



An analysis on the Japanese Omotenashi from the service-dominant logic perspective

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**An analysis on the Japanese Omotenashi from the service-
dominant logic perspective**

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Structured Abstract:

Purpose: The Service-Dominant logic, being a service-centered view of an organization, has been the subject of conceptual debate over the past decade. Given the fact that Japanese hospitality industry has been notably regarded as customer-oriented and the one aimed at providing one-of-a-kind experience to the guests in terms of the offered service, the extent of influence the Service Dominant logic premises have possibly made on Japanese hospitality industry is to be studied. Tea ceremony practice, *kaiseki* restaurant (Kitcho) and traditional *Ryokan* Inn (Kagaya) have been chosen for practical examination and analysis on the basis of the theoretical overview as those are commonly known as the main hospitality industry outlets preserving the traditions and cultural implications of the Japanese philosophy and Omotenashi.

Therefore, the purpose of the dissertation is to theorize and explain the process of co-creation of pivotal customer value as an Omotenashi, on the basis of the theoretical and practical examination of service-dominant logic as evidenced in the Japanese conceptions of service hospitality in the *kaiseki* restaurant and the traditional Japanese inn settings.

Design/methodology/approach: The current literature on the subject of the Service Dominant logic is reviewed by using case study research method, the key principles of Japanese tea ceremony in its symbiosis with Omotenashi are reviewed and summarized, and the service provided by Japanese *Ryokan* inn and *kaiseki* restaurant is studied from two visits to Kagaya hotel and Kyoto Kitcho restaurant. Additionally, the differences and similarities between Ritz hospitality and Hoshinoya Omotenashi as Western superior hospitality versus Japanese Omotenashi will be reviewed in respect to defining the common and opposite features of these two service delivery styles. Other relevant scholarly works are cited where appropriate. One of the researches posing a special value for the given work in terms of relevant and up-to-date information is the article named *The influence of the Japanese tea ceremony on Japanese restaurant hospitality* by Sato and Parry (2015). Moreover, some of the author's previous works completed in the frame of pre-doctoral research are fractionally included into the text of the present dissertation wherever relevant and appropriate.

Findings: Both Kagaya hotel and Kitcho restaurant carry certain implications of Omotenashi, and drawing parallels with the ten foundational premises of Service Dominant logic may be possible. Nonetheless, it does not indicate that neither Kagaya nor Kitcho, bearing significance in regards to traditional principles of Japanese cultural, spiritual and social aspects, has been influenced by the Service Dominant logic premises. More so, an in-depth analysis of the managerial roles executed by Kitcho *Okami* and Kagaya *Okami* has demonstrated that the nature of *Omotenashi* presented in Kitcho restaurant and Kagaya inn respectively; is influenced more by the

personal traits of *Okami* rather than Service Dominant logic principles. Within the course of the research, the following research questions have been answered:

1. What are the origins of the Japanese *Omotenashi*?
2. What are the connections between *Omotenashi* and the Japanese tea ceremony?
3. What role does *Omotenashi* play in the service delivery process of *kaiseki* restaurant?
4. What are the differences between *Omotenashi* and hospitality (on the example of the comparison between the Japanese inn and regular hotel)?
5. What role does *Omotenashi* play in the service delivery process of the traditional Japanese inn?

Research limitations/implications: The analysis focused on two elite hospitality industry places: Kitcho restaurant and Kagaya hotel. It is emphasized that the conclusions drawn from the research are relevant in respect to the reviewed literature and practical experiences described in the correspondent sections of the dissertation. Therefore, the experience received in any other place, even if it is regarded as executing the same principles and preserving the same traditions, may differ from the one described. Nonetheless, whenever the service process includes positive value co-creation, the model of this research shall become equally relevant. Some potential examples include tea ceremony, other Japanese restaurants, hot springs, spa salons, and other places where the process of value co-creation between the guest and the server is particularly relevant.

Originality/value: The Service Dominant logic implications emphasize that the knowledge of business techniques and managerial techniques are no longer required for providing excellent service. Taking into consideration the fact that Japanese service concept, being largely based on the principles of *Omotenashi*, has not been dependent upon the business and managerial practices to the extent observed in Western-style businesses, the following question arises: “To what extent, if any, has Japanese service industry been influenced by the Service Dominant logic?”. In order to analyze the possible value this answer holds, it is necessary to mention that the Service Dominant logic foundational premises can be viewed together with *Omotenashi* principles as complementary, yet not consequent. The originality of the dissertation also lies in the fact that it attempts a complex analysis and discussion of the five raised research questions in order to draw evidence-based conclusions and satisfy the set purpose.

Key words: *Omotenashi*, value co-creation, Service Dominant logic, tea ceremony, *kaiseki*

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Chapter 1. Introduction.

Modern Japan has seen an increase in the number of tourists coming to visit the country that is globally known for its technological discoveries and rapid economic advancements. According to Japan National Tourism Organization annual report, the total of 5,752,800 foreign visitors have come to Japan during the first three months of 2016 (January-March). Comparing these figures from the data of year 2011 (1,746,168 foreign visitors from January 2011 to March 2011), it is evident that Japan has experienced a threefold rise in the number of tourists over the past five years. The reasons of the augmented tourist ratio in Japan may range to reflect the reduced visa requirements for southeast countries, other Japanese government policies to increase foreign visitors in the upcoming decades, the overall Japanese economic growth, its break-through in the field of electronics and automotive industry, and so on. However, there is an aspect of the country which attracts yet more tourists than its technology advancement: Japanese culture. Although rapidly advancing in the economy and technology, Japan is known for its traditional and authentic approaches in the field of customer service. Most importantly, *Omotenashi* as the main concept of service delivery in *kaiseki* restaurant and the traditional Japanese inn, as well as the fundamental element of other spheres of the Japanese service and hospitality industry, has been the aspect that attracts those who seek to experience the authentic Japanese culture to the country.

Therefore, *Omotenashi* as the main concept of service delivery in *kaiseki* restaurant (Kitcho) and the traditional Japanese inn *Ryokan* (Kagaya) is the central topic of the presented dissertation. The purpose of the dissertation is to theorize and explain the process of co-creation of customer value, pivotal for *Omotenashi*, on the basis of the theoretical and practical examination of the Service-Dominant logic as evidenced in the Japanese conceptions of service hospitality in the *kaiseki* restaurant and the traditional Japanese inn settings. The five research questions that the purpose of the dissertation necessitates to be resolved are as follows:

1. What are the origins of the Japanese *Omotenashi*?
2. What are the connections between *Omotenashi* and the Japanese tea ceremony?
3. What role does *Omotenashi* play in the service delivery process of *kaiseki* restaurant?
4. What are the differences between *Omotenashi* and hospitality (on the example of the comparison between the Japanese inn and regular hotel)?
5. What role does *Omotenashi* play in the service delivery process of the traditional Japanese inn?
6. What are the differences between Western superior hospitality and *Omotenashi* (Ritz and Hoshino)?

The next six chapters will respectively examine, discuss and answer the correspondent research questions. The final eighth chapter will draw the conclusion with outlining the theoretical and practical implications of the dissertation.

The research mythology:

Qualitative research method was used to answer the research questions for the dissertation. The author collected the data of the case companies, implemented the case study research to clarify the research questions based on the data, got the hypotheses to explain the research questions, and finally visited Kagay *Ryokan* in Ishikawa prefecture, and Arashiyama Kitcho of *Kaiseki* restaurant to verify and supplant the hypotheses. The author also has just started to work in a *ryokan*, izuyasu as a part-time jobber to verify and generalize the hypotheses. The author has also learnt tea ceremony and flower arrangement for 2 years, and studied *Iadio*, Japanese marital art the way of the sword for 3 years to understand its philosophy, especially Japanese *Do*. These author's experience of Japanese traditional culture contributed to write this doctoral dissertation very much.

Chapter 2. The Origins of the Japanese Omotenashi.

The origins of the Japanese *Omotenashi* appear to be a reciprocative symbiosis between the geographical location of Japan, its rice agriculture, tea ceremony, Kata, the historical and modern Japanese social structure, samurai and the bushido code, Japanese collectivism norm, Japanese isolation “*Sakoku*”, and the Japanese brain as the key defining factor of the Japanese behavior. All these separate aspects can be united into two major groups, namely the Japanese history, from which the geographical location of Japan, its rice agriculture, tea ceremony, and “*Sakoku*” are defined; and the Japanese social philosophy pertaining to social structure, samurai and the bushido code, Japanese collectivism norm, Kata, and the Japanese brain. These two groups will be extensively discussed in the next two sections of this chapter.

2.1. Japanese history as the origin of the Japanese Omotenashi.

Japan, being a chain of Volcano Islands surrounded by the sea, has been geographically both protected and isolated from the influence of other countries. Whereas the coastal borders and the sea historically served as the natural shield annulling the possibility of unexpected and unwarranted foreign aggression, the isolation from the rest of Asian countries and the world set Japan onto the route of self-development and the establishment of needed harmony amongst its population. Moreover, the natural disasters frequently occurring due to the volcanic nature of the Japanese islands have formed a strong bond between all the citizens of the country. Two of recent natural disasters in Japan were the earthquake in Kobe in 1994 and in Tohoku in 2011. Nicholas Kristof talked about Hanshin-Awaji Earthquake in Kobe in an article in the New York Times:

“But the Japanese people themselves were truly noble in their perseverance and stoicism and orderliness. There’s a common Japanese word, “*gaman*,” that doesn’t really have an English equivalent, but is something like “toughing it out.” And that’s what the people of Kobe did, with a courage, unity and common purpose that left me awed.

Japan’s orderliness and civility often impressed me during my years living in Japan, but never more so than after the Kobe quake. Pretty much the entire port of Kobe was destroyed, with shop windows broken all across the city. I looked all over for a case of looting, or violent jostling over rescue supplies. Finally, I was delighted to find a store owner who told me that he’d been robbed by two men. Somewhat melodramatically, I asked him something like: *And were you surprised that fellow Japanese would take advantage of a natural disaster and turn to crime?* He looked surprised and responded, as I recall: *Who said anything about Japanese. They were foreigners*”. (Kristof, 2011).

The consolidation in the time of troubles, which occurred quite often over the Japanese history, helped the Japanese people stay aloft and rebuild what got ruined, be it their town that had suffered from an earthquake, or the nation's economy that had suddenly inflated, or any other catastrophe of any degree. Therefore, the ability to stay calm and unite for the commonly beneficial result during the critical moments in the nation's history has bent the Japanese people toward perceiving harmony as something ultimately important. Both on the national and individual levels, the Japanese people prioritize harmony to be the cornerstone of any social interaction or deed. There are two words in the Japanese language that come the closest to explaining the role of harmony in the Japanese society. "Wa" – the Japanese word for harmony – explains all aspects of their life and serves as the basis for Japanese *Omotenashi*. "Yamato", from another hand, traces back to the times when Japan was called the Yamato clan, literally meaning "among people", and, thus, it explains the consolidating nature harmony has in Japan. It is due to the geographical position of the country and its natural isolation from the rest of the world, as well as the high occurrence of natural disasters on the islands, that harmony has taken an essential stand in the hearts of the Japanese people and laid the foundation for *Omotenashi* – the Japanese spirit of hospitality and service.

Rice agriculture also played an important role in laying off the foundation upon which the Japanese philosophy and concept of *Omotenashi* would later surface. Japan imported the tradition of rice agriculture from China between the Jōmon period (12,000 BC) and the Yayoi period (300 BC to 300 AD). The tradition of rice agriculture has largely influenced the Japanese country's social behavior patterns. The survival of each village depended on the mutual concern and cooperation of the business and their neighbors, which is why the harmony was the key factor that affected business, politics, and education very deeply at that time, and still does in modern Japan.

De Mente (2014, p.25) expressed the following idea about the rice agriculture in Japan: "Wet-rice farming, in such a limited area imbued the Japanese with an extraordinary degree of patience, perseverance, diligence, cooperativeness and group dependence because this kind of farming required very elaborate irrigation systems that could not easily be built and maintained or protracted from marauders by single families".

Therefore, in the environment of survival, harmony and cooperation within a social group were they key factors that ensured that every member of the society could make a living and remain protected. Apart from emphasizing on being harmonized and cooperative, the Japanese took more lessons from wet-rice farming that an outsider could have imagined. De Mente (2014, p.26) continues:

“Among the most conspicuous Japanese traits said to have been fostered by wet-rice farming was the acceptance of discipline and regimentation. The individual who did not conform was quickly ostracized to protect and sustain the group. [...] The whole economic base of the country therefore became one giant rice-raising kata that made group behavior, cooperation, self-sacrifice and harmony mandatory”.

It is indeed a curious phenomenon, taking into consideration that the history evidences that monetary benefit was not the primary focus of the wet-ricing farmers. Naturally, the rice agriculture proved to be advantageous for survival and making a family's living, however, these were not the exclusive points of engaging into the wet-rice farming activity. Wet-rice farming was also much subject to forming social groups and developing long-lasting and productive relations within a community. Also, working on the rice fields helped the Japanese fully understand and adopt the importance of harmony and self-sacrifice. This all is what is still true in the modern Japanese society and what continues to stand at the roots of modern *Omotenashi*, as well.

If one speaks of current *Omotenashi* in respect to the newly emerged Service Dominant logic, value co-creation instantly becomes the aspect both *Omotenashi* and Service Dominant logic largely contain. According to Yi and Gong (2013, p.1279), some of the vital aspects of value co-creation, under which it becomes possible, include: “information seeking, information sharing, responsible behavior, and personal interaction, whereas the aspects of customer citizenship behavior are feedback, advocacy, helping, and tolerance”. Looking closely, these are precisely the aspects wet-rice farming had fostered in the minds of the Japanese people in regards to their social interaction. Therefore, it can be concluded that rice agriculture has also proved to be one of the historical origins of the Japanese *Omotenashi*.

Looking from the historical perspective, the beginning of the Japanese tea ceremony's implementation into Japanese culture and its becoming a spiritual experience embodying tranquility, purity, and respect and hospitality date back as far as to the middle of fourteenth century. At that time, traditional tea ceremony was a common practice among the nobility and priests. They gave it its original form and made it spread among the higher social classes. Later, especially during the times of civil warfare that took place in the fifteenth and the beginning of sixteenth centuries, great warlords and merchants with their retainers spread the popularity of the tea ceremony among different social classes and communities.

Therefore, tea ceremony and the Japanese *Omotenashi* have much in common and appear to be interconnected, where the aspects of the philosophy they both execute and are based on overlap to an extreme degree. In the Japanese concept of hospitality, the server provides the service without an expectation of a returned favor and is not solely driven by the monetary compensation. Serving the guests, particularly during the

Japanese tea ceremony, implies ensuring the guests' positive impressions and two-sided learning and cooperation. The host contributes to the guest's well-being and positive emotions just as the guest contributes to the host's. Setting a happy, relaxed mood and driving away from the mundane reality by creating a tranquil atmosphere are one of the key goals of the Japanese tea ceremony, and, consequently, *Omotenashi*. If viewed within the domain of Japanese hospitality industry, the aspects of value co-creation and interaction between the host and the server extensively covered by the modern service industry phenomenon named S-D Logic seem to be sharing much in common with *Shikake*, one of the three key elements of *omotenashi*. *Shikake* means the active participation of guest in the process of service delivery. First originating back in Azuchi-Momoyama era, the Japanese tea ceremony which the concept of *omotenashi* presumably stems from seems to have covered the importance of the interaction between host and server many centuries before SDL was introduced on a global level.

Mastering the art of Japanese tea ceremonies can take many years. With the rapidly developing tourism business, the country is interested in highly trained professionals who can provide best services for the visitors and perform authentically intimate and ritual ceremony. When asked about the factors which had influenced Japanese tourists' decision to return to the country again, the lion share of the responses contained three following reasons: 1) the opportunity to get away and relax; 2) the perceived natural beauty of the destination; 3) the opportunity to spend time with family (Perdue, Timmerman & Uysal, 2004, p.268). While the third factor is ruled by an innate human desire to reunite with the family members and spend some quality time together and is not directly influenced by the setting, culture and traditions of country of the destination, the first two are directly linked to the quality of service and hospitality experienced in the certain country. Since the art of the Japanese tea ceremony which has been a performed practice for many centuries, is an essential part of its culture, it has a direct influence on the overall evaluation of the tourists' satisfaction with their vacations. It goes without saying that Japanese tea ceremonies greatly differ from the modern ways to serve tea, particularly from holding British style tea parties. Keeping its authentic significance, the Way of Tea is a celebration in the Japanese culture (Festa, 2013). The symbolism and traditions of the Japanese tea ceremony make it a unique and prime activity best experienced in the country of origin, which is why it greatly contributes to the development of Japanese tourism. As Japanese tourism in the hospitality industry takes great pride in *Omotenashi*, and with *Omotenashi* being an inherent element in the hospitality service industry in Japan, it is clear that tea ceremony has contributed much into the formation of the Japanese *Omotenashi* that foreign

travelers and Japanese inbound tourists enjoy nowadays. Thus, tea ceremony has also been proved to be one of the historic origins of the Japanese *Omotenashi*.

Finally, “*Sakoku*”, the Japanese word used to denote the foreign relations policy of Japan set in action by the Tokugawa shogunate in 1633, brought the foreign relations of Japan with other countries to the minimum. The policy remained in effect until 1853, and was intended to put an end to the colonial and religious influence of Spain and Portugal, whereas the relations and trade with other countries, although limited to some extent, did not allow for the volume of trade to drop drastically. Overall, this period cannot be decisively named “*Sakoku*”, because the foreign relations were not completely annulled, and is mostly referred to as “*Kaikin*”, which does not bear that much emphasis on complete isolation and seclusion.

Still, many agree that it was during this period that Japan managed to protect its boundaries from cultural and religious foreign influence and form a stable and consolidated society. Jackie Hogan (2008, p.8) states the following:

“Nonetheless, contemporary discussions of Japaneseness often suggest that Japan developed a unique culture and a racially and linguistically homogenous population during this period of isolation. Some contemporary authors have even claimed that the Japanese retain a “*Sakoku* mentality” which hampers their ability to interact with foreigners and prevents their full participation in globalization”.

Regardless of the risks such phenomenon poses on the overall development of Japan in the context of global environment, it is safe to assume that “*Sakoku*” policy played an important role in forming a unique and one-of-a-kind approach to hospitality among the Japanese, which has contributed to the uniqueness of *Omotenashi* found exclusively in Japan. Some name Japan's relevance and its economic competitiveness as the two main aspects that are put under threat in an isolated Japan. From another hand, Galapagos syndrome, a concept which mainly describes the ability of a product or a society developing in isolation from globalization (Mikitani, 2013, p.49), proves that the country can develop and prosper outside of the foreign influence. This is adjacent to “*Sakoku*” and is applicable to the modern Japanese culture and client service, therefore making a common appreciation of the customer care the country provides understandable and evidenced.

