

## **CUSTOMER CONTRIBUTION TO IMPROVING SERVICE QUALITY IN THE HOSPITALITY INDUSTRY**

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### **Abstract**

The actors on the today business stage have no more well-defined roles with clear and rigid borders between them. Hospitality industry in particular is a good example how it has been blurred the roles that customers play in dealing with service providers. The study reveals that customers can influence the quality of hospitality service through performing a quality-control function. This involves a series of activities to be achieved by them: (1) on-the-spot quality control, (2) service failure control, (3) quality consultancy, and (4) co-production control. However there are some difficulties and the hospitality organizations need a structured approach to overcome them. Developing a strategy to enhance the effectiveness in performing this function is an important challenge for the hospitality organization management. Our study recommends five courses of actions to be included in such a strategy. They envisage (1) increasing the customer's knowledge of the firm's quality standards, (2) encouraging customers to voice their concerns, (3) training customers (and employees) to manage the interpersonal encounter, (4) motivating customers to involve in performing the quality-control function and (5) training customers about their tasks in co-production.

**Keywords:** quality, hospitality industry, hospitality service, service, customer

**JEL Classification:** L83, M31, M11

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### **Introduction**

The issue of quality has taken an increased importance in business, being associated with a competitive advantage that can ensure the firm's profitability and survival (Maddern et al., 2007). The recognition of the nature and the important role of quality in business is the result of an evolution of quality ideas over time. To this respect, Dale and Cooper (1992) describe four stages (i) quality inspection, (ii) quality control, (iii) quality assurance, and (iv) total quality management. The last involves a shift of paradigm: a changing culture where quality is a basic value of the organization and the goal is a steady improvement in quality, as a strategy to gain competitive advantage. The assumption is that suggestions for improvements may come from any level in the organization (Barnes, 1995). But, in our opinion an important aspect is that valuable suggestions may come from the exterior of the organization, in particular from customers.

The aim of this study is to discuss the challenge caused by managing service quality in the hospitality industry. *The key questions are how customers may contribute to improving*

quality and what approach should adopt the hospitality organizations to enhance their contribution. The specific characteristics of the hospitality services cause an inherent involvement of the customer into their design and/or provision. In this context we claim that customers may perform a quality-control function and the actions firms can take regarding the co-option of customers' competence must be encouraged because of their beneficial effects. Our line of reasoning relies on theories and concepts from the international scientific literature and on the practice in the hospitality organizations. The evaluation of the issue of customers' contribution is made from the original perspective of integrating separate aspects within a function of quality control that can be assigned to customers of the hospitality services.

The first section of the study presents the characteristics of hospitality services which provides the main explanation of the customer's participation. The second section describes the activities that are included in the quality-control function. The last section discusses the difficulties that may be encountered in performing this function and it is presented a model of a strategy for enhancing customer contribution to improving hospitality service quality

### **1. Quality in the hospitality services**

Quality is an important topic in management and marketing research but there is no agreed definition of the word among scholars and practitioners. Faced with the great number of points of view, Garvin (1988) describes several categories of the way in which the concept can be defined. A first perspective is that high quality is identified by customers with the help of their senses, for example by looking to the furniture design in a hotel room, by testing the food, by perceiving the atmosphere of a restaurant. A more technical point of view is represented by definitions based on 'superior product/service attributes', or those underlining 'conformance to specification' which involves carrying out operations with zero defects. Finally, other definitions are customer-oriented. So, it is recognized that the customer decides what quality means based on the fitness for use from his/her perspective, or on the basis of the best value received for his/her money.

When dealing with the topic of quality in the hospitality industry, we have to take into consideration some particularities that result from the nature of the hospitality services. The characteristics like intangibility, heterogeneity, simultaneity, perishability (Ioncica, 2000) have an impact on the ways quality is managed. For example, in their well-known study, Parasuraman et al. (1985) conclude that service quality is founded on a comparison between what the customer feels should be offered (expectations) and what is provided (performance). More than that, as relieved by Gronroos (1984), customers do not evaluate only the outcome of the service (the technical quality) but they also take into consideration the service delivery (functional quality). For instance, in a restaurant setting, the delicious food served to the guest is the technical quality of a service; while how the guest is treated and served by the waiter is the functional quality. Both of them give influence to the customer in perceiving the service quality.

