefit is the essential benefit the customer is buying

THE NATURE OF PRODUCTS, GOODS, AND SERVICES

Goods and
services

are intrinsically different and that the application of models, concepts and theories developed for goods cannot be applied with any confidence to services.

All marketing is situation specific and allows for only limited generalization, within common situational boundaries

Differences between goods and services are of a limited nature and thus marketing practice, developed for goods can be modified to serve the purposes of services.

Goods: objects exist in both time and space

THE NATURE OF PRODUCTS, GOODS, AND SERVICES

Goods and
services

Services: solely acts or processes; exist in time only

Service operations are small-scale activities

Form of 'Social Role'

High level of Human interaction

There are only industries with more or less service elements

Services encompass any activity or benefit that one party can offer to another that is essentially tangible and does not result in the ownership of anything.

HOSPITALITY AS SERVICE

Services are increasingly important features of economic performance.

Service industries are playing an increasingly important role in developed economies. – account for over 70 % of employment.

WHAT IS THE DIFFERENT BETWEEN SERVICES SUCH AS HOSPITALITY AND PHYSICAL GOODS?

More difficult to evaluate?

Process of developing, planning and delivering?

Relationships inherent in the service encounter?

Method of investigation?

CHARACTERISTICS OF SERVICES

1. Intangibility

2. Inseparability

3. Heterogeneity

4. Perishability

5. Ownership

CHARACTERISTICS OF SERVICES

1. Intangibility

- The single most important factor
- Inability to touch an item
- The mental difficulty in accepting a concept or idea
- It can only experience their performance

CHARACTERISTICS OF SERVICES

2. Inseparability

- Lack of distinction between delivery and use
- Customer become part of the service

3. Heterogeneity

- Variability

CHARACTERISTICS OF SERVICES

4. Perishability

- It cannot be stored
- Demand fluctuations management

5. Ownership

- Customer only gaining access to the activity or facility, not gaining ownership of anything at the end of transaction.

THE IMPACT OF CULTURE ON HOSPITALITY CONSUMPTION

Culture reflects society's shared meaning and traditions as:

- A sense of self and space
- Communication and languages
- Dress and appearance
- Food and feeling habits
- Time and time consciousness
- Relationship
- Values and norms
- Beliefs and attitudes
- Mental processes and learning
- Work habit and practices

CONSUMING SERVICES

1. The moment of truth

2. Combining expectation, experience and knowledge in an interaction

3. Interpersonal Interaction

4. Service encounters have purpose and are not altruistic.

- excludes interaction
- E.g. Housekeeping

5. Service encounters do not assume prior acquaintance

- The interacting parties do not necessarily know each other.
- E.g. Bars, restaurants, and hotels

6. Service encounter provides behavioral boundaries

- The interacting parties understand and respect the boundaries to their relationships with staff.

DIMENSIONS IMPACT ON CONSUMER BEHAVIOR

1. Time

2. Physical Proximity

3. Participation

4. Degree of involvement

5. Degree of customization

6. Service providers

7. Setting

DIMENSIONS IMPACT ON CONSUMER BEHAVIOR

1. Time

a. Duration of service encounter.

b. Offer the consumer different experiences over a long period of time.

It is these individual encounters within the overall service that are likely to be the key to whether individuals have a good or bad experience.

DIMENSIONS IMPACT ON CONSUMER BEHAVIOR

2. Physical Proximity

a. Face to Face (Reception, lobby, restaurant areas)

b. Remote (Automated machine, quick checkout, billing systems)

c. Remote personal encounters (Telephone, email)



DIMENSIONS IMPACT ON CONSUMER BEHAVIOR

3. Participation

a. Involves customers in the product

b. Related to aspects of customization and physical proximity.

c. It is seen as being closely related to aspects of customization and physical proximity.

In that increasingly customers are required to co-produce the service. It reduces the need for reservations staff at peak times.



DIMENSIONS IMPACT ON CONSUMER BEHAVIOR

4. Degree of involvement

a. Different degrees of engagement are made by customers in respect of different types of service.

b. Higher level of engagement with decisions about hospitality services than about utilities.

c. More engaged in areas such as leisure facilities and restaurants than at check-in in hotels.



DIMENSIONS IMPACT ON CONSUMER BEHAVIOR

5. Degree of customization

a. The degree to which a customer interacts with the service – the degree to which a customer can intervene in the service

b. The degree to which a service is altered for specific customers – the degree to which a service can be customized.

c. Depends on the knowledge, confidence, risks.



DIMENSIONS IMPACT ON CONSUMER BEHAVIOR

6. Service providers

a. Hospitality Staff

b. As embodying the attributes of the organization

7. Setting

a. Physical design, atmospherics, ongoing activities, aspects of the environment

It is seen as encouraging approach or avoidance responses among consumers.



CONCLUSION