2.2. Japanese social philosophy as the origin of the Japanese Omotenashi.

Being an isolated island nation, Japan seems to have yielded the best from its extended period of both geographical and political isolation. From one hand, the country resisted foreign invasion and declined the opportunity for another nations to largely influence its philosophy and traditions. From another hand, Japan has

been able to assimilate and adapt some aspects of the philosophies of other cultures in order to enrich its own native worldview and advance the dynamics of the Japanese cultural context. Among the social and philosophical aspects pertaining to the formation of the Japanese *Omotenashi* are Kata, social structure of Japan, samurai and the bushido code, Japanese collectivism norm, and the Japanese brain. It is necessary to examine every named aspect in order to understand the dynamics of the Japanese thought and underline the process of the formation of the unique concept of the Japanese hospitality.

The Japanese way of providing service to customers is governed by various rules, often unspoken and perceived as mandatory intuitively by the hosts brought up in the natural Japanese environment. This phenomenon owes much to Kata – the Japanese set of rules and philosophies that establish a harmony in the daily routine of the Japanese people. Kata, as commonly known, nowadays circulates in the field of martial arts. However, this is not particularly true in respect to its original meaning and the tremendous volume of influence it has on the Japanese mindset and daily habits. Originally, kata refers to the way of doing things in many aspects, from eating etiquette to the way of walking. According to De Mente,

“The whole of Japanese culture, from personal etiquette to how one learned to do all of the routine things in life, were based on precise kata – on precisely prescribed way of doing them. There was a way of eating (*tabe-kata*), a way of walking (*aruki-kata*), a way of thinking (*kangae-kata*), a way of reading (*yomi-kata*), a way of writing (*kaki-kata*), a way of talking (*hanashi-kata*), a way of doing things in general (*yari-kata*)...” (De Mente, 2009, p.57).

Therefore, this pattern or set of rules for doing things the right way was created in order to establish and maintain harmony in the society, something which has been proved to be an essential element of the Japanese culture in the previous section.

In another book, Boye De Mente (2014, p. 119) states the following:

“Aside from new employee orientation and any formal training systems to acquire skills, foreign employees of Japanese companies often complain that no one ever gives them orders or specific instructions about what they are supposed to do, leaving them feeling useless and frustrated. The reason for this is directly linked to kata, to how the Japanese have traditionally been conditioned to teach and learn in business situations. This silent system of management is based on learning by first observing and listening to general comments and hints, then gradually beginning to do the simplest and most obvious things. In other words, the ancient apprentice system. The third step is to slowly begin to take part in the endless round of discussions that characterize Japanese management, eventually becoming a

participating member of the team and thereafter naturally absorbing the knowledge and direction you need”.

Therefore, it is evident that this ancient philosophy – Kata – lies in the foundation of the managerial processes and other business aspects not only in the hospitality service sector, but also in other entities of the country. Also, there can be observed a relationship between Kata and the Japanese methodology aimed at work space optimization and word efficiency increase. The methodology is named 5S because it uses a list of five Japanese words, namely *seiri*, *seiton*, *seiso*, *seiketsu*, and *shitsuke*. *Seiri* means clearing out the workspace and classifying all the available items into those that are no longer required and needed and those that may be required in the further working process. The next word, *seiton*, means setting up all the items into a specific orders on a workplace, so that every item is in its own place. The word *seiso* means cleaning and checking the work area daily by identifying cleaning zones and establishing certain cleaning routine where no worker starts their shift until the worker from the previous shift cleans up the workplace and prepares it for the next shift. The fourth word, *seiketsu*, means conforming to the standards described by the previous 3S. Finally, the fifth and last word, *shitsuke*, means regular practicing and systematic monitoring of the process adherence, as well as continuous attempts to improve the process. Translated into English, the five S-words would be as follows: Sort, Set, Shine, Standardize, and Sustain. Interestingly, the main thought behind this methodology is the idea that observing a dirty and cluttered working space distracts one's attention from their work aims, and the workplace filled with old and unnecessary items hides the new equipment and makes one ask questions. Therefore, it indicates that working process optimization methodologies also take Kata into consideration and are actually based on this philosophy, as distraction and unnecessary questioning are perceived to be two most harmful practices of an employee. A very important notice is that many practices in Japan are often denoted by “*do*”, a philosophical term for a way of doing things (kata)” and “*juutsu*”, techniques such as *kendo* (philosophical) and *kenjyutsu* (technique-Japanese fencing) which intend to train the body and mind through discipline. This is how Japanese management uses the 5S (Gapp, Fisher and Kaoru, 2008). It is not just a tool or a technique, it is a philosophy that is a practice as well, which the western management is not realizing, as the only refer to the 5S as problem solving tool, and that is a point of differentiation, and thus the outcome of the 5S will not be same. That is same in the case of *omotenashi*. *Omotenashi* has also both the philosophical and the technical aspects. This is very important when one understand the concept *omotenashi* and 5S.

By knowing that kata exists in Japan, it becomes possible to understand that the Japanese follow a manual of rules and steps to achieve their excellent customer service dictated by the *Omotenashi*, and the fact

that it has been present in their culture for centuries can explain their pursuit of perfection in performing and following it for many generations. The social class structure of the feudal time can also contribute to the explanation of how Kata was implemented in the Japanese society, and why it appears so essentially important for the Japanese people to pursue a top-notch approach in the service delivery.

According to Davies and Ikeno (2002), the Japanese social structure consisted of 4 classes: *shi*: “samurai”/ *no*: “farmers” / *ko*: “artists”/ *sho*: “merchants”, and each class had its vertical rank system with the top highest class being the warrior class called samurai who followed a pattern and code called “bushido code”. After samurai went the farmers who engaged into agriculture. Being part of the group was essential for their survival and growth, which helped strengthen the harmony in the Japanese society and preserve the homogeneity of the Japanese culture. The artisans – or artists – who made craft and art belonged to the third social class. Finally, merchants were in the bottom of the social rank. They ranked the last because they did not create anything and simply engaged into trade. Those who were in the higher social rank had a generally superior power over the inferiors, and by that an extreme politeness and care in service often is the basis of survival for those in the visible bottom rank. The merchants had to follow a precisely prescribed Kata (Davies and Ikeno, 2002). Kata was a standard set by the Samurai, the warrior top class of the social structure. The samurai was a self-defense group that maintained public order since the Heian period, and they set a kata for the entire country and were in charge of enforcing the kata. Following the rules and being polite were, thus, ingrained in the Japanese over a period of more than thousand years as an integral part of their social and political system and an important factor in molding the Japanese mind (De Mente, 1997).

A further analyzing of the Japanese highest social rank, the samurais can give more understanding of how the kata is utilized in Japan. As said before, these warriors used to follow a code of bushido.

Inazo Nitobe, a high educated English spoken figure of Japan, who was a teacher in the university as well had a high role in politics views in Japan in the time and some inputs in the colonization of the Ainu people the area known as Hokkaido now. Nitobe explained that the word Bu-shi-do itself means the way the noble warriors fight (Nitobe, 1899). Nitobe said:

“Bushido is the code of moral principles that the warrior samurai class were required and instructed to follow and be observed acted with, it is not a written code, it is handed down from mouth to mouth or coming from the pen of some well-known warrior. Privileges and great responsibilities were given to these warriors. Soon the need of a common standard of behavior was required. The warriors were always on a belligerent footing and usually the belonged to different social classes” (Nitobe, 1899).

This pattern of behavior has similar meaning to kata, a way of doing things that was growing of decades and centuries of military career. Nitobe keeps explaining bushido as follows:

“Several sources were the reason behind the Bushido creation in Japan, religion and Confucius teachings had a major effect, religion part was the Buddhism, it was a religion that imported from china, that it had a direct effect on these warriors to have a sense of calm trust in fate, and submission to the inevitable in sight of danger or calamity, despise of life and friendliness with death. These warriors created a Zen out of that Buddhism that represent human effort to reach through meditation zone of thought beyond the range of verbal expression, it put oneself in a harmony, and that direct us back of how harmony is extreme important in Japanese principles and view of things until this day. The strictly ethical doctrine of the Confucius teaching was the most prolific source of bushido, it created a kata as for the moral relation between master and servant, father and son, husband and wife, old and young brothers, and between friends”.

Nitobe describes clearly in the bushido book as follows:

“Politeness is a poor virtue. If it is actuated only by fear of offending good taste, whereas it should be the outward manifestation of sympathetic regard for the feelings of others. It also implies a due regard for the fitness of things, therefore, due respect to social positions.” For these later express no plutocratic distinctions, but were originally distinction for actual merit, in its highest form, politeness almost approaches love” what can be understood from that, is in politeness itself, heart was a key factor, to be able to behave in such manner. That was learned between generation through the code of bushido, doing and acting the correct manners”.

It will bring all the parts of a person body into perfect order and create the harmony that its environment expresses the mastery of spirit over the flesh. The clearest example of that is “*chanoyu*” the tea ceremony, from that we see that Japan make the simplest thing into an art and it will become a spiritual culture that will carry on to the next generation, and from this tea ceremony, everyone who will attend it will understand the meaning of Japanese hospitality, and how it is carried on.

In Japan there was a time when service was provided without asking for money in return. It was part of the social structure of the society, that each individual is part of in-group that their benefit is prioritized. That created harmony within the society, and made the service be delivered with a heart as service, without expecting a return.

Nitobe said:

“Paying for every sort of service was not common among the bushido supporters. It believed in service that can be rendered only without money and without price” silver or gold was not to be repaid for some services. Not because there was no value to it, it is actually because it was invaluable. Again a strong key

element that was implemented into the Japanese society that was carried around for many generations. That makes them believe putting one heart into doing the service, and not accepting a return is something normal and as a virtue, compare to other cultures” (Nitobe, 1899; De Mente, 1997).

It even went far that bushido itself became free from anything that has to do with money, as money was considered a root of evil. Another fact that explains that some services that were provided in such culture were not expecting a reward or paying back for it. It was pure heart hospitality, a road to create excellent service and until this day if you deal with any Japanese service provider, they never wait for you to pay a tip, or even ask for it. And when a customer sometimes wants to pay a tip for the employee for his nice hospitality, the employee strongly refuses it, and considers it as impolite behavior, such ethics and ideas were built and implemented in the Japanese culture and became part of it, the corruption of money was out of it. In Nitobe's final word of his bushido book, he said: “The samurai were not only the flower of the nation, but its root as well, they kept themselves socially aloof from the populace, they set the moral standards for them and guided them by their example”.

This concludes how a nation was driven by the unconscious and irresistible power. Bushido has been moving the nation and individuals. The extreme politeness in dealing with others, and the strong power the samurai had, that only resulted in the merchant who in the lowest class of the social structure to extreme politeness and try their best to satisfy their customers. This is what created the mindset of “*omotenashi*” the Japanese hospitality.

Another feature of Japanese society is their belonging to a collectivism social pattern. It is a reflection of the Japanese culture from its languages and geographic region and historical periods. It defines their beliefs, attitudes, norms, roles and values of those who live in a specified geographic region (Bayo-Moriones, 2009). In Edo era bushido teaching became not an exclusive to the samurai status only to learn, it became popular between the common Japanese as well, that an education system called the *terakoya* education system, was tough in the large cities as well small and mid-sized cities all over Japan, the school educated the basic moral and scientific knowledge which made the samurai's bushido education. After Meiji era, Japan could catch-up rapidly to the advanced countries because of this *terakoya* education system.

To understand more about how harmony and *kata* could be effective in Japan, it is needed to know the norm of the Japanese society. Collectivism itself means “a group of individuals about whose welfare a person is concerned, with whom that person wants to cooperate without demanding equitable returns” (Triandis, 1995). Separation from whom leads to anxiety, these groups are called “In groups”. They are usually characterized by similarities among the members and individuals have the sense of common fate, the views, and needs. Goals of

the “in groups” are always emphasized more than the self-interests. The emphasis is on behavior influenced by social norms and duties rather than by personal advantage or pleasure.

Common beliefs are shared within the “in groups”. There is willingness to cooperate with the in group member. The collectivists have a unique attribute that all collectivists have to carry out their obligations and perform what is specified as “in group” norms (McManus, 1994). The collectivists simply enjoyed doing their duties, even if those duties require sacrifice. And this can be seen as feature in the behavior of Japanese employees in the current time that result in success in their teamwork. This will give a lead that the Japanese social pattern itself required the individual to care about others more than themselves. It created an acceptance to sacrifice you, in favor for others. The key point that it helped enabling the idea to give without expecting a return, it removed the calculation of the cost of giving extra to others. To offer customer more than what they pay for is actually a culture within the Japanese since ancient times. By having such a collectivism pattern within the Japanese society, it had to be maintained by establishing harmony within the people. Because they are a collectivism culture, they tend to be a high context culture as well. Jianeng Wang referring to Edward. H. Hall’s framework of High/Low Context Culture (Wang, 2008 (also see Sato&Parry, 2013) said as follows:

“A high-context communication or message is the information that is either in the physical context or internalized in the person. Very little of this information is coded, explicated or transmitted as a part of the message. A low-context communication has the opposite meaning; i.e., the mass of the information is vested in the explicit code”.

According to Cardon,

“In high context cultures, communication is a form of the art that is unique and cohesive and thus displays sophistication, nuance, and cultural identity. In low context cultures, communication is primarily a task oriented. High context cultures appreciate slow, indirect messages whereas low context cultures insist on fast, direct messages. High context cultures extensively use informal information networks whereas low context cultures prefer formal information networks” (Cardon, 2008).

Because the nature of the Japanese highest context society all over the world, they have something called, “*kuki-wo-yomu*”, that means reading the atmosphere. Reading the atmosphere is important for a high context culture as words take less place in such culture. The tea ceremony participant has to read the atmosphere to enjoy the *omotenashi*, by being collective and high context culture and able to read the atmosphere, without saying words, *omotenashi* was delivered in such culture smoothly and could be maintained.

Finally, the Japanese way is always different from the rest of the world, any non-Japanese person whoever dealt with Japanese companies or lived in Japan, will immediately notice that Japan is different than the rest of the world. The Japanese way is always different. This raise an interesting acceptance of an interesting theoretical study done by Tsunoda (Tsunoda, 1985) regarding the Japanese behavior. The theory can clarify the reasons why the way and action of Japanese are totally different from the world, and why any business dealing with Japanese company or personal could be very difficult and cannot be understood by other countries and nationalities. Tsunoda explains that the functional is different between the verbal and nonverbal brains. The right and left side of brain characteristics are popularly described as nonverbal vs. verbal, spatial vs. temporal, synthetic vs. analytic, and intuitive vs. rational.

Then Tsunoda explains that the language has a strong effect on how the brain is used that made the uniqueness of thinking and creating a culture that differs from others. He said that the languages spoken in the world are divided into only two groups, Japanese and Polynesian language that has a large share of vowel sounds on one hand, and the remaining languages on the other. From his various experiments, he found a major difference between Japanese-speaking people and those who speak other languages. It is in the dominance pattern for vowel sounds, the Japanese brain automatically process vowel sounds as verbal sounds in the linguistic hemisphere, but the non-Japanese brain handles vowel sounds as nonverbal sounds. The categorization of all sounds into verbal or nonverbal sounds has a particular importance in human auditory perception. His test results have proved that the auditory dominance patterns of Japanese and western nations suggest that the Japanese brain handles emotional functions, logical processes, and perceptual affinity with nature in the left hemisphere (Tsunoda, 1985). The right hemisphere specializes processing of harmonic and mechanical sounds. The left brain specializes in the processing of linguistic and logical functions in the western brain, while all other auditory information and functions are handled in the right brain. Thus, the Japanese brain houses the logical and emotional functions in the same verbal hemisphere, which may account for the Japanese tradition of affinity between logic and emotion.

The unity or coexistence of the mind and emotion is said to characterize Japanese behavior, arts, history and life. Japanese people have given great importance to the human life in total harmony with nature, which explain the strong ideal of how Japanese people strongly emphasize on harmony and act without the group to achieve this harmony as nature does. These general Japanese characteristics appear to be in agreement with the result that Japanese behavior is unique to every other culture and nationality in the world and that shows that the Japanese perception of seeing things is unique. On the other hand, the test result showed that the

non-Japanese verbal brain is highly specialized in logical functions, and there is no room for emotional elements to enter this sphere. That explains one fact of how hard is to export the Japanese service marketing to other countries, because the element called *omotenashi* could be beyond logic for companies of non-Japanese verbal brain to understand such a concept.

In conclusion to this chapter, it is necessary to mention that the main origins of the Japanese *Omotenashi* have been examined and described. It appeared that the origins of the Japanese *Omotenashi* can be divided into two major groups: historic and social. The omnipresence of the emphasis on patience, discipline, cooperation, harmony and politeness can be observed on most, if not all, levels of the Japanese culture and history, starting from the early feudal social class structure and ending with the neurological peculiarities of the Japanese brain that explains their behavior. *Omotenashi* is often said to be an invisible and spiritual aspect of the Japanese culture rather than some practical notion that can be theoretically dismembered and analyzed thoroughly. Nonetheless, the examination of the Japanese history and social formation in regards to the commonly observed behavioral and emotional patterns of the Japanese people considerably helps in understanding of how the Japanese *Omotenashi* was formed and why it remains actual and topical nowadays. It is argued that, due to the difference in cultural norms and behaviors, those outside Japan may not be mentally capable of fully perceiving the little notions of service that total up to *Omotenashi*. Nonetheless, Japan remains frequently visited by foreign travelers and the Japan tourism figures keep augmenting, as evident from Japan National Tourism Organization annual report. Therefore, it can be concluded that every stage of the Japanese history has formed certain social philosophy aspect which, in its turn, has influenced the formation of the Japanese *Omotenashi* and contributed to the creation of the excellent customer service Japan prides in and which is exclusive entirely to the country of the rising sun.

Chapter 3. The Omotenashi and the Japanese tea ceremony.

Japan has always been famous worldwide for keeping and widely practicing the authentic ceremony of tea preparation and serving. The Japanese tea ceremony instantly jumps to anyone's mind when asked about Japan, and the country is associated with the tea ceremony by foreigners so much that it comes across as the primary and integral part of the Japanese culture. As stated by Sato and Parry (2015), “One important consequence of the linkage between Japanese identity and the tea ceremony has been the use of the latter as a tool for teaching proper behavior and social interactions in various contexts. Many Japanese companies use the tea ceremony in their employee training programs”. Therefore, it illustrates the great role tea ceremony plays in the Japanese culture. A brief, but nonetheless compelling overview of the history of Japanese tea ceremony and the modern ways in which it is studied and practiced is outlined in Kristin Surak’s book:

“The Japanese tea ceremony provides a particularly compelling site for elucidating the operations of nation-work. In its five-century career, the ritual has traveled a path through the heights of political power, where it was a mainstay of aristocrats, merchants, warriors, and industrialists, before descending to and disseminating through the masses, today living on as a hobby of housewives. Tea activities in the past were dominated by formal gatherings – four-hour affairs in which a host serves a handful of guests a multi-course meal, in addition to several bowls of tea, all consumed from well-chosen and often costly dishes and other objects of art. But since the twentieth century these have become eclipsed by lessons, attended regularly by acolytes striving to master the vast corpus of tea making-procedures and their detailed regulation of bodily comportment. Though learning whether one should enter a room on the right or left foot or how to align one’s finger tips at an aesthetically pleasing angle when holding a tea bowl may seem too abstruse to garner much interest today, Japan nonetheless counts over two million tea practitioners, ninety percent of whom are women” (Surak, 2012, p.179).