In the context of our study, we also mention other significant implications. One is the fact that hospitality services are generally consumed at the point of production, which makes inspection of the service output very difficult. This requires the presence of an inspector at the service delivery (Barnes, 1995). The job can be performed by an employee of the hospitality company, but also the customer may be involved in the process.

Another significant aspect of a hospitality sale is that it can be defined as a human experience for consumers. A visit at a hotel is finished without a product to be taken home; in exchange, the guest will remember the whole experience. Pine and Gilmore (1998) point out that *experience* is different from *service*, as different as the last is from goods. They consider that “an experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event. Commodities are fungible, goods tangible, services intangible, and experiences memorable.” (Pine and Gilmore, 1998, p. 98). For example, theme restaurants such as Hard Rock Café offer food, but this is a prop for entertainment. Also, luxury hotels like Burj-al Arab do not provide accommodation but memorable moments of life for “guests”. That’s why, in this paper we’ll use the equivalent terms of customers and guests (i.e. buyers of experiences).

Finally, hospitality services usually involve the customers’ participation in helping to create the service value (Calycomb et al, 2001). The degree and forms of participation are very different. Sometimes, it is low, when all that is required is customer’s physical presence (e.g. attendance at an evening show in a all inclusive resort); other times, it is higher, when guest is part of the service experience (e.g. active involvement of the audience at the evening show). In this paper we are interested of the customer’s participation in the area of managing quality.

## 2. The service quality control function of the customers

A function is a general category of activities that a person must perform. For example a managerial function refers to the activities performed by managers to develop and maintain work environments in which people can accomplish goals effectively and efficiently. Fayol first suggested a set of five functions that were widely accepted and are popular until today.

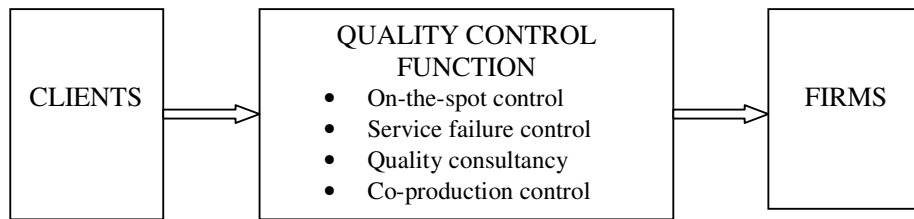
In this field of quality management in the hospitality organizations, we think that an important function is performed by customers, namely *service quality control function*. Some arguments support this opinion.

One argument is that the changing dynamics of business has modified the traditional roles of customers who have become active players in the creation of value. As Prahalad and Ramaswamy (2000) put it customers possess knowledge and skills that are useful to companies and they tend to engage themselves in an active dialogue with manufacturers of products and services. So, from the company’s point of view, they become part of an enhanced network from where competence can be extracted in the benefit of all parties involved in the value chain. The customers’ competence is an essential issue in the hospitality industry where they play key roles in the production and provision of services.

Other arguments are provided by the research dealing with the customer’s roles. Much of the existing literature focuses on their roles as sources of income or proxy marketing agents who disseminate information about venues or brands (Lugosi, 2007). However, there is a literature that offers insights towards a customer-firm partnership perspective. Langnick-Hall (1996) describes five distinct roles for customers: (1) resource, (2) worker (or co-producer), (3) buyer, (4) beneficiary, and (5) outcome of transformation activities. All of them involve different degrees of participation with various possibilities of co-opting customer’s competences. For example, as a resource customers supply inputs that “can include any of the factors of production: capital, natural resources, ideas, or any tangible or

intangible contribution to production activities” (Langnick-Hall, 1996, p. 798). Bitner et al (1997) suggest that consumers may participate in the construction of service experiences in three ways: (1) as productive agencies (e.g. providing inputs); (2) as contributors to quality, satisfaction and value (e.g. patrons of a bar may see it is as partly their responsibility to entertain themselves in the venue); and (3) as competitors (e.g. customers choose to provide services for themselves, for example, by purchasing alcohol and consuming it at home). Ford and Heaton (2001) highlight that customers may take responsibility for entertaining fellow consumers, directing the behavior of staff and guests, and providing critical feedback.

In this paper we focus on the active involvement of the customers in assessing quality of hospitality services. The hospitality services involve a person-to-person interaction, i.e. an interactive process between service providers and receivers. In this context perceptions and actions of both partners should be taken into consideration when evaluating and managing quality. In this respect, customers` actions may be regarded as components of a genuine quality-control function. The main activities that are included in the quality-control function are presented in figure 1.