According to Sato and Parry (2015), who attempt to review the Japanese tea ceremony as a metaphor for value creation, essential in S-D logic environment:

“As a metaphor for value creation, the tea ceremony satisfies both of these criteria. The tea ceremony is a relational metaphor, because it uses the relationship between the tea ceremony host and guest to provide insight into the relationship between a firm (or the firm’s employees) and its customers. Second, for most westerners, the tea ceremony involves a distant semantic domain: if they have any knowledge of the tea ceremony, that knowledge is most likely to involve images of the clothing worn

by the host, as well as the tools and ritualized movements used to prepare and serve Japanese green tea”.

Therefore, based on this idea, it is possible to observe how the experience of tea ceremony is perceived and interpreted.

Similarly, to S-D Logic, Japanese tea ceremony also has a set of rules and concepts shared by tea ceremony practitioners. S-D Logic is known to have a set of fundamental premises (FP), which defines its predominant organizational philosophy and brings clarity as to what particular goals and perspectives S-D Logic is operated within. Of course, tea ceremony, being an ancient tradition, rules more philosophical and authentic rules and concepts compared to market-driven and customer-centric premises of SDL. Nonetheless, it is impossible to negate the role of *omotenashi* in the development of hospital industry components and concepts, as well as in the adaptation of SDL in hospitality settings. Also, SD logic is said to be characterized by a pluralism of approaches, mainly because businesses are genuinely interested in not only serving the customers, but creating customers in order to ensure high retention rate (Brookes, 2007, p.90). Similarly, the Japanese tea ceremony is both regulated by the essence of traditional procedures and components of the ceremony process, and allows for certain flexibility in terms of non-dominant relationship between *Shokyaku* (main guest) and *Teishu* (host). This, in its turn, creates a unique, one-of-a-kind experience, and successfully fulfills the goal of both serving and creating customers. Whereas the idea of a “unique” experience offered by participation in an authentic Japanese tea ceremony may imply that this experience is better when experienced once in a life time, this is not particularly true. The vast number of styles, settings and schools of Japanese tea ceremony allow for each experience to be unique and intricate. Therefore, the conjunction of traditionalism, sacredness, and ultimate value co-creation standing at the pinnacle of modern hospitality approach allow for a high retention rate. This proves that the fundamental premises of modern SDL logic correlate with the concepts upon which Japanese tea ceremony and *Omotenashi* have existed for many centuries now.

Everything above can be supported by the four main principles that scholars name to be dominant in the Japanese tea ceremony. According to Sato and Parry (2015), the four main principles of the Japanese tea ceremony are seasonal feelings, the celebration of the mundane through the use of everyday items (Zen Buddhism), ritualized social interactions, and mutual understanding between the guest and host. As for seasonal feelings as one of the principles of the Japanese tea ceremony, it mainly stems from the Buddhist teachings about the impermanence of the physical world that people live in. As cited by Sato and Parry (2015), Kato (2002) states the following: “For example, a modern guidebook for one popular form of the tea ceremony

provides utensil guidance for fifteen different seasons (Kato, 2002)”. The seasonal feelings in tea ceremony are expressed in numerous ways, starting from the interior of the tea ceremony room and to the utensils used during the tea ceremony.

The Japanese tea ceremony practitioners place a great emphasis on the impermanence of the physical world, and the attempt to make the greatest out of every single moment spreads from the tea ceremony to the daily lives of the Japanese. Naturally, it also results in the Japanese *Omotenashi* being aimed at provide the customers with the experience that would help the visitors to have memorable experience and, thus, feel the beauty of the moment to the extent where they could appreciate the fleeting of the moment and make it count. This is adjacent to the seasonal feelings that the tea ceremony promotes. *Omotenashi* is aimed at presenting the guest with unique and one-of-a-kind experience. This principle is somehow opposite to the usual line of business tactics expressed by the Western-style businesses. Western-style businesses attempt to furnish their guests with the experience lying along the lines of their expectations in order to ensure high retention rate. Instead, Japanese hospitality industry strives to present its customers with a unique experience, carrying the traits of authentic cultural traditions irrespective of whether the guest is familiarized with them and expect to observe them. There is a special term in the Japanese language, *ichigo ichie*, meaning “one chance, one meeting”. This underlines the singularity of every experience received by the visitor, and cancels the possibility of rectifying any mistakes during the second occasion, as Japanese express their intention to make each occasion special and unique. Moreover, Japanese believe that nothing is there to last, which additionally backs up their intention of taking advantage of any opportunity to make the stay pleasant and special for the visitors. This ancient and omnipresent principle of the Japanese philosophy also makes up for the foundation of *Omotenashi*, and can be widely observed in the Japanese tea ceremony. According to Saito, “

[...] transience and impermanence are specifically appreciated in some aesthetic traditions. Again, the Japanese aesthetic sensibility is perhaps most prominent in this respect. According to it, the beauty of something is cherished precisely because of its evanescence. Hence, the favorite symbols for beauty convey the transience of existence, such as falling cherry blossoms, mist, rain, snow and wind; autumn leaves and other materials especially signify the effects of aging. The change and impermanence of many of our everyday objects and activities, therefore, does not necessarily detract from their aesthetic value; they can instead heighten our awareness and enhance the experience” (Saito, 2010).

Such aesthetic principle serves as an asset for the very concept of Japanese service mindset, as it justifies the immense effort put into making each guest satisfied beyond their expectations.

As cited by Sato and Parry (2015), “The appropriateness of utensils, vases, and scrolls to a particular season reflects two considerations: (1) utilitarian factors (e.g., in summer, cups that dissipate heat quickly are desirable) and (2) connotative factors, which involve the meaning that arises from the shapes and names of utensils and vases (Kato, 2002, p. 116), as well as any featured images. In the case of scrolls, this meaning may be generated by text (e.g., a well-known seasonal poem) and, in some cases, also by images”. It directly illustrates the statement that the impermanence of the everyday objects is perfectly captured by the Japanese tea ceremony, and the seasonal feelings play an important role in ensuring that the guests experience precisely what appears to be the most suitable by utilitarian and connotative factors during a given season.

The aesthetics which govern the choice of utensils for dinner in Japan is called *toriwase*, and it introduces a strict set of rules to conform to in the course of serving dinner (Da Rocha, 1999). According to the same source, “*Toriwase* is a fundamental principle of Japanese aesthetics, apparent, for example, in Japanese cuisine where the containers and bowls in which the food is served are chosen in accordance with certain rules: they should not have the same form, texture or color, and should be chosen in accord with the time of the year” (Da Rocha, 1999, p.293). It was strictly followed during the Kitcho dinner course, which additionally proved that they preserve the traditions and customs and get their guests familiarized with it. Those who are not acquainted with the ancient Japanese aesthetics principles, such as *toriwase*, will still appreciate the fine lines of utensils and the overall setting of the table. Also, if one looked on the way food was placed on the plates, they would also know that “the principles of asymmetry, use of empty space, *wabi* (solitude, reclusion, poverty, rusticity, beauty of the unpretentious), *sabi* (objects should inspire a sense of antiquity, dignity, quietness), *shibui* (beauty which cannot be seen at first glance, not obvious) and *furyu* (appreciation and union with nature, that leads to a quiet peace) (Da Rocha, 1999, p.293) were followed to the dot.

According to Sato and Parry (2015), the feeling of the seasons is also being successfully implemented in the restaurant services, which remain one of the main affiliations which regularly offer their services to clients (Sato and Parry, 2014, p.12). The celebration of the seasons is considered in the restaurant menu, the conversation with the hostess, the overall atmosphere of the dining room and the servers. Moreover, *Hinshugokan* – a phrase present in the Japanese tea ceremony – means that the roles of the guest and the host are and should be interchangeable. This means, that the server and the client mutually express their respect, views, appreciation and mindset and both give and receive the information. It is initially set that the server will do his best to ensure the best service he can provide, the guests will appreciate it truly and wholeheartedly, and the server, in his turn, will

show his appreciation for his consideration (Sato and Parry, 2014, p.14). Thus, not only does the Japanese tea ceremony contribute to the development and proper introducing of the Japanese hospitality – *Omotenashi* – but also spreads the good practice of building meaningful, thoughtful cooperation and relationships between the server and the client in other parts of the world and numerous spheres of our daily life.

The second principle is the celebration of the mundane through the use of everyday items (Zen Buddhism). As cited by Sato and Parry (2015), “As Kondo explained: “... perhaps the Zen doctrine bearing most directly on the tea aesthetic is the emphasis on the mundane as a sphere of action and a source of beauty. ...Zen describes a fusion of opposites in which the beautiful and the ordinary are no longer distinct (Kondo, 1985, p. 292)”. It also goes along the lines of the Japanese philosophy of *wabi sabi*: “*Wabi sabi* represents rustic and desolate beauty; *mono no aware*, a fleeting, varying beauty; *ma*, an empty or formless beauty” (Prusinski, 2012, p.25), and seconds another statement found in a book about *wabi sabi* “Technologies may change, but both nature and basic human needs remain constant” (Crowley & Crowley, 2001, p.1). According to Sato and Parry (2015), *wabi sabi* composes of two equally important and interchangeable elements. However, it is precisely *wabi* that encompasses the exaltation of the mundane (Sato & Parry, 2015). *Wabi*, as the concept, expresses three dimensions of beauty: simple and unpretentious beauty, irregular beauty, and, finally, austere and stark beauty. Therefore, although the nature of *wabi* is complex, it is nonetheless possible to feel and perceive it on a subconscious level.

This all just serves as another summary of the fact that aesthetics in the life of Japanese stretches beyond art, and is present in their mindset, thus, reflecting onto every part of their everyday lives despite the modernization and the internationalization of standards today. Esthetics, drawn from aesthetics, “is an essential feature of all rituals” (Plutschow, 1999), which includes the Japanese tea ceremony.

According to Sato and Parry (2015), “A third important principle involves ritualized social interaction”. In this regard, the Japanese tea practice, aside from being a tea-serving ceremony, both contains and enhances various characteristics of *Omotenashi*, for example, close collaboration between the server and the visitor, their shared understanding, looking past the customers' essential needs and furnishing them with exceptional one-of-the-kind service, treating every client separately, going before the customers' solicitations by offering them exactly what they are expecting without awaiting their requests, and creating a serene environment. Therefore, tea ceremony does not only involve a ritualized social interaction, but is, to some degree, a special form of a

ritualized social interaction performed by value co-creation between the host and the guest. Sato and Parry (2015) cite Kondo (1985, p.288):

“... the Japanese tea ceremony is a highly ritualized version of host/guest interactions, and a heightened expression of the emphasis on etiquette in Japanese culture in general. ... The theory is that mere good intentions are insufficient; one must know the proper form in order to express one’s feelings of hospitality effectively”.

Whereas it can be argued by the people who mainly observe the tea ceremony and do not directly practice it or participate in it that the Japanese tea ceremony is riddled with various implications and details which require utmost attention, the traditions which form the basics of the tea ceremony have remained virtually unchanged from centuries ago. According to Kristin Surak,

“Tea ceremony provides an interesting site for probing the issues presented here because it is highly structured and formalized in terms of both its formal institutional structure and requisite material components thereby narrowing the field of variation in its reconstruction. As so many organizational aspects are held constant, it provides an ideal lens for focusing on the details of change” (Surak, 2006).

However, how far does customer participation widely concentrated upon in the context of modern service management come from being a part of social ritualized interaction? It can be argued that the Japanese tea ceremony both encourages customer (guest) participation and neglects the active participation of the guest at the same time, since much attention within the course of tea ceremony is dedicated to the articulation of the atmosphere and intentions with the means of non-verbal communication and the means that lie outside of the field of conventional communication altogether. Customer participation has been gaining more and more value in the fields of service marketing and management over the past four decades (Mustak, Jaakkola and Hallinen, 2013, p.341). Seeking customer's feedback and listening to their suggestions provides a unique opportunity for generating valuable repeat business and adjusting both tangible and intangible goods to the customers' needs and wants. As collaborative process of co-creation has been gaining momentum in the service industry, what is called S-D (Service Dominant) Logic phenomenon resurfaced and has been embracing more and more aspects of hospitality industry. The conceptualization and systematization of S-D Logic phenomenon was vastly reviewed and assessed in the article by Natalia Kryvinska, Romana Olexova, Paul Dohmen, Christine Strauss (2013). The researchers emphasize that the key idea of S-D approach to hospitality industry is the fact that goods are no longer considered to be the essential source of value creation, but rather serve as the foundation upon which reciprocal service exchange takes place (Kryvinska, Olexova, Dohmen, and Strauss, 2013, p.36).

Therefore, the ritualized social interaction proclaimed to be the third principle of the Japanese tea ceremony appears to be the basis of the interaction between the host and the guest, and signifies a highly structured and formalized institutional structure which all participants of the tea ceremony are culturally obliged to follow.

Last but not least, the fourth principle of the Japanese tea ceremony is mutual understanding between the guest and host (Sato & Parry, 2015). The Japanese tea ceremony in its original nature does not distinguish between collaborating with a host on host-server level and between building mutual trust by looking beyond host's expectations and promptly reacting to the host's wants and needs. This approach stems from *sasuru* – a notion of the Japanese culture that explains and encourages the idea of reading the context and picking up the hidden meaning or nature of a situation, feelings, communication or behavior patterns, and so on. Due to the fact that Japanese culture is high-context, *sasuru* plays an important role in the interaction between people, as the main message is conveyed through non-verbal communication and the atmosphere rather than directly with words. This is applicable to the Japanese tea ceremony mainly because the host is capable of predicting and understanding the guest's needs and desires before the guest even mentions it. In regards to value co-creation observed in the Japanese tea ceremony, Sato and Parry (2015) state the following:

“This [fourth] principle implies that value creation in the tea ceremony is a co-creation process, in the sense that (1) both the host and the guest create value-in-use, and (2) the value-in-use created by each actor depends on (i) that actor's ability to provide services (resources) to the other and (ii) the impact of those resources on the other's creation of value-in-use”.

Japanese hospitality industry can be characterized by one-of-a-kind three-faceted value co-creation, namely, customer value co-creation, host (server) value co-creation, and customer-host value co-creation. Therefore, although it is commonly believed that for successful value co-creation both parties have to be equally and actively involved, it is not always the case in *Omotenashi*. In order to create value, in certain cases, a passive involvement from the side of either party is required. For example, it is possible for guest to draw certain experience from silent observation of inn interior or food taste: in this case, no direct and active part from the side of the server is required, yet this value creation is virtually encouraged and facilitated by the prior server's intentions. Similarly, servers may get certain experience and value from exceeding customers' expectations and providing them with the service they did not expect. In this case, no direct request from customers is required, yet the staff, basing their actions on prior observations and personal traits develop value

and create it. Finally, value co-creation happens either knowingly or unknowingly between the server and the host, yet it is always initiated by prior perception of *Omotenashi* by both server and host.

It is said to be cultivated in the very practice of the Japanese tea ceremony. According to a tea ceremony practitioner Ichihara Sori, as cited by Sato and Parry (2015):

“It is said that the tea ceremony can help employees develop a caring, helpful attribute toward others in the workplace. Because you experience the role of serving and the role of being served, you learn to understand your partner’s situation. You come to regard win-win exchanges with your partner as natural (*Nikkei Business Associe*, 2010, p. 58)”.

From these words, it becomes evident that, in the context of modern S-D logic, the fundamental premises outlined by the contemporary researchers could be found in the Japanese tea ceremony hundreds of years ago. Moreover, value co-creation, both in its original and Japanese-specific forms, has been silently proclaimed by the tea ceremony practitioners to be the core of the interaction between the host and the guest. Reviewing the ten foundational premises of SDL in parallel with *omotenashi* and Japanese tea ceremony unfolds certain points of service-dominant logic due to its uncommon application and interpretation, yet the type of value co-creation observed in the Japanese tea ceremony remains unraveled. It is important to mention that the main reason for stating that *omotenashi* does not only not coexists with SDL in its usual understanding, but actually overreaches it and plays a greater role in hospital industry is the fact that *omotenashi* steers the Japanese tea ceremony for creating value for both hosts and servers. Value co-creation is not the ultimate goal of delivering service to the customers, but is an integral part of any tea ceremony process and *omotenashi* concept in its entirety.

Some parallels can indeed be found in the course of reviewing ten foundational premises of Service-dominant logic and connecting them to certain points existent or observed in *omotenashi* and Japanese tea ceremony. As stated by Vargo, the first premise of SDL is “Service is the fundamental basis of exchange” (Vargo, 2009, p. 374). Admittedly, the same can be observed in Japanese tea ceremony, as tea ceremony practitioners are bound to possess a set of skills of the certain level in order to create a perfect experience for the host. The exchange is mainly done on the level of cooperation between server and host. The tea itself, although irreplaceable from the tea ceremony, is not a stand-alone aspect of it. Undoubtedly, the process of preparation, certain guest protocols, phrases, rituals, tea room, utensils, and others are just as vital for the tea ceremony process. The same is mentioned in the article by Sato and Parry (2015): “Three of these [four fundamental] principles [of the Japanese tea ceremony] involve exchange practices (McColl-Kennedy et al., 2015) through

which the host creates value-in-use for himself or herself and potential value-in-use for customers.” Much attention is dedicated to the art of appreciating the beauty of utensils also, and it goes without saying that without an experienced and knowledgeable server, it is impossible for guests to receive proper exchange of knowledge and tea ceremony experience. As Sato and Parry (2015) state: “The host designs an experience to communicate seasonal feelings and the beauty of the mundane, and the meaning of these feelings is enhanced through ritualized social interactions”.

FP2, according to Vargo is “Indirect exchange masks the fundamental basis of exchange” (Vargo, 2009, p.375). Similarly, mere delivery of tea and tea utensils (ingredients and tools for the tea ceremony) to one's house cannot be considered a tea ceremony experience. Direct contact is required in order to experience the authentic ritual in its full potential. FP3 says “Goods are distribution mechanisms for service provision” (Vargo, 2009, p.375), mainly confirming that goods cannot be separated from service, but yet are not superior to service. Goods serve as tools for service provision. Similarly, tea ingredients and utensils cannot be viewed as elements of tea ceremony if they stand separately from the tea ceremony practitioner, and are used to deliver the experience of the Japanese tea ceremony. FP4 goes as follows: “Operant resources are the fundamental source of competitive advantage” (Vargo, 2009, p.375). Translated onto *omotenashi* and tea ceremony, it can be stated that two different tea rooms may be furnished similarly and have similar tea ingredients and utensils at hosts' disposal, yet what is decisive in the quality of experience received by the host is the operant resource of the server (their knowledge, skills and emotional intelligence). FP5 declares that “All economies are service economies” (Vargo, 2009, p.375), and as it is applied globally, proving that tea ceremony as a part of hospitality industry belongs to economy is not relevant. Next, FP6 states “The customer is always a co-creator of value” (Vargo, 2009, p.375). Admittedly, this is something which lies in the foundation of *omotenashi*.

FP7 goes as follows “The enterprise cannot deliver value, but only offer value propositions” (Vargo, 2009, p.375). It means that the only way value can be co-created is during the immediate exchange of applied resources between the firm and customers, and cannot be co-created separately from resources distribution, consumption and acceptance process. Similarly, interaction between the host and the server in its full might is applicable during the tea ceremony, but any interaction outside of it will no longer be considered of co-creational value. FP8 dictates that “A service-centered view is inherently customer-oriented and relational” (Vargo, 2009, p.375). Therefore, if service is customer-oriented, then the orientation on service implies customer orientation and works both ways. Apparently, the focus on delivering a unique experience to the host during tea ceremony is essentially aimed at both experience (service) and host (customer), which are

inseparable. FP9 goes as follows “All economic and social actors are resource integrators” (Vargo, 2009, p.375). This is another foundational premise, alike FP5, which holds true without going in-depth. Finally, FP10 says “Value is always uniquely and phenomenologically determined by the beneficiary” (Vargo, 2009, p.375). Similarly, the experience of tea ceremony is always unique and one-of-a-kind, and no two different hosts experience it in the same way, as well as no two servers, although equipped with similar skills and knowledge, host tea ceremony and build host-server interaction identically.

The symbiosis between the Japanese tea ceremony and *omotenashi* is undeniable. Whereas they are often viewed separately, those who have inquired into the origins of the Japanese tea ceremony and the roots of *omotenashi* undoubtedly know that one stems from the other and that the two have co-existed in the Japanese culture for centuries. The influence of the Japanese tea ceremony, which constitutes for a large part of the culture of the Japanese people, on the modern-day hospitality industry cannot be undermined. Similarly, *omotenashi* has played a vital role in shaping up the state of the Japanese hospitality industry in its current state. The idea of the Japanese hospitality – *omotenashi* – is firmly connected to conventional and verifiable foundation of the Japanese culture. Therefore, as value co-creation is governed by one of the four main principles of the Japanese tea ceremony as outlined by Sato and Parry (2015), it becomes evident that tea ceremony and *Omotenashi* are interconnected in their foundational premises, and correspond to the key premises of S-D logic. Thus, existing not only in symbiosis with the Japanese culture, but with the different social mechanisms found in the different parts of the world as well, the concept of the Japanese hospitality can be subconsciously perceived as usual and, thus, relatable, accustomed to and naturally expected, by the visitors of different nations coming to Japan, owing not merely to its uniqueness and high level of service, but also to its relation with social practices existent all over the world.

Chapter 4. The Omotenashi and the Kaiseki Restaurant.

It is essential to mention that “[*kaiseki*] derives from the tea ceremony and from the vegetarian cooking traditions of Zen monasteries (you may sometimes see it referred to as *shojin ryōri*), and emphasises economy and wise use of materials instead of lavish ingredients and showing-off” (Tan, 2009). More theoretical information about *kaiseki* and *Omotenashi* concept observed in the *kaiseki* restaurant will follow and will be supported by the real-life evidence based on the visit made to Kitcho – a *kaiseki* restaurant. Kitcho, being a *kaiseki* (Japanese haute cuisine) restaurant, was a must-visit in order to gain a considerable insight into Japanese cuisine and its way of being served in traditional Japanese restaurant setting.

In order to give some insight into the chronological history of the Kitcho restaurant foundation, the article by Sato and Parry that gives an explicit overview of the same needs to be mentioned. Sato, Al-alsheikh and Hiraiwa (2014) explains:

“Teiichi Yuki (1901-1997) was the founder of the Kitcho restaurant chain. By the time he was 23, Yuki had trained under several master chefs and served as the number two chef in his father’s Japanese restaurant. In 1930 Yuki opened his own restaurant in Osaka. Initially the store was quite deserted, but his original dishes inspired by the spirit of the tea ceremony stimulated favorable word-of-mouth. Gradually his restaurant became a meeting place for people from various cultural, political, and business circles within Osaka. Visitors included cultural figures such as the famous pottery maker Rosanjin Kitaoji, the novelists Soseki Natsume and Rohan Kouda, and experts in Japanese flower arrangement, as well as leading businessmen, politicians, and bureaucrats (Yuki and Tsuji, 1983).

In 1939 Yuki incorporated his company under the name Kitcho Co., Ltd. He later opened additional restaurants in Osaka, Kyoto, and Tokyo. Kitcho was selected to supply the food for the Tokyo Summits in 1979, 1986, and 1993. In addition, Kitcho served a lunch to President Ronald Reagan during his 1983 visit to Japan. In 1987 Yuki received the “Person of Culture Merit Prize” from the Japanese government, and in 1994 he received the “Medal of Honor with Purple Ribbon” for “elevating Japanese cuisine to the level of culture” (*Japan Foundation Newsletter*, 1997, p. 3) ... While traveling in Europe during the late 1980’s, Satake observed that most of the global corporations there focused on protecting and enhancing their brand equity (Katsumata, 2001, p. 34). After he returned from Europe, he closed a number of the company’s family restaurants in order to focus on (1) offering the finest cuisine in the company’s high-end restaurants and (2) transferring the knowledge and learning from those restaurants to the company’s other restaurants and its food products (e.g., lunch

boxes and gift products), which were distributed through department stores and other retailers (Nagamine, 2013a). To protect and enhance the Minokichi brand, Satake sought to consciously implement tea ceremony principles in his restaurants”.

Therefore, the previous passage gives an insightful summary of the events preceding the modern Kitcho restaurant and explain the service vision cultivated in the Kitcho restaurant chain. Implementing tea ceremony principles in the restaurants helped Satake build an authentic brand that would preserve the national identity and traditions, while also allowing for the creation of an excellent customer service. Also, closing other family restaurants helped Satake to strengthen the service vision and mission of the brand and not turn the restaurant chain into a common and mundane food place. Instead, Satake concentrated on enriching the service with the fundamental principles observed in the Japanese tea ceremony and *Omotenashi*, and succeeded in creating a chain of restaurants where any visitor would not simply enjoy the food, but immerse into the world of the Japanese art, philosophy, and culture articulated by the interior, food, service, and other small, but nonetheless significant details.

Sato, Al-alsheikh and Hiraiwa (2014) names seasonal feelings and equality of host and guest as two main philosophical principles that the culture of *kaiseki* is built on. Seasonal feelings, much as in the Japanese tea ceremony, are said to be created by all the available objects: dishes, scrolls, utensils, and so on. The visit to Kitcho restaurant made for the purpose of practical examination and observation of the concepts and principles that *kaiseki* restaurants operate upon has proved this idea. As the visit took place in the autumn, a wall scroll with a morning flower in the breezing autumn wind placed in the hall where the dinner was served reassembled the autumn season and was from Edo period, as the staff member said. Moreover, according to the staff, there was an autumn festival going on, and so the flower resembled the festival because that flower blooms in this season. It is a common practice to furnish the room for tea ceremony or *kaiseki* dinner, which was the case during the visit, for it to suit the current season. The question of seasonality is topical in *omotenashi*, as the Japanese tea ceremony is greatly associated with the seasonal changes. For instance, it is a commonly known fact that the types of tea ceremony differ with the season. There are *Akatsuki-no-chaji* (暁の茶事) tea ceremony taking place during the cold winter months, *Yuuzari-no-chaji* (*Yûzari-no-chaji*) (夕ざりの茶事) held predominantly in warmer months, *Asa-cha* (朝茶) which takes place during summer, *Kuchikiri-no-chaji* (口切の茶事) taking place in the transitional period between the autumn and the winter in November (Japanese Tea Ceremony, 2016), and others. Depending on the season, different tea is used for the ceremony, the utensils used for the ceremony also vary, as well as the decorations of the tea room and even the type of light under which the

tea ceremony happens. As it has been mentioned above, *kaiseki* stems from the tea ceremony practices and Zen Buddhism, which is additionally proved by the fact that seasonality plays a great role in it. Another notion of seasonality in the field of Japanese culture is *hatsumono* – first things. Especially amongst the connoisseurs of Japanese cuisine, this notion celebrates the first products of the season (Bestor & Bestor, 2011, p.14). This is another concept of the genuine Japanese philosophy: finding joy and festivity in simple things. What others may perceive as a regular flow of nature, Japanese see as something special and worth appraising. Continuing the topic of seasonality existent in Japanese cuisine, it is worth mentioning that each time of the year has its own food associations which are closely followed by authentic restaurants and other places connected to producing and serving food.

According to Theodore and Victoria Bestor, “In mid to late summer, for example, food lore instructs one to eat unagi (broiled eel) to fortify the body against the heat on very specific dates determined by traditional almanacs. Other celebratory dishes are not tied to specific holidays or seasons but are consumed throughout the year, such as the auspiciously red-and-white combination of *sekihan* (red beans and sticky rice) that is common at festivals, family celebrations, weddings, and other occasions. Twice each year there are seasons for extensive gift giving — *ochūgen* in July and *oseibo* in December—which prominently include many fancy and ordinary foodstuffs, heavily promoted by manufacturers, department stores, supermarkets, and specialty food purveyors” (Bestor & Bestor, 2011, p.14). At the start of the course, the *Okami* came into the room where the author and his friend were seated, greeted them and poured the ordered drinks, tea for the author and sake for his friend, respectively. Whereas sake was regular, the served tea was plum-flavored with some flower seeds from the autumn season. As evident, the seasonality is not only present in the room decoration, but also in the drinks and food.

Another fundamental principle mentioned by Sato, Al-alsheikh and Hiraiwa (2014) is the equality created and shared between the guest and the host. They say:

“In elite *kaiseki ryori* restaurants, the principle of the equality of host and guest manifests itself in a variety of ways, including the customization of the dining experience based on the master’s knowledge of customers and his education of customers regarding the ways in which the service experience expresses seasonal feelings and the beauty of the mundane”.

Indeed, the staff makes sure to ask of certain preferences of the guests before they book a dinner, and confirms the dinner course once again once the guests arrive. Although the dinner is supposed to be ready to be served once the guests arrive, the staff confirmed that it was still possible to change something if the visitors feel

that they do not want to eat certain food today, and make amendments to the menu. Naturally, if one is allergic to or just generally dislikes some food, they will mention it when booking the dinner. However, the fact that the staff cares about the current state of the guests and inquires them on whether they feel somewhat different today and would prefer any changes introduced to the course makes it a unique experience. This particular thing adds up to *omotenashi* experienced during that *kaiseki* dinner, as making sure the guests receive what best suits their current state of mind and feelings is one of the key means to create a perfect environment for value co-creation.

Sato, Al-alsheikh and Hiraiwa (2014) makes an important point when recollecting the words of the interviewed restaurateur Rikifusa Satake:

“Satake also recognized the education that visitors must have in order to grasp the meaning of the various elements of the *kaiseki ryori* experience. To appreciate these elements, one must have the ability to discover and read the message conveyed through the cuisine, the utensils, the room décor, and the behavior and conversation of the master and the service employees. For this reason, both the master and the visitor must engage in active learning about Japanese culture in general and the tea ceremony in particular”.

Indeed, is it possible for the first-time visitors to fully comprehend the beauty and the message that is conveyed in *kaiseki* restaurants through the principles of *Omotenashi* and the fundamental elements built on the Japanese tea ceremony? Naturally, the idea of *kaiseki* is not available to everyone, as the principles upon which it is built go back to the very roots of the Japanese history and culture, and those who have very primary understanding of the origins of the Japanese tradition might only grasp what is visible on the surface and fail to understand the peculiarities of the ceremonial cuisine art that *kaiseki* attempts to introduce. However, regardless of whether the guests are Japanese and have vast knowledge of Japanese traditions and *omotenashi* itself, or come from abroad to experience the excellence of the service Japan offers, value co-creation has to take place. The core of value co-creation between the guest and the server does not have to rely on the risk of the former to not fully understand the concept of *omotenashi*. Instead, the core value co-creation criteria must be the idea that the visitors coming to a place which offers *omotenashi* hospitality, Kitcho restaurant in this case, are genuinely interested in experiencing *omotenashi* and engage into value co-creation with the staff while enjoying the experience. Based on this instance, it can be concluded that the basics of value co-creation encouragement in guests is absent from the understanding of *omotenashi* shown by *Okami*. In retrospective to that visit, it could be concluded that the *omotenashi* was present in the experience, namely, the welcoming and farewell aspects, the

restaurant building exterior and interior, the decoration of the plates, the seasonality present in the design and the food, and the courtesy and well-bred behavior of the *Okami* and other staff members.

Therefore, *kaiseki* restaurant, namely Kitcho, as the one researched most thoroughly and experienced first-handedly, is guided by the principles of the Japanese tea ceremony and *Omotenashi*. There are numerous elements shared between the three. For example, the presentation of *kaiseki* dinner courses is mainly based on Japanese aesthetics, which can be also found in the Japanese tea ceremony. The visual representation of the *kaiseki* interior and utensils is guided by the principles of Zen Buddhism and the philosophy of *wabi sabi*, as the Japanese tea ceremony and *Omotenashi*. Seasonal feelings also play an important role when it comes to *kaiseki*, and their visual representation can be found in every little detail. *Kata*, as one of the confirmed origins of the Japanese *Omotenashi*, is also observed in *kaiseki*, because, although there is no set formula for *kaiseki*, it is still governed by certain rules and traditions. Finally, the equality between the guest and the host creates a perfect possibility for value co-creation. However, the opportunity for value co-creation does not necessarily mean that value-in-use will be created by both parties. To a large extent, value co-creation in the *kaiseki* setting cannot be anticipated as something granted, but rather something that both the host and the guest need to set their minds to and put some efforts into. As fairly noted by Sato and Parry (2015):

“Importantly, the value-in-use created by each party depends on the value-in-use created by the other. In particular, the value-in-use created by each party depends on the ways in which the master has:

1. Prepared the cuisine, chosen the utensils, and arrange the décor to reflect the “feeling of the season” and the “beauty of the mundane;”
2. Orchestrated the delivery of the meal through a hostess and servers using the proper language and bodily movements;
3. Customized the experience for the customer; and
4. Signaled his or her intentions to the customer.

Moreover, the value-in-use created by each party also depends on the degree to which the customer has:

5. Educated himself or herself about the tea ceremony;
6. Understood the actions and the signals provided by the master, and
7. Communicated to the master in appropriate ways his or her appreciation of the master’s consideration”.

Therefore, although it is commonly believed that for successful value co-creation both parties have to be equally and actively involved, it is not always the case in *Omotenashi*. In order to create value, in certain cases, a passive involvement from the side of either party is required. For example, it is possible for guest to

draw certain experience from silent observation of inn interior or food taste: in this case, no direct and active part from the side of the server is required, yet this value creation is virtually encouraged and facilitated by the prior server's intentions. Similarly, servers may get certain experience and value from exceeding customers' expectations and providing them with the service they did not expect. In this case, no direct request from customers is required, yet the staff, basing their actions on prior observations and personal traits develop value and create it. Finally, value co-creation happens either knowingly or unknowingly between the server and the host, yet it is always initiated by prior perception of *Omotenashi* by both server and host. Nonetheless, the conclusion can be drawn that it is impossible to embark upon the *Omotenashi* principles articulated by the *kaiseki* in case of complete unawareness of the primary foundations of the *kaiseki* tradition and concepts. From this, it follows that the Japanese tea ceremony principles and the origins of *Omotenashi*, to equal extent, must be researched and understood by those who would like to experience *Omotenashi* by partaking in a *kaiseki* dinner.

Chapter 5. The differences between Omotenashi and hospitality: hotel and Japanese inn.

As Japan has been welcoming millions of foreign tourists into the country for the past decades since the period of isolation, it is only natural that the country is ready to offer its alien visitors various options for accommodation. According to one web article, “There are more than 80,000 accommodations in Japan. The breakdown is about 10,000 hotels and less than 50,000 *Ryokan*. The remaining are small inn with less than 4 rooms, *minsyuku* (small *Ryokan*), capsule hotel, and so on.” (Kashiwaya.org, 2015). Therefore, it is evident that *Ryokans* take the lion share of the accommodation available in Japan. In any other Western country, hotels or apartments for rent would be the primary option for accommodation. For example, a website popular in Europe for accommodation booking offers 188 hotels, 249 apartments, 100 bed-and-breakfast hotels, 51 apart-hotels, and 22 guest houses in Brussels, Belgium (2016). Obviously, there are hundreds of options to stay in hotels around Japan, and it might seem more conventional and comfortable for foreign travelers than staying in *Ryokan*. Nonetheless, will one be enabled to experience authentic Japanese *Omotenashi* and immerse into the traditional and cultural environment of the country in a typical hotel versus a traditional inn? It is only possible to answer this question after a thorough review of both. So, what is *Ryokan* and what is the principle difference between hotels and traditional inns in Japan? As evidenced by theorizing and observing both regular hotels and *Ryokan* (especially Kagaya *Ryokan* which has been visited first-hand), there is a number of differences: the purpose, the cuisine, the interior, the fee system, the management system, and the service system. Each aspect of the main differences between *Ryokan* and hotels will be explained and discussed in detail further.

According to Kashiwaya.org (2015): “According to the law, the definition of *ryokan* and hotel are as following:

“*Ryokan* is a facility, which mainly has Japanese structure and equipment.”

“Hotel is a facility, which mainly has Western structure and equipment.”

Therefore, the fundamental difference between hotel and *Ryokan* is outlined by the law, and not just by pure observation or some difference in service, although they are most certainly driven by the onset. By the Japanese law, no hotel that uses Western structure and equipment can be possibly regarded as *Ryokan*, and no *Ryokan* can be regarded as hotel. The very word “hotel” against “*Ryokan*” is not meant to be undermining the quality of service and the overall level of accommodation that hotels deliver or draw a strict border between “the

Japanese” and “the foreign”. More likely, the different words used to name these two types of accommodation intend to distinguish between two different experiences delivered by hotels and *Ryokans*.

Ryokans are regarded by many to be the very last institutions that cultivate authentic traditions in modern and globalized Japan. Here, another aspect of difference can be drawn: while the main purpose of hotels is to supply a visitor with accommodation in return for payment, the purpose of *Ryokan* reaches deep into the cultural roots of the Japanese traditions, and so *Ryokans* present themselves not as a medium for an over-night stay, but rather serve as a medium for learning about the Japanese culture through an over-night stay. Located primarily in resort areas, spa (in the regions of *onsen* – hot springs or historic sites, this type of accommodation is usually equipped with various attributes of the Japanese culture, starting from the inns’ interior and design to the inner traditions and rituals experienced by the visitors, either foreign or local, during their stay. For example, the guests are to dress in yukata (cotton robe) (McDonald, 2011), indulge into refreshing and recharging spa-practices which are aimed to provide relaxing time, with in-depth reflection inwards and reaching inner harmony and balance, and consume the dishes of authentic Japanese cuisine. This illustrates the role *Ryokan* plays in preserving the deep-rooted traditions of the Japanese nation versus regular hotels that, although do contribute to the tourist retention rate with the varying degree of success, do not play a considerable role in delivering the image of a traditional and authentic inn that originated in Japan in the Edo period (1603–1868).