**Figure 1 – The components of the customer quality control function**

**On-the-spot quality control.** The hospitality firm`s commitment to service quality is highly dependent on the employees who have tasks of the delivery of the service and who are part of the service through their attitude and behaviors. They are ultimately responsible for the satisfaction or dissatisfaction of customers with the experience they have (Presbury et al., 2005). Managers spend time to supervise, train, motivate, and reward the employees so that they should produce excellent guest experiences (Ford and Heaton, 2001). However a manager, say, in a hotel cannot be present all the time near each of his/her subordinates. On the other hand, guests in a hotel are very often in contact with frontline employees, talk to them, and see their job performance. So, they have the opportunity to control the employees` activity and react when the last fail to behave as expected. It is also important that customers should have adequate knowledge and experience in evaluating the employee`s job performance and in assesing the quality of the service delivery. Many hotel guests who are familiar with hotel services meet this requirement. In conclusion, many customers do have the willingness and the necessary competence to signal non-conformance to quality standard in the activity of frontline staff. More than that, they can take corrective actions through negative comments, praise, or tips.

The same aspects are valid for customer`s interactions with each other. For example, in an all-inclusive resort the guests dance together, play games and make sport, or attend evening

shows with extensive participation. In many such situations, customers help each other in case someone fails in performing adequately his/her part in the common hospitality experience.

**Service failure control.** A type of control activity similar to the former is linked with customers' formal complaints and suggestions in case of service failure. Chung and Hoffman (1998) identify three categories of service failures: (1) Service system failure (e.g. cold food, slow service, insect problems, dirty silverware); (2) Failures in implicit or explicit customer requests (e.g. food not cooked to order, lost reservations); (3) Unprompted and unsolicited employee actions (e.g. wrong order delivered, incorrect charges, rude behavior of employees).

Hospitality services have a great propensity to fail due to their intangible and experiential nature, or the simultaneous production and consumption. The organizations cannot also guarantee error-free in advance due to other several factors. One is the high "human factor" (Susskind, 2002), namely high level of human interaction between frontline staff and consumers, giving rise to variability in service quality. Other ones are uncontrollable external factors (e.g. customer late arrival) or the possible confusion as to what exactly the firms have been promised. On the other side, the today's restaurant or hotel guests are more demanded and educated, so it is more difficult to meet their expectations (Lee and Sparks, 2007).

**Quality consultancy.** Customers often provide valuable consultation before and after the service experience (Ford and Heaton, 2001) and a significant area of interest concerns the service quality. Generally, this activity consists in providing information by the customer about what he/she likes or dislikes about the guest experience. The typical methods by which the firm collects such information are surveys, mostly in form of comment cards or detailed questionnaires. A comment card encourages guests to provide observations or suggestions about their service experience. The small size, easy distribution, and simplicity are considered sufficient factors to make customers to fill them out. Questionnaires address, inter alia, the business's physical and service attributes areas (e.g. rating the hotel room on a Likert-type scale) so that when analyzing the data managers could get an idea of the relative importance of these attributes to guests' overall satisfaction.

**Co-production control.** The most important way in which guests can participate in service experiences is that of active co-producers. In this case, the customer behaves as a partial employee who contributes effort, time, or other resources to either design the service or perform some of the service delivery activities (Caycomb et al, 2001; Lengnick-Hall, 1996). Consequently, quality of a service is dependent on the quality of customer's resources (e.g. adequate information about his or her needs), contributions, or behaviours (e.g. the way in which he/she interacts with the service provider). Hence, the necessity that quality control should be parted between organization and customer in function of each party contribution to the service design and provision. For example, a prerequisite for service quality is the firm's understanding of customer's needs, but also the firm must ensure the clarity of the customer's tasks, i.e. what is expected and how is expected to perform. On the other hand, the quality of customer's participation depends on his or her ability and motivation to do the work. In addition to co-producing their own experiences, guests are often part of each other's hospitality experience (e.g. enjoying the meal with other people at a restaurant). Again, the quality of participation can influence positively or

negatively the experience for others. Successful hospitality organizations look for opportunities to include their guests as a part of each other's experience in positive ways.