Another important difference is the meal that is offered in *Ryokan* versus regular hotel. The meals offered in *Ryokan* Inns deserve a separate discussion, since each component of either meal opts for being authentic and giving the guests a real taste – literally and figuratively – of Japan. In the beginning of dinner, guests make a sip of lemon-mint liquor from a *shiso* leaf, proceeding then to seaweed with vinegar sauce, udo with soy sauce and herring in classical Japanese broth (McDonald, 2011). Each of these components: seaweed, udo and herring, is a food the Japanese have consumed for centuries, and has become an inseparable component of the Japanese diet. Naturally, such traditional foods as crabs, sushi with shrimp, grilled bamboo shoot, soup with summer vegetables, tuna sashimi, wagyu beef strips, grilled *ayu*, sea bass, rice, boiled fish, salted plum, green-powder tea, salted kelp, and a clear soup with lily shoots are also served in *Ryokan* Inns around Japan (McDonald, 2011). The traditional dishes from the Japanese cuisine served in *Ryokan* Inns also allow the visitors to indulge into the traditional Japanese cuisine. Contrary to many hotels, adapted to serving European-style breakfasts, *Ryokan* Inns do not resort to common standards and make sure to provide the authentic cuisine to their visitors unlikely to be tested elsewhere in the world. Japanese cuisine is original, and follows the line of

the traditional Japanese lifestyle, featuring the key ingredients long consumed by the residents of the Japanese archipelago, such as seaweed, shrimp, and different types of fish, rice and vegetables. While many countries have restaurants serving Japanese cuisine, the potential of the Japanese food and the wide variety of its traditional dishes have not been adapted by other countries in full extent. Sushi, sashimi and clear soups have been popularized all over the world and are now available in restaurants and food outlets of many foreign countries, however, there are many dishes yet to be featured in the Japanese-style restaurants in foreign countries. Japanese cuisine is light, seasonally oriented and delicious, as well as providing options for both vegetarian and non-vegetarian people. *Ryokan* Inns can be named as one of the most popular places which serve the traditional Japanese food, making it another advantage of *Ryokan* Inns. Some *ryokans*, however, have included the option for the guests to be served a Western-style breakfast in order to avoid bankruptcy – especially during the 1980s bubble (Caryl, 2006). The same source states that many traditional businesses lose out when the country enters the international arena and is automatically in for a competition. Also, the process of internationalization plays its role in the tendency of some *Ryokan* Inns adopting the types of services existent in Western countries, since "internationalization is the process companies follow to obtain growing revenues from foreign markets" (Garcia, 2012). Moreover, due to earthquakes, tsunamis and the world economic crisis, the inbound tourism rates went down in Japan in 2014, and 68 *ryokan* inns were forced to close down during the first half of the year alone (Demetriou, 2011). However, there are still many foreign and domestic tourists who seek to experience the pleasant stay in one of approximately 45,000 *ryokans* open in different parts of Japan today (Caryl, 2006) in order to fully immerse into the Japanese culture.

In regular hotels splattered around Japan, the served cuisine varies and is mostly adapted to Western style with varied buffet offered for breakfast. Usually, lunch and dinner can be served upon a guest's request in a bar of the hotel or brought to the guest's room by the room service from a nearby food place. Therefore, the idea of serving authentic Japanese cuisine is not popular in regular hotels due to their internationalization and the commonly adapted vision to fit into the globalized fashion of hotel management. The stay at *Ryokan* Inns includes breakfast, dinner and massage sessions for the extra cost. While the majority of the hotels only include breakfast, *Ryokan* Inns also provide their guests with dinner, which is an indicator of a high hospitality rate. The guests, especially those staying in *Ryokan* Inns situated in the secluded areas, do not have to worry about driving somewhere in order to have an evening meal. Instead, they are provided with delicious three or four-course dinners at the place of their stay, which is a thought-out approach towards the guests' needs. Meals, as has been noted above, are offered in an excessive variety and, although traditional and authentic and may include the

ingredients unfamiliar to the visitors from abroad, contain both vegetarian and non-vegetarian options for all types of guests.

The fourth difference between *Ryokan* and hotel is the interior of the place. The interior of *Ryokan* Inns with their sliding screens, tatami mat floors, paper lanterns, flowers and pleasant colors also opt for a relaxing atmosphere. Also, there are not TVs in the rooms – something which most of the guests may not quite imagine their stay without – however, this is compensated by the great views out of the windows (Tay, 2011), and provokes the guests to enjoy their stay and search for inner balance, rather than immersing into routine activities they may as well be tired of in their everyday life. Minimalistic design, filled with wood, water, paper and stone, opts for the guests to absorb the nature of the elements and find peace rather than be distracted from peace and harmony by excessive electronic devices. However, there are some modern *Ryokans* in which the two styles – Japanese and Western – are combined in order to create a comfortable 21-century style featuring both the elements of the traditional Japanese setting and supplying the guests with the devices and facilities they are accustomed to. The examples of such modern-style *Ryokans* are Hoshinoya and Kaichiro (Kapoor, 2010). From one hand, this tendency may be indicating for the Western style taking over the traditional Japanese accommodation type. However, from another hand, it indicates for the perfect symbiosis of Western and Eastern culture, achieved by the mix of the authentic rituals present in the Japanese *Ryokan* Inns and the comfortable service offered by the Western types of hotel industry service, which is a phenomenon in itself.

A bright example of how important interior design is for *Ryokan* and what a considerable role it plays in the service delivery apart from pure visionary satisfaction is a special floor flower assigned system that exists in Kagaya, which implies a specific, unique design of each floor of the hotel. Once a guest enters the elevator, the light in the hall goes off and the focus light hits the wall which features a large piece of art and flower decoration. The carpet on each floor is designed in the same color palette and in the same artistic style as the wall artwork and flower decorations. Therefore, the guests can use the design of their floor as the guide as to whether they are on the correct floor where their room is located, or whether they have accidentally walked into a different hall. Unlike many typical hotels, where a simple floor number is indicated next to the elevator or a stairway, Kagaya hotel administration went ahead and introduced a new format to distinguishing one floor from another, namely by doing it with specific artistic design introduced on each floor. This gives the feeling of belonging to the hotel culture which exercises the best spiritual and artistic motives in their hotel management, and places much emphasis on making the guests feel the unique setting created specifically for them.

The Service Dominant logic features a distinction between operand and operant resources. If one extrapolates the premises outlined in SD logic onto the management of Kagaya hotel, a curious parallel may be drawn between this interesting and unique practice of marking each floor with different design and, particularly, FP6 which states “The customer is always a co-creator of value” (Vargo, 2009). Undoubtedly, the design would merely serve as the type of interior decoration of the hall of each floor if it were not for the guests who can appreciate the art works placed on each floor and the unique mission they serve. Following this logic, it is safe to assume that *omotenashi* has much in common with S-D logic and, basically, intersects with it in many different aspects, as it has been noted above. The value displayed with the art work and flower design is going from the Kagaya hotel management, however, does not serve its true purpose unless it directly reaches the customers, at whom it is being primarily aimed. Understanding the fine imbalances of the guests' perception of the named decoration means unraveling the paradox of customers' service dissatisfaction which, at times, occurs. For example, one guest may be touched by the works of art and the flower design and see it as a great choice to decorate each hall individually in order to distinguish between them. Another guest, owing to the provinciality of their mind or some circumstances constraining their open-mindedness, would rather each floor was labeled with a correspondent floor number so that they were not forced to memorize the differences in the hall decoration for the sake of figuring out whether or not they are currently on the correct floor. Therefore, even such a seemingly insignificant notion as a floor hall design may illustrate the differences in the way of how customers perceive various service concepts and react to them.

Admittedly, the fee system also differs in usual hotels and *ryokans*. According to MyTokioGuide (2016):

“The greatest difference between a Western-style hotel and a Japanese *ryokan* is the fee system; The *ryokan* charges a fee per person that includes a one night's stay with two meals. The two meals are the evening meal on the day of your arrival, and breakfast served the following morning. At some *ryokans*, the meals are served in a large dining room or a private room specially for this purpose, but at the majority of *ryokans*, these meals are served in the guestroom. Also note that it is unnecessary to offer a tip for any service by the room-maid, boy or any other person working in the *Ryokan*. The average prices of *ryokans* in Japan range from 5,000 yen to 119,000 yen per person”.

Moreover, it should be mentioned that *ryokans* typically charge per person, and not per room. For example, if two guests travel together and would like to get a one-bed room in a typical hotel, they would pay for the room

and get the place to stay. If two guests travel together and would like to stay in the same room in *ryokan*, they would have to pay twice as much as the price written in a price list. Also, in usual hotels all the in-door facilities typically come at no additional cost, as the price for their use is already included into the room price. In *ryokans* that are located near or are equipped with hot spring baths (*onsen*), it will cost extra. According to Japanese Guest Houses: “At a *ryokan* some of the following factors determining prices are:

- room size
- room location
- room view (a view of a river, a view of a Japanese garden, etc.)
- room facilities (indoor hot spring bath, outdoor hot spring bath, etc.)
- day of the week
- season and holiday season
- number of guests
- meal(s) served and so on”.

The prices for accommodation, especially in big cities of Japan, usually depend on the fact that the space is very limited in the country, and, thus, the smaller the room and the smaller the hotel itself, the cheaper it is. Of course, much also depends on the nature of hotel and the quality of service. Also, international hotel chains such as Radisson or Hilton will cost exponentially more than a small family-held hotel houses due to the price line international hotel standardize throughout foreign countries. Therefore, the cheapest type of accommodation a traveler can get in Japan would be a bunk bed in a common room or a capsule in capsule hotels, which is quite understandable, as such type of accommodation takes little space and does not usually come with breakfast, excellent room service, and other facilities.

As for usual hotels, the standard fee includes an overnight stay and, if applicable, breakfast. It is not typical for conventional hotels to serve dinners not only at the day of one’s arrival, but in general. This can also be explained that the usual agenda of the service at Kagaya (and other *Ryokans*) seems to be the following: 2 PM is the official time for the guest to check in. If one arrives earlier, they have the opportunity to explore around before their room is getting ready. In hotels, however, it is possible for the guests to arrive at any time of the day as the reception desk works 24/7 in most hotels and is ready to take a guest on board at any minute. Whereas it may seem that the check-in schedule in *Ryokan* is quite strict and inconvenient for visitors as they

have to fit their time of arrival to the time of the proposed check-in, it also makes sense as *Ryokan* differs from hotels in its main purpose and encourages foreign visitors not to come looking for a mere accommodation for a night, but to come prepared to embrace the Japanese philosophy and culture.

The concept of management also differs in *Ryokans* versus hotels. In hotels, the traditional Western-style vertical hierarchy persists. There is a manager whose primary function is outlined by the key roles of management: to organize, to plan and forecast, to command and lead, to control, and to coordinate. The staff is subject to manager's planning and control, and the main decision-making and strategic planning of long-term operations and goal setting are within the manager's responsibilities. The staff fulfills their assigned duties and rarely takes part in managerial discussions and/or planning. As for *Ryokan*, the main manager is named *Okami*. Whereas the main indicators of a manager's performance in a typical hotel setting are employees' motivation and customer satisfaction and retention rate, where these two combined also contribute to the overall business revenue, the role of *Okami* and her contribution to the well-being of *Ryokan* and its employees is characterized by a wider set of factors. *Okami*, as the key figure of *Ryokan*, has to ensure that both staff and the guests have ideal conditions for value sharing and co-creation, as well as to take an active part in this process.

Being at the pinnacle of the staff hierarchy if not literally, then figuratively, *Okami* has to obtain the traits which allow for successful introduction and sharing of her knowledge and experience with the guests and staff members. In the research conducted by the author of the dissertation and his academic supervisor, the following four types of *Okami* are said to characterize different sets of personal traits and work ethics: "*Okami* decides", "*Okami* involves", "*Okami* as an adviser", and "*Okami* almost not involved" (Al-alsheikh & Sato, 2015, p.124). Admittedly, two medium types suit the best to the desired outcome of manager-employee co-creation and as well as staff-guest value co-creation, as "*Okami* involves" and "*Okami* as an adviser" give off the idea that *Okami*, as a manager, is genuinely interested in guiding her staff members through the working process and encourages the staff to take an active part in value co-creation, which is an important aspect of Service-Dominant logic. "*Okami* decides" seems to be similar to the definition of manager typically present in Western-style hospitality, particularly in the strictly vertical hierarchy of manager-employee relations. As Service-Dominant logic implies a horizontal service concept which is equally applied in relation to manager-employee cooperation and server-guest interaction mode, "*Okami* decides" stands outside of the *omotenashi* practice influenced by Service-Dominant logic. Moreover, horizontal service concept is not one of the key features of *omotenashi* and the question whether the manager who "decides" and demonstrates vertical service concept can be called "*Okami*" remains open.

Finally, “*Okami* almost not involved” can be reviewed from two perspectives, which coincide with Service-Dominant logic premises. Taking into consideration the difference between operand and operant resources, same can be said regarding the level of involvement and the area of involvement expected from *Okami*. When referred to straightforward instructions and giving orders and commands, this level of involvement can be said to be similar to operand resources, where direct orders and instructions bear certain resemblance with tangible resources, as they are something strict and pre-defined.

On the other hand, the value co-creation conditions and the working environment are similar to operant, or intangible resources, as they are something which resurfaces during the exchange of instructions or commands and depend on the nature and manner of those on a large scale. If “*Okami* almost not involved” refers to the condition when *Okami* stands aside of the business and does not active part in either working processes or manager-employee value co-creation, or in creation of the atmosphere under which value co-creation between the servers and the guests becomes possible and virtually initiated, such *Okami* does not act in the lines of *omotenashi* she is supposed to visualize. If “*Okami* almost not involved” refers to the setting where an immense trust exists between employees and the manager herself, so that *Okami* is no longer necessitated to give direct instructions and relies on the pre-created conditions and relations between her and her employees, then “*Okami* almost not involved” in this case points out the well-structured line of relations and can be considered a positive aspect. To summarize, “*Okami* decides” indicates at a negative tendency in the setting, “*Okami* involves” and “*Okami* as an adviser” show positive tendencies, and, finally “*Okami* almost not involved” remains neutral unless concrete analysis of the manager-employee is undertaken to define *Okami*'s role and her relations with the staff members in a particular setting.

It is worth to go over fourteen 'Principles of Management', outlined by Henri Fayol in his book *General and Industrial Management* (1984) in order to see the dynamics and the difference in the fourteen principles of management observed in Japanese hotels and *Ryokan* (on the example of *Kagaya Ryokan*).

Table 1: Comparison between hotel and Ryokan

Principle of management	Hotel	Ryokan
1. Division of work	The whole workload is divided into small task assigned to every member of the team. Each staff	The whole workload is divided into small task assigned to every member of the team. However, it is

	<p>member has their pre-set duties that they exclusively fulfill. It is uncommon for employees to exchange their responsibilities horizontally and without managerial authorization, and the only way to change responsibilities within a specific hotel setting is to engage into a professional development plan and receive a promotion.</p>	<p>common for staff to exchange the duties when needed or specifically requested by the visitor. Manager herself can engage into fulfilling the regular staff duties if required, without considering it damaging for her reputation or image. The top-down hierarchical approach is absent in the division of workload.</p>
<p>2. Authority and Responsibility</p>	<p>Authority is enforced by the manager in regards to the manager being in charge of assigning the duties and controlling the manner in which employees fulfill them. Responsibility means the obligation of employees to fulfill the assigned duties timely and properly.</p>	<p>Authority, understood as the function of <i>Okami</i> to lead the staff, is replaced with the concept of respect. Responsibility in the meaning of obligation to fulfill the assigned duties is also replaced with the concept of respect. Respect to <i>Okami</i>, to fellow staff members, and to guests is decisive in determining the manner in which employees handle the assigned duties. Similarly, <i>Okami's</i> respect toward staff and guests is fundamental in determining the way in which <i>Okami</i> deals with managerial tasks and motivates employees.</p>

3. Discipline	Discipline implies respect for authority and obedience to the job requirements and expectations.	Discipline implies conformation to the long-standing cultural upbringing of consolidation and loyalty to the existent principles and traditions.
4. Unity of command	All staff members receive orders and get their duties assigned to them by one manager in charge exclusively. Receiving orders or tasks from more than one manager can create confusion.	All staff members receive orders and get their duties assigned to them by <i>Okami</i> . However, if the situation requires, staff members can fulfill the tasks requested by the guests and it does not create any confusion to high level of discipline and respect to the guests' needs and desires.
5. Unity of direction	All staff members are subordinate to one manager and have one plan of action for everyone.	All staff members work together with <i>Okami</i> and respect her decisions and plans.
6. Subordination of Individual Interest to Mutual Interest	The interests of the organization stand above the individual interests of staff members. The interests of employees can be sacrificed for the sake of the fulfillment of the set goals and priorities.	Staff members are driven by the common interest and have the determination to ensure the best possible level of service ingrained into their work ethics. The question of subordination of individual interest to mutual interest rarely arises, and, thus, is not governed by strict rules.

7. Remuneration	The motivation of the staff is directly dependent upon the fair and reasonable remuneration.	Remuneration is perceived as the fair bonus for the properly completed job, yet is not posed as the key employee motivation factor.
8. The Degree of Centralization	The degree of power held by management is directly dependent upon the size of the hotel. The bigger the hotel, the wider gap in the amount of managerial and decision-making processes is observed between the senior and junior management.	The degree of power held by <i>Okami</i> is disproportionately dependent on the nature of relations between <i>Okami</i> and staff members. The higher the level of trust between <i>Okami</i> and employees, the lesser the gap in the amount of managerial and decision-making processes is observed between <i>Okami</i> and staff.
9. Line of Authority/Scalar Chain	The level of authority of the top members is clearly underlined and decreases down to the bottom rank.	The level of authority of the top member (<i>Okami</i>) is clearly outlined and decreases down to the bottom rank.
10. Order	Social order is understood to be the prompt operation of a hotel through authoritative procedure. Material order is understood to be the implementation of safety and efficiency rules in the workplace. Both orders are followed fully.	Social order is understood to be the prompt operation of a hotel through authoritative procedure. Material order is understood to be the implementation of safety and efficiency rules in the workplace. Both orders are followed fully.
11. Equity	All staff members are treated fairly and equally. Managers give	All staff members are treated fairly and equally. <i>Okami</i> does not stay

	impartial and just attention to each employee and ensure that all employees feel comfortable in the workplace.	impartial to the personal needs of each employee, yet ensures that all employees feel comfortable and equally treated.
12. Stability of Tenure of Personnel	High turnover rate of employees (especially managers) negatively impacts the working environment.	High turnover rate of employees (especially managers) negatively impacts the working environment.
13. Initiative	The initiative of employees can enrich the working environment and atmosphere, and serves as the source of enriching the organization with new ideas.	The initiative of employees can enrich the working environment and atmosphere, and serves as the source of enriching the organization with new ideas.
14. Esprit de Corps/Team Spirit	It is of vital importance to develop and enrich morale in the workplace; individually and communally. Team spirit and nice atmosphere ensure mutual trust and understanding.	It is of vital importance to develop and enrich morale in the workplace; individually and communally. Team spirit and nice atmosphere ensure mutual trust and understanding.

(Source: the author)

Therefore, from the table with comparison, it transpires that the definition of the fourteen managerial principles differ in 8 cases out of 14. As for the rest 6, they are defined completely identically. It is evident that in more cases than not, *ryokan* treats the fourteen main principles of manager differently than hotels in Japan do, and it sums up their main differences in employee management. As seen from the comparison table above, the principles of management that are interpreted similarly in both *ryokan* and hotel settings are the last six ones, that are primarily focus on defining the main line of authority, equity and the team spirit of the personnel. The unity of command, remuneration, authority and responsibility are treated differently, mainly to the difference in the perception of business observed in *ryokan* management and hotel management.