### **3. The strategy to enhance customer contribution to improving service quality**

The quality-control function exists in a certain degree in almost all the hospitality interactions. The first step of a successful organization is to recognize the value of customer's participation. On the other side, the performance of the quality-control function by customers is not an easy task due to a number of risks and limitations in the process.

On-the-spot inspection of the frontline personnel's job performance may give rise to defensive reactions. Sometimes it is possible that employees should not appreciate or accept guests' comments even when they are responsible for the quality failure caused by their poor performance. This has a potential of conflict resulting in hurt feelings and, finally, unhappy customers. The risk is higher if customers have excessively high expectations about the services the hospitality organization has to deliver. This element of confusion has a negative impact on the effectiveness of the quality-control function operation. Another risk does not come from a guests' intervention but from their lack of reaction, when they do not voice their concern. This is a loss for the hospitality organization because the management receives no more a qualified help of the experienced customers who possess the competence to supplement its effort of improving service quality.

Concerning service failure, customers' typical reactions are exiting silently and never to return, continuing to patronize the establishment despite their dissatisfaction (but they will spread a negative word-of-mouth), or voicing their complaints to the operator (Kim et al, 2009; Susskind, 2002). Customer's complaint is the most valuable reaction because it can give rise to prompt corrective actions of the service provider, such as fixing product and service delivery problems.

The difficulty with the customer's function of quality consultant is represented by the fact that he/she must accomplish two basic condition. First, he or she must possess adequate knowledge and experience. Second, he or she has to possess the willingness to participate in activities that involve spending time. Besides these aspects, a problem resides even in the methods by which the hospitality organization collects information from customers. Most of them are quantitative data – such as rates of customer's perceptions as a point on a scale – provided by questionnaires or comments cards. But these methods might not help the hospitality organizations to obtain insights on what guests are thinking about the quality of the service experience. For example, as Pullman et al. (2005) point out, if hotel guests rate their perception of employee friendliness as 7 points out of 10 points, instead of 8 points, it is not very clear what this difference in perception means.

Finally, co-production implies the division – in various proportions - of the hospitality service provision between staff and guests. This introduces some uncertainty in the system in comparison with the situation when only trained and motivated employees do the entire job. Firstly, customers may have poor abilities to do their work. Secondly, some of them may prefer not to act as co-producers (e.g. they prefer to be served by waiters instead of preparing, say, salad by themselves).

These difficulties highlight a number of issues that are important to be taken into consideration. Consequently, we think that a strategy to enhance customer contribution to improving hospitality service quality has to include five courses of action:

- Increasing the customer's knowledge of the firm's quality standards;
- Encouraging customers to voice their concerns;
- Training customers (and employees) to manage the interpersonal encounter;
- Motivating customers to involve in performing the quality-control function;
- Training customers about their tasks in co-production.

**Increasing the customer's knowledge of the firm's quality standards.** Customers have to be very familiar with the quality standards of a service in order to perform effectively the quality-control function. However, the hospitality organization has a role to play by helping customers to know better its performance standards and relevant rules, regulations, policies, and procedures. Advertising is a means by which firm can express its value proposition but also other communication methods are adequate. For example, the manager making the table rounds at a restaurant and the hotel manager talking with a guest have the opportunity to clarify such issues.

**Encouraging customers to voice their concerns.** A dissatisfied or upset guest who simply walks quietly away is an inconvenient situation for the hospitality organization not only because it loses one customer or more customers (taking into account the negative word-of-mouth communication). The firm loses valuable information about a service failure. From another point of view failing in expressing a feedback, the guest abandons his/her role of quality-controller. The organization must prevent it, for example through clearly inviting customers to express their opinion about the quality of the service experience, explaining how a complaint should be lodged, or simply how to give feedback. In case of service failure, adequate service recovery (i.e. actions addressing the customer complaint) can restore customer satisfaction (Kim et al., 2009).

A distinct issue is that of the customer's involvement as a quality consultant. The firm may increase the effectiveness of the consultancy process through collecting not only quantitative data but encouraging customers to provide a more detailed feedback. For example, a section can be included on the comments cards asking open questions. Thus, the customer is allowed and encouraged to explain good or bad incidents, or to mention employees and their actions that have made pleasant or problematic the service experience.