Finally, the type of service offered in *ryokan* versus hotel also differs. Whereas for regular hotels the quality of service is required to be on an acceptable or high level due to the fact that the visitors staying in the place demand certain comfort, the case with *ryokans* is different. Originating from the concepts of tea ceremony and largely based on the Japanese *Omotenashi*, the service in *ryokan* plays a great role in the experience of *ryokan*, and, more so, is the experience in itself.

Primarily, the guests do not only come to Kagaya for staying over and continuing with their travels, as in some other typical hotels and motels around Japan. Instead, mere enjoying the accommodation complex is not the essential aim of the Kagaya guests. More so, Kagaya offers their guests an invaluable opportunity to taste the Japanese traditions, explore around, and enrich their Japanese cuisine, customs, and service knowledge.

Moreover, the manager explained that each member of staff has two to three rooms assigned specifically to them, so that the staff members obtains the full responsibility to serve to the assigned room guests and do everything pre-declared in regards to room service. The agenda of the service at Kagaya seems to be the following: 2 PM is the official time for the guest to check in. If one arrives earlier, they have the opportunity to explore around before their room is getting ready. By the set time, namely, 2 PM, the assigned staff member and some other servers wait in line for the guest to arrive at the hotel to welcome them and help with the luggage. Also, staff members take the newly arrived guest to a small tour around the hotel to explain about the available facilities and show some unique features of the hotel. Usually, in typical hotels, the tour procedure is not obligatory, as hotels are all customized and the guests can inquire about the facilities at the reception desk when needed. Nonetheless, Kagaya hotels are unique, and therefore the first thing the staff do is get the newly arrived guest acquainted with the hotel and its facilities in order to emphasize on all the services available there. Apart from receiving a tour around the hotel from the staff members, guests can be guided by the hotel design as well.

It is also important to mention that staff members are extra attentive to the needs of their customers. Sometimes, they even exceed the guests' expectations by foreseeing their wants and needs. For example, if a guest goes out to sit in the lobby, a staff member immediately provides a cup of refreshing tea to the guest without being asked for it. The author made a test and left his lobby seat four times in a row only to come back and find another freshly served cup of tea patiently awaiting him at its usual place. Although such service may seem rather annoying, as the guests do not ask for the tea and may not desire it at the given moment, it is still a feature move of hotel management which is aimed at letting the guest know that they are cared for and that their comfort is the hotel's top priority. Along these lines, it is necessary to mention that regular hotels are gradually shifting away

from the human factor in daily service. For example, Steve Crowe mentioned that some hotels begin using robots for cleaning rooms, managing front desks, and helping guests with other hotel services. Steve Crowe quotes:

““Three uniformed robots or “actroids” will run the reception desk at the 72-room hotel, while four porter robots will be on hand to take guests’ luggage to their rooms. Actroids will also staff the cloakroom, clean the hotel, and serve meals in the restaurant.

The androids, which bear the features and mannerisms of a young woman, will be able to speak Japanese, Chinese, Korean and English, make hand gestures, and determine a customer’s mood based on their facial expressions.

The actroids were developed by Osaka University and built by Kokoro, with the first version dating back to 2003.”

“We will make the most efficient hotel in the world,” says Hideo Sawada, company president. “In the future, we’d like to have more than 90 percent of hotel services operated by robot” (Crowe, 2015).

Interaction and value co-creation between guests and staff members is a vital part of *Omotenashi* experience that *Ryokan* implements in its service. Therefore, it is impossible to imagine that *ryokan* could follow this most recent trend and substitute the employees with robots, as it would completely annul the experience that the *Ryokan* guests anticipate to get. Moreover, it would also deny the very primary basis and purpose of *Ryokan*. Therefore, the difference in service between *Ryokan* and regular hotels become transparent.

Staff’s way of showing care and support throughout a guest’s experience truly bears unique features at Kagaya. Following the ancient Japanese traditions, staff members place much emphasis on the eye contact and use a traditional Japanese bow movement to demonstrate their readiness to help. According to Tomoko Ota and Tomoya Takeda, “Greeting is the basis of *omotenashi*, and one of the ways to greet is to bow. Bowing has different shades of meaning according to the country or region, but generally speaking it is the action of bending from the waist to greet someone, express thanks, or apologize. In Japan, bowing also is a way to greet, give thanks, and apologize, but its role as the fundamental action of Japanese hospitality and culture known as “*omotenashi*” and its designation as high quality service from the heart gave it a different significance from that in other countries” (Ota & Takeda, 2015, pp. 5-10).

Not in the slightest did any of the staff members show that they could not immediately attend to the author’s quires or requests. On the contrary, the radiant smiles of the staff and their slight bows indicated that not

only were they happy to assist in whatever the author required, but also gave the feeling that they already knew what was expected of them. Therefore, the guests always feel welcomed and served on the highest level possible.

The Kagaya management preserves the ancient traditions, which is particularly illustrated by the staff members who are all dressed in kimono, traditional Japanese garment. Even a tourist who is not quite acquainted with the styles of kimono and cannot differentiate between, for example, Iromuji kimono or Komon, will fetch the idea that staff members dressed in traditional clothes of the country is the sort of practice which transfers traditional customers on to the foreign visitors instantly. One look at the staff dressed in kimono is sufficient for making the guests feel that they have come to stay in the hotel which takes pride in its purpose and vision, and ensures that the guests feel the authentic atmosphere in full. Although one may argue that Service Dominant Logic, the premises of which lie in the foundational research frame of this dissertation, is a general evolution of the society and not just some abstract evolution of marketing in particular (Lusch, Vargo and O'Brien, 2007, p.6), and, therefore, authenticity and preserving traditions in the hospitality industry setting are no longer relevant, it does not seem to be true in regards to Kagaya. If the theory of "society evolution" as taken as unarguable in lines of Service Dominant Logic, the same can be applied to the theory that some values remain unchangeable, as the evolution of the society is not possible without some standardized, permanent basis upon which the further development is built. Therefore, Kagaya in this regard may be viewed as the accommodation service, which is typical for any given country in the world, but, at the same time, as the setting in which Japanese customs are preserved and the guests are offered services and treatment both within the lines of *omotenashi*, and modern management and hospitality techniques.

Moreover, it seemed that the staff members are much familiarized with the philosophy of kata – the way in which we use and move our bodies. Non-verbal communication is an important aspect of any service, and direct interaction between guests and servers cannot proceed without a proper use of non-verbal communication means by both parties. This is particularly an implication of the philosophy of kata, which defines the experiences we draw from interaction with others (Noguchi, 2004).

Of course, the unique concept of *ryokans* can seem strange and uncomfortable for foreign visitors, since *ryokans*, emphasizing on being old-fashioned, traditional type of accommodation, have not fully adopted the attributes present in modern hotels around the world, which foreign visitors are used to. For example, few *ryokans* accept credit cards, the staff members do not always speak fluent English, some traditions present in *ryokans*, such as community baths or quite an unusual food served for

breakfasts and dinner, can also turn the visitors away from staying at *Ryokan* inns (Caryl, 2006). From another hand, the visitors who want to see old Japan and feel the atmosphere of traditions, rituals and historic background which has shaped the Japanese community and choose to stay in *Ryokan* inn are in for quite a unique experience they are unlikely to get at their country of current residence. A web article sums up the experience of *ryokan* as seen with the eyes of a foreigner in the following way: “Experience the elements of Japanese culture and customs: living in a room with Tatami (straw mat) flooring, changing into a typical Yukata (robe) after taking an *Onsen* hot-spring bath, sleeping on a Futon (bedding) put down directly on the Tatami floor, and etc. in a *ryokan*, a traditional Japanese hotel. *Ryokans* are accommodation facilities which are imbued with the traditional culture of Japan. As a result, it is quite understandable that foreign guests are often perplexed by many things when staying at a *Ryokan*. Nevertheless, it is also true that various encounters with the unknown will greatly deepen the impressions and excitement of your journey. To be captivated by a totally different landscape, to enjoy experiencing something new, to try out local flavors, all for the first time ... these are surely what make any journey exciting, allowing you to become immersed in a special sense of freedom that cannot be savored in daily life. In Japan, there is the following proverb: “*Go ni itte wa go ni shitagae*” (literally, “When in a village, do as the villagers do”, which is equivalent to the English proverb, “When in Rome, do as the Romans do”). The very act of coming into contact with the traditions, culture, climate and customs of the country you are visiting or the land through which you are traveling is in itself particularly precious” (MyTokioGuide, 2016).

Therefore, the phenomenon of *Ryokan* inns is truly indescribable – one can surely talk about all the components of his stay he has experienced during the visit to Japan and staying at one of the *ryokans*, however, the atmosphere he felt and the unique and unforgettable emotions he received during his stay, starting from checking-in to being served dinner or visiting a hot spring next to the *ryokan* are definitely something phenomenal and need to be experienced by the guest directly. It is especially true since “portrayals of tourist phenomena, which are the product of interactions among people in diverse positions in society, including tourists, local residents and professional purveyors of tourism, offer fresh insights into the nature of society.” (Endo, 2010).

In the purpose, the cuisine, the interior, the fee system, the management system, and the service system, *Ryokans* and regular hotels undoubtedly differ. It can be rightfully assumed that those visitors who are aware of the basic concepts of the Japanese tea ceremony and the Japanese *Omotenashi* are capable of comparing the

types of services and other aspects offered in both *Ryokan* and regular hotels, and observe the outstanding differences between those. Some similarities also occur, especially on managerial level. Nonetheless, the concept of *Ryokan* remains unique and cannot be possibly compared to regular hotels to full extent due to their major differences in purpose. Therefore, the exceptional idea of *Ryokans* can appear to be bizarre and uncomfortable for those coming from abroad and unaware of the profound and rich history of *Ryokans*. *Ryokan* inns, accentuating on being an antiquated place for accommodation, have not completely received the characteristics present in cutting edge lodgings around the globe, which outside guests are used to and expect from a typical hotel. For instance, few *Ryokans* acknowledge Master-cards, the staff members don't generally talk English fluently, and the rooms are not always furnished with something a guest expects to see. Also, a few customs present in *Ryokans*, for example, group showers or a surprising nourishment served for breakfasts and supper, can likewise dismiss the guests from staying at *Ryokan* hotels. From another hand, the guests who need to see true Japan and feel the environment of customs, ceremonies and history which have formed the Japanese culture and choose to stay in *Ryokans* are in for a significant special affair they are unlikely to get anywhere else.

Chapter 6. The Omotenashi and the traditional Japanese Inn.

Japan is often viewed by tourists as an alternative reality – indeed, mainly due to the highly traditionalized approach and a great variety of historic and natural sites pleasant for the eye and provoking an in-depth reflection on the inner self and offering the opportunity to relax and absorb the style of life drastically different from the one the foreign tourists, especially those from the Western countries, are used to. However, the high-level service and the tremendously friendly approach to customers are also regarded as the driving factors which attract many tourists to the Country of the Rising Sun.

The concept of the Japanese hospitality – *omotenashi* – is closely linked to traditional and historical background of the Japanese, as well as to the Japanese tea ceremony, which, apart from being a tea-serving practice, contains numerous attributes such as close cooperation between the server and the guest, their mutual understanding, looking beyond the clients' basic needs and providing them with unforgettable one-of-the-kind service, treating each customer individually, preceding the clients' requests by offering them just what they are expecting without waiting for their initiation of it, and creating a tranquil atmosphere, allowing for the guests to leave their mundane worries and concerns and relax. This is precisely what is promoted and cultivated by *Ryokans*, traditional Japanese inns.

In late years Japanese-style of hospitality, *Omotenashi* attracts attention from the world. *Omotenashi*, originated in the tea ceremony, is not only a main concept of service delivery in *kaiseki* restaurant and traditional inn, but also it has been a necessary element in all areas of the Japanese service industry. In particular, “in lodging industry customers stay the longest time among the service industry. Because the traditional Japanese inn, *ryokan* among them has highly interpersonal customer ratio of services to be provided, and also because of its appearance of the Japaneseness, a customer's potential expectation for *omotenashi* grows big” (Okubo, 2007, p.28).

Ryokan Inns, being a traditional type of accommodation, promotes the authentic Japanese culture and mindset. This idea is developed in many other countries all over the world. For example, there are family-run bed-and-breakfast hotels in Ireland, which offer locally produced Irish cuisine and are located in the picturesque areas, providing the visitors with the opportunity to enjoy the Irish landscapes and get familiarized with the Irish culture. Small hotels in Northern Spain also feature the interior and service traditional for this region of the country and offer the visitors a unique opportunity to travel around the area and enjoy the local cuisine while communicating with the native residents. Thus, the type of traditional, often family-run accommodation is present in many parts

of the world, attracting tourists who are eager to immerse into the local culture and enhance their outlook on different customs and lifestyles of the natives.

Another important advantage of *Ryokan* Inns is their promotion of connection with nature, freeing one's soul from the mundane struggles and anxiety, and focusing on inner peace. In the fast-paced world, it is important for one not to lose their identity and be able to relax and regain the spirits often lost in the daily run for materialistic earnings. In this context, *Ryokan* Inns, mainly situated in the secluded areas with well-favored landscapes, which evoke positive emotions and allow for one to interconnect with nature and find inner peace. Of course, due to the various reasons for the tourists choosing to stay in hotels, the hotel industry needs to focus on supplying the tourists with different type of accommodation. For example, be it a business trip, the visitor is mainly looking for the place to stay at night, while being busy with his business affairs during the day and having little to no time to explore the area and get to know the culture of the country. In this case, the hotel needs to make sure that the visitor is not disturbed at night, has electronic devices and facilities for productive work in the room, should he need to, and is provided with timely room service in case the visitor does not have enough time to go out to have a meal. If the visitor stays in the hotel as he has a layover in his flight schedule and needs to stay somewhere for the night, he also does not have any spare time to explore the area and is most likely merely looking for a bed to have a rest before his next flight. If, however, the visitor comes to the country for recreational, meditation or spiritual purposes, he is most likely to need a tranquil setting in which he can fully relax and recharge his spirits. Understanding the factors and motives of the travelers, their needs and expectations, the hotel industry can choose their target audience and adjust the service they offer to the needs of their clients.

The principles of *Omotenashi* communicated through the delivered service in Japanese inns largely depend on *Okami*. *Okami*, being the head of any *Ryokan*, literally and figuratively dictates the manner in which *Omotenashi* is communicated to the guests, and the level on which the philosophies and concepts of *Omotenashi* are being understood by the guests. Therefore, it is important to emphasize on the role that *Okami* plays in *Ryokan* in order to observe how *Okami* is the backbone of *Omotenashi* delivery and communication within a *Ryokan* setting.

The first question to be asked when researching about *omotenashi* provided by the *Okami* of the Japanese inn is "How the *okami* becomes the *okami*?" (Kang, 2013, p.67) reported the result as follows from the survey of its 1990 (sample number of 111 cases) about the reason becoming *okami*. Kang reported that 55

percent became the *okami* from coming to the daughter-in-law (wife *okami*) and 22.5% became *okami* of the reason of daughter (daughter *Okami*).

In addition, Kang (2013, p.67) quotes the survey by other researcher performed in 2010 (137 number of the samples). According to this research, daughter-in-law *okami* was 47.9%, daughter *okami* was 17.9%, 17.1% became *okami* because nobody would like to become *okami* other than her, and 16.2% was a founding *okami*. As for Kagaya, the second generation *okami* Taka and the third generation *okami* Mayumi were also the daughter-in-law *okami*. According to the results of this survey, it is evident that more than a half of *Okamis* occupy this position because of family membership, which is traditional in this case. It can be assumed that daughter-in-law and daughter *Okami* are educated about the peculiarities of the job from their early years, and, thus, have it ingrained in their minds and line of behavior by the time they occupy this position. Growing up in the atmosphere of Japanese culture leaves its imprint on the way a person views and understands *Omotenashi*, and it has a considerable impact on the way *Okami* manages the *Ryokan* and the staff.

For example, according to the Kagaya *Okami*, she always has to make sure that things are working to at least 90%. She does not wait to ask the staff to do something, as they are all familiar with their responsibilities and duties and fulfill them immediately. If the staff are busy with the guests or other duties, *Okami* will have no problems with carrying the newly arrived guests' luggage, which is not a common practice if usual hierarchy of responsibilities among staff in regular hotel setting taken into consideration. As it has been already mentioned, the Japanese concept of service does not suggest a certain top-down hierarchy between the server and the guest. Instead, the service in the Japanese setting is based more on a cooperation of mutual benefit than to top-to-down business collaboration. Consequently, service in Japan carries a more profound meaning than its English equivalent, as it is not governed by set rules and requires more engagement from both parties than a mere conformity to some strict guidelines. In the Japanese concept of hospitality, the server provides the service to their guest without expecting a returned favor and, therefore, is not motivated exclusively by the monetary remuneration. This characterizes the approach transparent in the way Kagaya staff members treat their guests. To a certain extent, such absence of defined hierarchy between the managers, servers and guests may be explained by the fact that the Japanese tea ceremony or *chado* does not inflict any sort of deference and dominance acts to be performed by the practitioners. This is one way which explains how *Omotenashi* impacts the managerial style of *Ryokan*, and what are the implications of this practice.

From the above, it is clear that while the role of *Okami* is more related to *Omotenashi*, management of service delivery employees, food menu, sales promotion activities, and check of numerical aspects of business performance, *Okami*'s role is less related to the development of various general business management plans.

Misako Miyake, who is the *Okami* of Josenkaku of Kinosaki Onsen and established an *Okami* cram school in 1996 mentioned the traits and skills necessary for an *Okami* as follows (Kurasawa, 2002, pp. 118-119):

“The suitability of the *Okami* whom I think about is the manager to the last. Assuming *Okami* as a manager, liking to work is located in the first place. Because *Okami* is an on-site general manager in charge, how to handle people is very important. When *Okami* works energetically at the head, employees are stimulated and become diligent and seeing such employee's movement, she knows what to do to move a person well. Therefore, I think that the work in the front line really increases the business performance.

Then, it is also very important for *Okami* to be liked by people, to give a pleasant impression on the other party to be in contact with people. Even though service delivery is not *Okami*'s main work, because the work of the Japanese inn is basically in hospitality industry, I think that the type of person darkening the feeling of the other person is impossible to become an *Okami*. Not only the customers, but even employees do not come with the kind of people. Though there will be the natural character, I guess, after all the character is related to mindset. Because those who give pleasant feeling during talking with give a bright impression at first glance. I think that something like healthiness of such a feeling is indispensable to the *Okami* of the inn”.

Undoubtedly, proper management is the root of the successful business's blossoming. In case of Kagaya, this is particularly illustrative. *Okami*, the top manager who is the owner's wife or the owner's son's wife, has traditionally represented *Ryokan* in Japan and holds total control over all the processes executed in any *ryokan*. In Kagaya, the top manager who the author had a pleasure to meet, admittedly works hard. She makes sure to greet all the guests personally and constantly checks the list of the guests who are due to arrive during the day in order not to miss anyone. Within the typical Western hospitality industry setting, managers are usually those who may greet the guests at the reception desk, but not seek meeting with guests specifically for greeting them in case they have not had the chance to do this upon the guests' arrival. In Kagaya, the top manager would go off her way to make sure that each and every guest arriving at Kagaya has been welcomed by the staff and also by her. Additionally, whereas management in Western hospitality setting is perceived more like the staff members whom guests can turn to in case they have encountered severe difficulties when trying to resolve some urgent matter with the reception desk

workers, management in Kagaya serves on a par with staff members and does not stay aside. Therefore, in Western culture, management is associated with the people who can pick up the torch in case the junior staff have failed to fulfill their duties properly, or with the people who merely coordinate the work of regular staff members and do not come into close contact with the guests directly.

In Kagaya, unlike in usual hotels, management tirelessly works together with junior staff and ensures interaction between the guests and the servers, serving more as a rightful intermediary and participant than a mere supervisor. *Okami* does not demonstrate any superiority over the staff members. In reality, *Okami* treats the staff members as family members, comforts them, exchanges smiles with them quite often, and, although having the power and authority from managerial point of view, does not behave as though she stands on a higher stair than the staff. *Okami* herself confessed to the author during his visit that she is a mother, sister, friend and even daughter to her staff members. *Okami* at Kagaya goes as far as knowing her staff members' problems, special occasion dates, and makes sure that everyone feels comfortable around her.

As for the personal characteristics of Kagaya *Okami*, some instances of the author's stay in Kagaya describe the personality of *Okami* very illustratively. For example, *Okami*-san had been observing the author and surely noticed that the author was genuinely interested in collecting as much information as possible. *Okami* offered a ticket for free coffee or tea and then suggested that the author go and have some rest, as this is the usual practice of guests and lies within the schedule most appropriate for that time. Before the author could go to the room, *Okami* took the author to the lobby and had another staff member approach them. The employee was in his late years, and looked shy. *Okami* encouraged him to speak English to the author, and it was apparent that she knew about the employee's desire to practice English more often, and so she took the chance to offer that opportunity to him. The employee did his best, and looked happy that he got to do something he had wanted. Moreover, it gave off positive impression of the relations between *Okami* and her staff. *Okami* also mentioned that she was admiring the sparks she had noticed in the author's eyes and let me know that she would be glad to answer any questions the author might have or offer any assistance when needed. It indicated at the positive mindset of *Okami*, who is open-minded and ready to grasp the beauty around her. According to another research conducted by the author and his academic professor, Yosinobu Sato, some of the key features glorifying the image of *Okami* are "warm personality and authentic humanity to sympathize the day-to-day feeling of the employees" (Al-alsheikh and Sato, 2015, p.134). Indeed, this observation is vital in understanding the role *Okami* plays in the processes of the entire *ryokan* inn setting.

In order to look into the *Omotenashi* implications in *Ryokan* inn setting, it is also worth questioning how a woman becomes an *Okami* and what are the preliminary preparations the person completes in order to assume such an honorable, but nonetheless challenging position. Yamamoto of the *Okami* cram school explains it as follows (Kurasawa, 2002, pp. 127-128):

“Because an *Okami* is a person standing on the top in the concrete thing, she is useless if she do not understand the feeling of the employee. To that end, I think that it is ideal form to become an *okami* after having mastered every domain of the work of the inn. It is that purpose that the study of the *okami* cram school begins at first with restroom cleaning, bath cleaning, washing table wares in the washing space, laying out a futon and so on. In addition, because the inn is a Japanese peculiar style and is a place such as the extension of the domestic service, the inn there also has the aspect of important friendly atmosphere with a woman. However, as a top executive, *okami* is required the calm judgment that is severer than femininity is required. Of course *okami* must be strong in a number, too. Because we must bring up such a various aspects, the training of an *okami* is a quite difficult thing”.

Although in some other settings of serving tea in Japan a certain degree of a dominant act does take place, it is not the case with *chado*. According to Barbara Mori, “In *chado*, the host and guest roles are held by either men or women, and considerations of rank do not determine who takes these roles. *Chado* does not present many situations in which women as status inferiors are required to celebrate men’s status superiority through the performance of tea ritual or are exposed to humiliation by men” (Mori, 2014). Considering the fact that in earlier times, *chado* was practiced exclusively by men and then women became allowed to practice tea ceremony, such shift to a certain democracy in the gender roles on the scale of *chado* signified that the aspects of inferiority and superiority were no longer relevant per say. Hence, the absence of a clear hierarchy in nowadays *Omotenashi*-practicing hospitality settings.

Another way of explaining the unusual placement (or rather, the displacement) of roles in managerial approach of *Kagaya* stems from the history of tea ceremony. Being initially practiced by merchants and warriors, the Japanese tea ceremony later became depoliticized. The boundaries between the social classes in Japan of Edo period (1603-1867) became less relevant, and yet, the mobility of various social classes was restricted by the government in the fear of complete merge between the classes. Although a strict vertical order had been declared, the world of art was in no way influence by this, as the cooperation between people seeking inner harmony and joy from art could not bend over to the political views. Therefore, the very premises of value co-creation do not

conform to any social stratum or political views, therefore allowing for *Omotenashi* to stand aside strict rules and orders. This, in its turn, explains why the managerial staff does not hold a specific hierarchy.

As *Omotenashi* is closely linked to the Japanese tea ceremony, it can be assumed that some implications observed in the history of tea ceremony have been solidly ingrained into the way *Omotenashi* is presented in the modern service industry. On the example of *Ryokan*, it is evident that the main implications stemming from the Japanese tea ceremony are the managerial role and functions (the relations between guest and host).

Of course, much is needed to be said about the leadership of the *Okami*. In this regard, it is the study of sharing relationship of executive leadership with a focus on the features and determinants of the effectiveness of the *Okami*'s leadership style.

At first as for the leadership style of the *Okami*, Kang (2013, pp. 53-78) introduces the findings of the survey that conducted with 110 *Okamis* in 2000 while paying attention to the transformational leadership concept of Bass. According to her research, while daughter-in-law *Okami* who emphasizes matching the goal of the employees to the organization's goal and philosophy has a lot of factors of transformational leadership type and is high of charisma, on the contrary the founding *Okami* and daughter *Okami* who tend to lead the employee by extrinsic motivation such as reward was seen having a lot of transactional leadership factors. In addition, Kang (2013, pp. 129-130) briefly mentioned also about the relationship of the hospitality and the servant-leadership of the *okami*.

A theme of this research is to check whether the leadership style of the *Okami* is infected with a follower based on a recent authentic leadership study.

In general, the characteristics of authentic readers, the followings have been mentioned (Sato, 2009, p.4):
 “The first is a high self-awareness. They grasp their own merits and drawbacks objectively as much as possible. The second is an internalized moral perspective. They can to perform a moral judgment under consistent their own values. The third is balanced processing of information. They can face up even adverse information in their own. The fourth is relational transparency. They try to build and maintain fair relationship with the related people and strive to match words and deeds”.

Sato (2009, pp. 13-15) classifies the concrete expression forms of the extremes of the authentic leadership as the transformational leadership style and servant leadership style. About the infection to the follower of the leadership style, Gardner et. al (2005) insists that the authentic leadership is infected with a follower. Also Winston (2004) insists transmission to followers of is servant leadership as one of the specific expression form of the authentic leadership. In fact, it can be thought that it is "the tip of the iceberg" to be considered as a gift of the *okami*'s

leadership in the *omotenashi* of the inn and under the iceberg exist shared relations (in other words, shared leadership) of the leadership of the top management with the *okami*.

The previous research, both theoretical and practical, confirms that *Omotenashi* is largely based on the individual manager. The personal traits and the understanding of *Omotenashi* concepts a manager possesses may be defining in terms of the nature of using *Omotenashi* in guest-server interactions. For example, the examples of Kagaya *Okami* reaching above and beyond and offering tours and dinners which were not initially included in the plan, but which, to her mind, would have been beneficial to the guest's (the author's), gives a more in-depth understanding of the *Ryokan* inn principles and *Omotenashi* concepts.

The structure of the *Omotenashi* must be evolved from the both sides of hard and soft aspect with the times. In the case of Kagaya, it is said that the thought called "the order of the employee in charge of the guest room is the voice of the customer" penetrates. And the president lets it realize structure as the hardware and system as the software, and an *Okami* is acting as the leader in the field based on these. There is "Kagaya family" as a warm unity from the heart under the axis of the *Okami* in the scene.

The evolution of the management philosophy to secure the employment of the employee exists. In fact, the decision of Kagaya administration in the case of the Noto Peninsula earthquake of 2009 included a precedent. Hosoi (2010, pp. 235-236) introduced it as follows:

"It was 1963. Hokuriku area in winter was deep by heavy snowfall called "38 heavy snowfall" later. There was no customer for the inn during one month. There were some inns that must discharge employees, but the predecessors in the family line couple rode out the winter without cutting employees at all. I used to go out for a shopping expedition to Kanazawa to feed employees by taking 18 hours during a painful month".

(Being trained by Yonomasa and Taka Odas and the same age cousin of *Sadahiko*, and active as their right arm, Ryuichi Mura's) these words made remember the Chairman Oda's words at the time of the Noto Peninsula earthquake. Decision of *Sadahiko* at this time is considered to be the transformational leadership in which the authentic leadership is expressed at the time of crisis response (Sato, 2009, p.14).

As discussed previously, *Sadahiko* introduced in rapid succession innovation in the business model of Kagaya. However, it was the positive inheritance Yonomasa, the father of *Sadahiko*. Hosoi (2010, pp. 233-235) beautifully described about Ryuichi Hayashi's carrier at Kagaya from the point of view of the positive business process innovation by Yonomasa, the father of *Sadahiko*:

"It was rest room cleaning that they ordered me to do, and same age Chairperson Oda was always next to me. We

wiped it when it became dirty day after day with being said, "the rest room cleaning was basics of the inn business" by Yonomasa.

Mura was said "now take the license of the car" and he acquired a driver's license. Mura had been commanded to go shopping by car about 4:00 a.m. to the Oumicho market in Kanazawa-shi distantly far away. ... Omicho market at the time, is the kitchen of the citizens, and it was also the wholesale market for broker who is arranging the eaves. Kagaya until then, had purchased the food from hawkers to peddle fish and vegetables in the Wakura hot spring. Mura was now driving the only company-owned vehicle to stock much cheaper fresh fish and vegetables than hawkers. However, Predecessors Mr. and Mrs. Oda assigned the stocking saving cost to their profit and used it to reduce the hotel charges. It was similar to today's Kagaya's cost saving way of thought such as the dish automated transferring system.

Furthermore, Yonomasa stuck to buy how much one whole fish rather than buy sea bass and sea bream in kilogram. Buying fish that head and intestines not be used for cooking in weight was the height of folly, such as sea bream, which cut - to use in everything from head to gut cuisine. By purchase in the calculation of the cost per fish, he made Mura possible to do strict costing. ... While Mura was exposed to fine barrage of questions, he was familiar with a cost accounting and really took the cook license and dealt with a fish by himself and have checked the quantity of sliced raw fish made from one with the price of the fish.

It was to hire the boys just graduated from junior high school to bring up to a qualified cooker that Yonomasa provided next difficult problem to Ryuichi Mura who came to know a lot about cooking naturally.

It was a custom to be seen in the present times, and there was a boss to the dresser of the inn of that time by all means, and if the boss about to be pulled out to other inn, the boss's pupils often disappeared together. The manager of the inn was apt to decline for the boss simply because he would like to stop the "total disappearance of cooks."

It was not unusual to not know which a top manager was at all, and the cost of food jumped up when the boss was going to procure food freely. If such a thing happened, the expected service is not always good. Yonomasa thought,

"Only our inn has a rule that the customer must have top priority. I do not want to admit a boss behave at will". Thereafter, Mura stood in the kitchen and taught young persons with reliable skilled chefs and trained cooks of the Kagaya breeding in great numbers. "

Apart from the significant role that *Okami* accomplishes within the Japanese inn setting, and the large impact it has on how *Omotenashi* is presented and implemented between the guests and the hosts in *Ryokan*, it is

also important to consider the very nature of *Ryokan* in order to see some more implications of *Omotenashi*. The symbiosis of the Japanese hospitality and culture can be also explained by long-respected and practiced Zen Buddhism and the philosophy of *wabi-sabi*, initially adopted by the tea ceremony practitioners and later by the hospitality industry in general. Zen Buddhism, being an ancient aesthetic, praises purity and simplicity. For one, with the modernized hotel industry in many developed countries and Japan, as well, offering all types of services due to high competition in the sphere supplies the guests with materialistic services and facilities, such as Wi-Fi and TVs in the rooms, room service, parking in the hotel territory and so on, *Ryokan* inns, on the contrary, opts for more spiritual and emotional approach to the guests. Purity and simplicity do not mean minimized level of accommodation, but rather imply that the guests are to be enriched by their experience in terms of spirituality and positive emotions received from the service and during the stay. *Ryokan* inns do give the feeling of tranquility and simplicity by replacing the frustration, pressure and anxiety with more pleasant emotions (Porter, 2004). Purity implies the guests being cleared of their mundane worries and concerns and connecting with nature and their inner-self. *Ryokan* inns are not famous by their luxurious settings and interior – although, there are some *Ryokan* inns which are designed in a posh, rich style – but rather by their placement in the picturesque areas, their concept of providing a traditional, ritualized services, their following of the old-set traditions, and the opportunity for the guests to immerse into a unique, original atmosphere. *Wabi-sabi* philosophy implies finding beauty in little things – something, which has been left out with the rapid development of consumerism and technology advancement. For one, *Ryokan* inns have been described as being minimalistic (Porter, 2004), in terms of their design and setting. Japan is regarded to be the country praising the short-lived beauty (Foster, 2009), which is explained by the fact that *Ryokan* Inns are located in the picturesque areas depicting the natural beauty- near the mountains, in the garden with seasonal cherry blossom, and so on. Such symbiosis with old philosophy concepts and Japanese traditions allow for the Japanese hospitality industry to offer unique experience to their visitors, especially applicable to those seeking an alternative reality to escape from their everyday lifestyle filled with worries and anxiety, and enter a relaxed, reflective atmosphere. Another point worth mentioning is the Japanese art technique called *kintsukuroi*, which basically means "mending of broken ceramics with gold and/or silver powder (Coffin, 2013). This means that the broken object, despite of being impaired, comes out more beautiful and valuable after the mending as it was prior to breaking. Thus, aligning with the recharging purpose of the stay *Ryokan* Inns, another concept of culture imbedded to the Japanese hospitality is providing the level of service for the visitors coming to stay at *Ryokan* Inns for recreational purposes after which the visitors are mended and turn out to be stronger and spirituality fitter than ever before.

Thus, perfectly aligning with the concepts of Zen Buddhism and the ancient Japanese philosophy, *Ryokan* Inns are not the place for kids or teenagers who are not yet mature enough to grasp the immense ritual and spiritual atmosphere of the hotels and fully enjoy their stay. Moreover, *Ryokan* Inns suggest for a traveler to empty their minds and indulge in “themselves”, providing a perfect opportunity for those burdened with responsibilities and anxiety to have some time on their own, reflect on the nature and fully relax – something that children and teenagers do not happen to be in the real need of, and something they are yet unlikely to appreciate and value.

Therefore, this chapter has outlined the main roles and principles that *Okami* delivers to the setting and work processes of the Japanese inn. It has helped to observe how *Omotenashi* is communicated in this setting, and what other implications to *Omotenashi* the role of *Okami* brings. In conclusion, it can be stated that mostly daughters-in-law or daughters become the *Okami*, and, although it can be assumed that they are familiar with the expectations and requirements of the position from their early years, they also participate in trainings that help them shape their managerial and leadership skills and vision better. Taking into consideration the previous discussion of Kitcho and the visit the author made, it is possible to compare the managerial and leadership styles of Kitcho *Okami* and Kagaya *Okami* in order to see the possible gaps. As stems from the practical experience, both places could be characterized with different style of *Omotenashi*, although nonetheless existent and prominent, owing much to the fashion in which *Omotenashi* is being introduced and shaped by the manager *Okami*. The previous research, both theoretical and practical, confirms that *Omotenashi* is largely based on the individual manager. The personal traits and the understanding of *Omotenashi* concepts a manager possesses may be defining in terms of the nature of using *Omotenashi* in guest-server interactions. In both cases, *Okamis* were the masters of their job and worked hard to ensure the guests’ satisfaction. Nonetheless, the manner and the possible intentions each of the managers had notably varied. Kagaya *Okami* seemed to be more down-to-earth and did her best to ensure that the guests were enjoying their stay by the means which were not typical. For example, reaching above and beyond and offering tours and dinners which were not initially included in the plan, but which, to her mind, would have been beneficial to the guest’s (the author’s) more in-depth understanding of the *Ryokan* inn principles and *Omotenashi* concepts, made Kagaya *Okami* seem more open and caring about her guests. Kitcho *Okami*, in her turn, was polite and courteous, yet not as heart-felt as Kagaya *Okami*. It was transparent that she was acting according to their service protocols and did not showcase any moral intentions of doing something which was not expected of her. Indeed, while the common principles of service were maintained by both, *Omotenashi* was more apparent in the case of Kagaya *Okami*’s treatment of guests.

Arguably, the implementations of *Omotenashi* may differ, as there is no strict guidelines or defined set

of rules which one must follow in order to be regarded as the one who has fully mastered the art of *Omotenashi*. Much depends on the personal traits of those who bring *Omotenashi* to their service and introduce it to their guests. This can be seen as the greatest conclusion drawn from the practical research: *Omotenashi* in the *kaiseki* restaurant and Japanese *Ryokan* inn has not been as influenced by Service-Dominant logic, as it is influenced by the manager of the place.

Chapter 7. The differences between Western hospitality and Omotenashi.

The differences observed in regular hotels and *Ryokans* indicate that their purpose, cuisine, interior, fee system, management system, and service system stem from different notions and rarely interconnect. Nonetheless, a comparative analysis through a case-based research conducted by Sato and Al-alsheikh shows that the excellent hospitality of Ritz-Carlton Hotels & Company, the Hoshino Resort, and the Blue Tree Hotel & Company is similar in terms of the Japanese *Omotenashi* at three points on the surface level; however, the mechanisms of the Western-style hospitality and the Japanese-style *Omotenashi* differ. In the frame of this dissertation, the comparison of two hotels, namely Ritz-Carlton Hotels & Company (hereinafter referred to as Ritz) and the Hoshino Resort (hereinafter referred to as Hoshino) present the biggest interest, as they appear to be providing different experience and service, although the service of both hotels has been influenced by the Japanese *Omotenashi* to a certain extent. It is worth reviewing the differences and common characteristics of Ritz and Hoshino Resort in order to draw some parallels between the influence of *Omotenashi* and Western-style hospitality concepts on the service delivery and management practices observed in each hotel.

First, it should be mentioned that Ritz and Hoshino differ in the way management is performed. The basis upon which Ritz is running the business is Golden Standards. The Credo, The Motto, The Three Steps of Service, Service Values, the 6th Diamond and The Employee Promise are listed on a business-card sized pamphlet and is referred to as the Credo, which is equivalent to management philosophy. The three items upon which the Credo consists are worded in the following way:

1. "The Ritz-Carlton is a place where the genuine care and comfort of our guests is our highest mission"
2. "We pledge to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed, yet refined ambience"
3. "The Ritz-Carlton experience enlivens the senses, instills well-being, and fulfills even the unexpected wishes and needs of our guests."