**Training customers (and employees) to manage the interpersonal encounter.** Making suggestions to the employee who fails in observing the quality standards requires appropriate behaviors of the both parties in the encounter. This is even more significant in case of complaints. In terms of transactional analysis, the customer who identifies a service failure and makes a critical comment or lodge a complaint is in the psychological ego state of "*Parent*", using evaluative, critical, disapproving behaviors. Usually, this ego state activates another one, the "*Child*" ego state, involving confronting responses, anxiety, blaming others, anger. Such a transaction is not productive at all because it gives rise to defensive (i.e. aggressive or passive) attitudes. Generally, the most effective human relationships and performance come from the "*Adult*" ego state. Hospitality organizations must encourage and help the customer to adopt an *Adult* behavior which involves a rational approach of the case, providing and collecting clear and relevant information, or making

claims with calm behaviors. The same is valid for employees who must be trained to always react in a friendly manner to customer's observations and complaints.

**Motivating customers to involve in performing the quality-control function.** Customers must be motivated to engage in performing the quality-control function. A motivator for undertaking the role of on-the-spot controller can be the fact that the guest feels qualified to do it and that he/she has paid for the service. But, most of them may prefer not to assume additional burdens upon them. This is a critical aspect in performing quality consultancy tasks, or in co-participation. Because hotel guests may not accept to spend time to answer open questions unless there are some incentives to be received, the management may make some promises like free dessert if the customer will become a "consultant" in a program of improving quality. Being member in a focus group involves sometimes the remuneration of the participants. Finally, customers' motivation to the quality of co-participation is a complex issue because of the great variety of situations and degree of involvements. An interesting contribution to the topic has been made by Schneider and Bowen (1995), who has identified several possible incentives for co-production: (a) productivity increases that result in lower prices, (b) increased self-esteem because of increased control, (c) more discretion and opportunities to make choices, (d) shorter waiting times, and (e) greater customization (cited in Langnick-Hall, 1996). It is the duty of the organization to define appropriate ways to motivate its own co-producers.

**Training customers about their tasks in co-production.** Co-production involves special care because of the degree of uncertainty it introduces in hospitality service provision. To enhance service quality it is essential that customers should know what and how they are expected to perform their tasks. Hospitality organizations have several responsibilities. First of all, they must identify suitable services for co-participation and the degree of customer's involvement in designing and providing the service. Then, it is necessary a careful selection of the customers who are able and willing to become co-participant in service provision (Do they have the necessary skills? Is the experience too dangerous? Is this participation in accordance with their expectation?). Finally, customers must be trained so that they should understand their specific roles and contributions to co-production. In this respect, the organization may receive a valuable aid from other guests who are co-participants and who can help with training the "colleagues" to perform better. But even in this case, the organization has a responsibility to look for opportunities to "include their guests as a part of each other's experience in a positive way" (Ford and Heaton, 2001, p. 51).

### Conclusions

The study examines the complex interactions between hospitality firms and their customers and from the perspective of the former's involvement in the organization's quality management. The customers' role is quite extended in this area and has multiple facets. Thus, based on relevant international literature, the first research question receives the answer that customers may contribute to improving hospitality service quality through accomplishing on-the-spot control, service failure control, consultancy, and co-production control. A quality control function is proposed to summarize and describe these activities. The value of the theoretical model resides in providing a unitary view of some actions of customers that seem to be disparate but have the same end of addressing service quality issues. So, the firm's managers may go further from simply recognizing the value of



customer`s commitment to quality assessment and control and this conceptual framework may help with deepening their understanding of these processes.

Also, the study put into light the obstacles hindering the performance of the above mentioned function. Following this line of reasoning, several courses of actions are suggested to be adopted by the hospitality organizations to enhance customers` contribution to managing service quality, which addresses the second research question.

The findings have significant implications for shaping a strategy to enhance customer contribution to improving hospitality service quality. The core of this strategy is constituted by intensifying the two-way communication between the two parties involved in the hospitality service experience. On one side, transmitting information about the firm`s quality standards may eliminate customer`s possible confusion as to what exactly the firms have been promised. On the other side, the firm has to encourage customers to express their concerns, to give feedback, to lodge complaints when necessary, to communicate observations and suggestions about the quality of service experiences. Finally, an important aspect is also the perspective of the Transactional Analysis, underlining the effectiveness of objective and problem-oriented Adult-Adult relationships between customers and hospitality firm`s employees. Further research can be developed on the basis of the theoretical model and strategy presented in this paper, aiming to testing the customer quality control function and identifying good practice of its performance.

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