The company's Motto is "We are Ladies and Gentlemen serving Ladies and Gentlemen." The Three Steps of Service is "1. A warm and sincere greeting. Use the guest's name, 2. Anticipation and fulfillment of each guest's needs, and 3. A fond farewell. Give a warm goodbye, and use the guest's name."

The Employee Promise is as followings: "At The Ritz-Carlton, our Ladies and Gentlemen are the most important resource in our service commitment to our guests. By applying the principles of trust, honesty, respect, integrity and commitment, we nurture and maximize talent to the benefit of each individual and the

company. The Ritz-Carlton fosters a work environment where diversity is valued, quality of life is enhanced, individual aspirations are fulfilled, and The Ritz-Carlton Mystique is strengthened.”

The last is “Basics” with 20 items. For example, it is in item 1: “The Credo is the principal belief of our Company. It must be known, owned, and energized by all.” Also it is in item 13: “Never lose a guest. Instant guest pacification is the responsibility of each employee. Whoever receives a complaint will own it, resolve it to the guest's satisfaction, and record it” (Bacon and Pugh, 2004, p.64, Partlow, 1993, p.18, Michelli, 2008).

A person who assumes the responsibility of being in charge of dealing with the quality control analysis and solution support in Ritz is called the quality leader (QL). QL is in charge of analyzing “the guest comment” left by a hotel guest and learning “a guest incident action form” filled out by a hotel employee in order to examine the issue and developing a plan of actions to be taken in order to minimize similar instances in the future. QL is not to be confused with a complaint receptionist, as quality leader does not only process the complaint, but thinks of the ways to diminish the possibility of similar occurrence to take place with any future guest. Thus, QL’s role is not merely technical, but also strategical.

In case with Hoshino, the role a manager plays differs from the role of Ritz’s management to a certain extent. As explained previously, Ritz has a long-established set of rules, service vision and standards that all employees are equally subject to. Hoshino Resort is said to have been concentrating on the Japanese *Omotenashi* as a response to the contemporary hotel industry that has been undergoing globalization. As the nature of *Omotenashi* suggests, although governed by the same philosophies, concepts and cultural notions, an individual *Omotenashi* of each manager differs. However, Hoshino Resort is said to encourage the same style of *Omotenashi* to be preserved among the staff in order to keep consistency and unity within the organization. The difference is apparent: in case with Ritz, the Credo is established in respect to the current hospitality service management trends, customers’ expectations, and marketing strategies. Hoshino Resort, from the other hand, is oriented at following the concept of *Omotenashi* in their service delivery process, and cultivating the same style among the staff. Although it might seem that *Omotenashi* in this case resembles the Credo in the understanding that it also is a set of certain rules, traditions, and service delivery concepts, it is not exactly so since *Omotenashi* is mainly aimed at value co-creation between the guest and the host versus ensuring customer satisfaction and retention rate. This is worth to be discussed within the context of S-D Logic, prevailing in the contemporary globalized hospitality industry. S-D Logic is known to have a set of fundamental premises (FP), which defines its predominant organizational philosophy and brings clarity as to what particular goals and perspectives S-D

Logic is operated within. Of course, tea ceremony, being an ancient tradition, rules more philosophical and authentic rules and concepts compared to market-driven and customer-centric premises of SDL. Nonetheless, it is impossible to negate the role of *Omotenashi* in the development of hospital industry components and concepts, as well as in the adaptation of SDL in hospitality settings. Also, SD logic is said to be characterized by a pluralism of approaches, mainly because businesses are genuinely interested in not only serving the customers, but creating customers in order to ensure high retention rate (Brookes, 2007).

Similarly, the Japanese tea ceremony is both regulated by the essence of traditional procedures and components of the ceremony process, and allows for a certain flexibility in terms of non-dominant relationship between *Shokyaku* (main guest) and *Teishu* (host). This, in its turn, creates a unique, one-of-a-kind experience, and successfully fulfills the goal of both serving and creating customers. Whereas the idea of a “unique” experience offered by participation in an authentic Japanese tea ceremony may imply that this experience is better when experienced once in a life time, this is not particularly true. The vast number of styles, settings and schools of Japanese tea ceremony allow for each experience to be unique and intricate. Therefore, the conjunction of traditionalism, sacredness, and ultimate value co-creation standing at the pinnacle of modern hospitality approach allow for a high retention rate. This proves that the fundamental premises of modern Service-Dominant logic correlate with the concepts upon which Japanese tea ceremony and *Omotenashi* have existed for many centuries now. Therefore, it can be concluded that although both Western superior hospitality and Japanese *Omotenashi* have been developing under the influence of S-D logic in the modern business environment, the similarities between S-D logic premises and *Omotenashi* concepts cannot be explained purely by the idea of an impact made on the Japanese *Omotenashi* by S-D logic, but rather by certain similarities in the naturally developed approaches toward guest satisfaction.

Along with customer satisfaction, Ritz is also focusing on raising employee satisfaction because increasing the satisfaction of the staff at the workplace is essential to improve the morale of employees. Ritz conducts employee satisfaction surveys in all their world facilities on an annual basis. Employees who answered “very satisfied” were up 81% in the survey conducted by the Ritz Osaka in 2003. Although the score was four points higher than the previous year’s, a general manager of the hotel launched the QIT for the reason that he was dissatisfied with the performance by saying “it was still low” (Tachiki and Sato, 2003, p.115). As far as Hoshino Resort is concerned, according to PorterPrize (2014):

“In resort operation, Hoshino Resorts has discontinued the use of standard function-based specializations in hotel operations. Instead, it relies on multitasking teams, called "service teams." Each employee performs duties across all four functions--the reception desk, the kitchen, restaurant service, and housekeeping. Since the volume of the work for each function varies for any given day, staff members are rotated throughout the day, meaning that each employee spends time working at all four stations. This practice results in a lower number of employees per room. In addition, the company has developed a system called "*wakurogu*" (work log), whereby job assignments are registered in 15-minute increments. The use of multitasking also contributes to job enrichment, higher employee motivation, and improved service quality. Employees must also create new services that are unique to a particular facility and reflect the flavor of the specific locale in question.”

Therefore, employee motivation in Hoshino Resort is primarily achieved through entrusting employees with more creative and versatile tasks and mainly assessed by the general evaluation of daily work efficiency. The way in which employee motivation is enhanced and assessed in Ritz and Hoshino is another difference between the two.

Ritz carries out employee education based on the Gold Standards. The education system composes of three layers, i.e., management philosophy education, skills education and self-directed experience learning. The purpose of management philosophy education is to convince the staff that delighting customers is also beneficial both for the company and for themselves. Skills education is carried out through the daily Line-up and the training on a regular basis. Particularly, it is important for the company to turn a cycle of experience learning by repeating relearning of the basic through the everyday line-up and by recommending a creation of "the Wow Story" based on strong empowerment. Ritz has in many layers a mechanism to share the excellent know-how that impressed customers further. According to Simon Cooper from Ritz (Reiss, 2009),

“How do you ensure everyone is on the same page?

We use what we call “lineup,” which is a Ritz-Carlton tradition. The concept comes from the early restaurants of France, where the chef got his whole team and all the waiters and waitresses and the maitre d’ together at 5:30 in the evening. It’s a sort of round table. Everybody is there. The chef communicates what they are going to be serving. For the Ritz-Carlton, we want every single hotel, everywhere in the world, every partner, every shift, to utilize lineup, which typically takes around

15 minutes every day. Part of the lineup everywhere around the world is a “wow story,” which means talking about great things that our ladies and gentlemen have done. That is a wonderful training and communication tool, where every department layers on the department message. And it’s based on having the same message everywhere, every day, and then each hotel layers on its own message”.

In 2002 the Ritz Osaka manager at the time by responding the question of newspaper reporter, "Have you had a hard time coming to Japan", answered as follows (Ito, 2002, p.29): “Japanese lacks flexibility. The employees and business partners are also so. They say that they will do in the same way as they've done until now. They are not considered to become better how to do differently. They should always ask the reasons why they do so.” So, why will the Japanese seem to lack flexibility? It is thought that one of the reasons is because the Japanese tend to focus on much of “the model (kata) of the service”. The base of the service of Japan is the *Omotenashi* of the tea ceremony, and it values the kata of the actions in the tea ceremony. In the YAMANOUE no Soji ki, which is a book of secrets written in 1588 by Soji Yamanoue, who was a highly regarded disciple of SEN no Rikyu, a training theory of the tea ceremony such as the following is written. “If you learn the tea ceremony under a teacher, you should behave entrusted according to what your teacher says to do until 30 years old. After 30 years old you should behave five times among ten what you would like to do, and after 40 years old behave totally reversely what the teacher do! After 50 years old do like a teacher as you were” (Author unknown, 2013).

This has become the cardinal rule of training and practice in Japan called as *shu/ha/ri*. In other words, the first is a process of training to follow the kata (a series of rules of behaviors), second is to defeat the kata in order to express oneself, and finally third is away from the teacher in order to establish a school of one’s own. Therefore, in order to be able to provide flexible hospitality off the kata, long time is required. This is also one of the reasons that Japan needed the lifetime employment system. Therefore, it is challenging to implement employee education system in Hoshino, and it constitutes for another difference between Ritz and Hoshino.

Some common characteristics between Ritz hospitality and Hoshino Resort *Omotenashi* can be drawn from reviewing their service delivery and management styles. The first common characteristic is relations of the staff and the guest. For example, Ritz regards a customer as a family. In addition, Toshiyuki Sakai of the Hoshino Resort told that he regarded a visitor as a friend.

The second common characteristic is that “the staff can read the needs of a guest precisely before the guest says or imagines it”. In this regard, staffs of both Ritz and Hoshino Resort confirmed the same.

This is a direct influence of the Japanese *Omotenashi*. Moreover, as it has been already mentioned, *Omotenashi* is aimed at presenting the guest with unique and one-of-a-kind experience. This principle is somehow opposite to the usual line of business tactics expressed by the Western-style businesses. Western-style businesses attempt to furnish their guests with the experience lying along the lines of their expectations in order to ensure high retention rate. Instead, Japanese hospitality industry does not openly operate the intention to make sure that the visitors who have been provided with the service once will necessarily return to that service provider. Japanese hospitality industry strives to present its customers with a unique experience, carrying the traits of authentic cultural traditions irrespective of whether the guest is familiarized with them. The fact that both Ritz and Hoshino place great emphasis on predicting the needs and wants of their guests concludes that these hotels have been influenced by the Japanese *Omotenashi* to a certain extent.

The third common characteristic is an inspection and maintenance over the details of the installation. In particular, "Quality Improvement Team" plays an important role in the case of Ritz. This is also a feature of the *Omotenashi* of the tea ceremony. It is said that when a host plans to have a tea party, the host prepares it carefully including installation for more than three months.

Therefore, the differences and common characteristics described above help understand how Western superior hospitality and Japanese *Omotenashi* have made an impact on service delivery in Ritz and Hoshino. On a surface level, the ways in which the staff is managed, the daily duties are prescribed and carried out by employees, the guest satisfaction is ensured, and the relationship and interaction between the guests and the staff are built seem to be common. It can be explained by similar values and visions adapted by Ritz and Hoshino in respect to delivering hospitality service in a globalized setting. However, reaching beyond the surface level has revealed that there are certain differences that underline the discrepancy between the fundamental concepts that the process of service delivery in Ritz and Hoshino is based on. Moreover, it has proved that while Western superior hospitality has some external mechanisms of supporting and cultivating hospitality approaches and techniques, the Japanese *Omotenashi*, due to its culturally rooted nature, does not possess any external mechanisms of this sort. In the frame of the present research, it is worth mentioning that although some similarities can be traced between S-D logic premises, Western superior hospitality and Japanese *Omotenashi*, one cannot decisively state that it is due to S-D logic impact on both of them that the two service styles share common characteristics.

Chapter 8. Conclusion. The theoretical and practical implications.

In the introduction, the six research questions have been posed to be theorized and examined throughout the following chapters. Within the course of the research, the following research questions have been answered:

1. What are the origins of the Japanese *Omotenashi*?
2. What are the connections between *Omotenashi* and the Japanese tea ceremony?
3. What role does *Omotenashi* play in the service delivery process of *kaiseki* restaurant?
4. What are the differences between *Omotenashi* and hospitality (on the example of the comparison between the Japanese inn and regular hotel)?
5. What role does *Omotenashi* play in the service delivery process of the traditional Japanese inn?
6. What are the differences between Western superior hospitality and *Omotenashi* (Ritz and Hoshino)?

The purpose of the research was the following: “To theorize and explain the process of co-creation, pivotal for *Omotenashi*, on the basis of the theoretical and practical examination of service-dominant logic as evidenced in the Japanese conceptions of service hospitality in the *kaiseki* restaurant and the traditional Japanese inn settings”. Therefore, it is evident from the discussion above, that the author has succeeded in theorizing and addressing the research questions in order to fulfill the purpose of the dissertation. From the theoretical overview, the origins of the Japanese *Omotenashi* have been defined and the connection between the Japanese tea ceremony and *Omotenashi* has been deduced. The outlined origins of the Japanese *Omotenashi* were the following: a reciprocative symbiosis between the geographical location of Japan, its rice agriculture, tea ceremony, Kata, the historical and modern Japanese social structure, samurai and the bushido code, Japanese collectivism norm, Japanese isolation “*Sakoku*”, and the Japanese brain as the key defining factor of the Japanese behavior. As for the connection of the Japanese tea ceremony to the Japanese *Omotenashi*, it was theoretically reviewed from the perspective of the origins of *Omotenashi* (in order to examine the similar roots the Japanese tea ceremony and *Omotenashi* have), and also within the frame of the newly emerged Service-Dominant logic (in order to inspect how the modern Japanese hospitality industry, which has *Omotenashi* and the Japanese tea ceremony as its bases, has been developing in the environment of S-D logic). Value co-creation has also been reviewed, as, judging by the four main principles of the Japanese tea ceremony as outlined by Sato and Parry (2015), it becomes evident that tea ceremony and *Omotenashi* are interconnected in their foundational premises, and correspond to the key premises of S-D logic. It indicates that S-D logic, developing in the global environment, composes of principles and premises that are largely common for different countries. Therefore, the Japanese tea ceremony and *Omotenashi* do not only have similar roots and premises, but also include such social and philosophical principles

that exist in other cultural environments around the world. Thus, the concept of the Japanese hospitality can be subconsciously perceived as usual and, thus, relatable, accustomed to and naturally expected, by the visitors of different nations coming to Japan, owing not merely to its uniqueness and high level of service, but also to its relation with social practices existent all over the world. From another hand, it is also vital to be aware of at least some fundamental principles and concepts of *Omotenashi* and the Japanese tea ceremony in order to be able to get the full experience of the Japanese hospitality service. From this stems one of the practical contributions of this study: a more complex analysis of how *Omotenashi* can or already is implemented in the hotel industries of other countries, unaffiliated with the Japanese culture, will bring a more thorough understanding of the principles upon which *Omotenashi* is developing or contributing to the modern S-D logic in the hotel industry.

Reviewing the symbiosis between *Omotenashi* and *Kaiseki* restaurant, the emphasis was placed on value co-creation and the examination of the degree the value co-creation reaches between the host and the guest during a *kaiseki* dinner. The main aim was to analyze whether it was possible for the first-time visitors to fully comprehend the beauty and the message that is conveyed in *kaiseki* restaurants through the principles of *Omotenashi* and the fundamental elements built on the Japanese tea ceremony. As evident from the principles and philosophies of *kaiseki*, its idea is not available to everyone, as the principles upon which it is built go back to the very roots of the Japanese history and culture. Therefore, those who have very primary understanding of the origins of the Japanese tradition might only grasp what is visible on the surface and fail to understand the peculiarities of the ceremonial cuisine art that *kaiseki* attempts to introduce. However, regardless of whether the guests are Japanese and have vast knowledge of Japanese traditions and *omotenashi* itself, or come from abroad to experience the excellence of the service Japan offers, value co-creation has to and does take place. As for the practical contribution, this analysis will be valuable in further research of *kaiseki* dinner as the channel through which value co-creation takes place in the environment of *Omotenashi*-based setting. Also, during the analysis of the restaurants in foreign countries that are focused on serving Japanese cuisine, this chapter will be useful for gaining an insight into the premises and principles of *kaiseki* dinner as the illustration of the Japaneseness. Whenever the service process includes positive value co-creation, the model of this research shall become equally relevant. Some potential examples include tea ceremony, other Japanese restaurants, hot springs, spa salons, and other places where the process of value co-creation between the guest and the server is particularly relevant.

Moreover, Japanese *omotenashi* does not set any particular rules or implementations as to in what way to co-create value with the customer, and does not standardize the type of value co-creation. On the contrary, value co-creation is always original and authentic, and depends on the server and the host. Therefore, there are

three types of value co-creation in *omotenashi*: the value created by the host, the value created by the guest, and the essential value created during the interaction between the host and the guest. Therefore, such value co-creation goes beyond the service-dominant logic mindset. This particular phenomenon is not covered extensively in literature, therefore, a theoretical review of the existent literary material about Service-Dominant logic and consequent practical research (case study) shall assist in covering the topic.

Finally, the last three chapters were dedicated to examining the differences between *Ryokan* and regular hotels in Japan, discussing the role of *Omotenashi* in service delivery on the example of Kagaya inn, and reviewing the differences between Western superior hospitality and the Japanese *Omotenashi*. The differences between *Ryokan* and regular hotel were reviewed in the following categories: the cuisine, the interior, the fee system, the management system, and the service system. The management systems of *Ryokan* and regular hotels were analyzed on the basis of the fourteen main principles of management, and a comparison table has been drawn in order to visualize the differences and similarities. As for *Omotenashi* service delivery in the next chapter, the main stress was placed on discussing the role of *Okami* in the process, as the key figure of *Ryokan*. In the case of the Western superior hospitality, it was found that there were the external mechanisms which supported and cultivated a hospitality mind. On the other hand, in the case of the tea ceremony-based *Omotenashi* of Japan, it was revealed that such an external mechanism did not exist. It was also noted that although both Western superior hospitality and Japanese *Omotenashi* have been developing under the influence of Service-Dominant logic in the contemporary hospitality industry environment, the common features between S-D logic premises and *Omotenashi* concepts cannot be explained purely by the idea of the influence made on the Japanese *Omotenashi* by S-D logic, but rather by certain similarities in the developed approaches toward guest satisfaction.

The practical contributions of these chapters are related to the further comparison of the differences between *Ryokans* and hotels, and the analysis of the manner in which both will be further developing in the environment of globalization and Service-Dominant logic. The leadership style of *Okami* can also be further studied and analyzed. In the presented dissertation, the analysis primarily focused on two elite hospitality industry places: Kitcho restaurant and Kagaya hotel. The conclusions drawn from the research are relevant in respect to the reviewed literature and practical experiences described in the correspondent sections of the research. Therefore, a more in-depth quantitative and qualitative analysis of the manner in which *Omotenashi* and value co-creation are applied or altered in the hospitality service delivery will be required for a more accurate analysis.

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