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Jae-Yoon Rim

University of Nevada, Las Vegas

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USE OF CALL MONITORING TO ENHANCE HOTEL SERVICE QUALITY

By

Jae-Yoon Rim

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PART ONE

Introduction

Call monitoring has been employed by both the manufacturing and service industries for the purpose of improving their service quality (Dilauro & Lubowsky, 1998; Fleischer, 2003; Fleischer & O'Herron, 2004; Miciak & Desmarais, 2001; Spencer, 2005). The ultimate goal behind the efforts to improve service quality is to enhance the firm's business practices by increasing customer satisfaction (Fleischer, 2003; Fleischer & O'Herron, 2004; Miciak & Desmarais, 2001).

A positive relationship between customer satisfaction and business performance has been supported by many researchers (Bitner & Zeithaml, 2003; Bou-Llusar, Camison-Zornoza, & Escrig-Tena, 2001; Dubrovski, 2001; Row & Barnes, 1998). Those researchers similarly assert that customer satisfaction, as the result of service or product purchase, significantly influences customers' positive behaviors, such as their repeat purchase intentions, brand loyalty, or brand recognition, all of which benefit business performance.

A key element for customer satisfaction is service quality (Babakus, Yavas, Karatepe, & Avci, 2003; Bitner & Zeithaml, 2003; Bou-Llusar et al., 2001; Dubrovski, 2001; Kondo, 2002; Miciak & Desmarais, 2001). Service quality is considered one of the top priorities of management and a prerequisite for sustaining a competitive advantage in a service business. This is due to its positive influence on various organizational issues, such as growth, security, and sustainability (Sureshchandar, Rajendran, & Anantharaman, 2002). In addition, Bitner and Zeithaml (2003) state that service quality is critical because it is imperative for customers' service consumption expectations to be satisfied.

The demand for service quality from customers is especially significant in the hospitality industry, including the hotel sector. Despite all the physical elements offered by hotels, such as rooms, décor, spatial layout and other facilities, a good service experience is the ultimate ‘product’ that hotels sell to customers. In addition, service has become an absolute differentiator among service providers since physical products have become more homogeneous (Bitner & Zeithaml, 2003; Gronroos, 2000). Among the various service enhancement programs, such as total quality management (TQM) or service guarantees, call monitoring is one of the instruments that management typically utilizes to improve service quality.

Purpose

The purpose of this professional paper is to explore the application of call monitoring in hotel firms. Certain characteristics of call monitoring will be clarified to understand the capability of the practice and the benefits that a hotel service provider receives from utilizing it.

Problem Statement

Call monitoring in the hotel industry has been relatively under-studied when compared to its use in the manufacturing industry. This is true despite the fact that call monitoring has been utilized by hotels for a considerable period of time. In fact, call monitoring may even be thought as a critical practice for hoteliers, since the services provided through hotel call centers are also part of the total service experience that a customer will encounter. Often, a hotel’s call center is the guest’s first point of contact with the property.

Justification

The relationship between a practical application and an academic perspective should be balanced in any research effort. A study backed by empirical research provides ideas and strengthens a theory. It is hoped that this study will motivate hotel firms to initiate certain

practical applications for call monitoring. On the other hand, practical applications create issues that might not be anticipated by scholars (Zikmund, 2003). Thus, scholarly studies should take into consideration the practical experiences of the industry itself, while at the same time reminding the industry that unforeseen complications and/or emergencies can occur (Boehm, 1980). This positive relationship ultimately strengthens both aspects of the study by creating a 'win-win' situation.

When one considers the application of call monitoring in the hotel sector, a balance is difficult to maintain. Although hotels have been practicing call monitoring for some time, empirical studies of the topic are scarce. This study will be a starting point to enlarge a literature base with regard to call monitoring practices in hotels. At a minimum, this study will seek to improve the understanding of call monitoring by clarifying its capabilities and possible applications in the hotel business. The findings of this study can motivate other researchers to further study this topic in order to develop academic theory related to call monitoring. Hoteliers can also benefit, since more scholarly literature can set a guideline for them to manage call monitoring more effectively in order to pursue their business objectives, such as service quality and customer satisfaction. Thus, it is hoped that this professional paper will achieve the appropriate balance that is required in a research effort.

Constraints

This study has both internal and external constraints. Internal constraints exist, since this study does not propose to conduct empirical research on a topic. No specific variables will be proposed, and no cause-and-effect relationships among variables will be determined. Rather, through the literature review, this study attempts to increase the understanding of call monitoring in terms of its unique characteristics and the corresponding advantages. From its findings, this

paper will recommend to hoteliers to practice call monitoring in order to enhance service quality and customer satisfaction in hotels. Therefore, this paper will not address issues of generalizability, validity or reliability of the findings. A second internal constraint derives from the status of the writer. A student has limited resources, such as the quantity and availability of published literature, as well as industry networking opportunities. These limited resources also affect the generalizability of any findings from this study.

An external constraint exists because of the lack of empirical research on call monitoring, in both the business and hospitality literature. Therefore, this study will rely heavily on business trade journals and personal interviews for insights into the practice by hotels. Since most of those articles are not empirical works, the information could not be considered reliable or valid by academic standards.

The next chapter of this professional paper will consider the available literature that covers call monitoring. From this review, some characteristics of call monitoring and advantages from the practice will be identified for hoteliers in order to provide them better perspectives of call monitoring for enhancing their service quality and customer satisfaction.

PART TWO

Literature Review

Introduction

This literature review contains three sections. It begins with a discussion of call monitoring, and explains it in depth in order to understand its unique characteristics and benefits. The contents of this section will rely heavily on personal interviews and business trade journals, because there are few empirical studies available with regard to the practice. The second section will discuss advantages that a hotel call center can receive from utilizing call monitoring. The focus will be on hotel firms' opportunity to enhance their understanding of customers, develop employees, and improve service encounters, such as first impressions and service recoveries. Then, the third section will summarize the findings of this literature review.

Call Monitoring (CM)

Definition of CM

Call monitoring (CM) is a method by which any organization can assure service quality and service practices (Dilauro & Lubowsky, 1998; Fleischer & O'Herron, 2004). Fleischer (2004a) states that CM is a powerful tool that provides companies an opportunity to improve their service quality by gaining customers' insights. Rial (2000) defines CM as observing phone calls in order to enhance customers' service experiences and service standards. According to Miciak and Desmarais (2001), CM is an effective tool for managers to evaluate call center performances in order to reinforce service standards and service delivery processes. Having defined CM, the next section will address the significance of the CM practice in call centers.

Importance of CM

The heavy usage of call monitoring (CM) by many hotel firms underscores its significance. An increasing number of organizations operate call centers in order to serve their customers better (Feinberg, Kim, Hokama, Ruyter, & Keen, 2000; Fleischer, 2001b; Ruyter & Wetzels, 2000). The growth of CM utilization is due to the desire of organizations to increase their understanding of customers. The call center is a main hub for service delivery through a 'voice-to-voice encounter' (Bennington, Cummane, & Conn, 2000; Feinberg et al, 2000; Gilmore & Moreland, 2000; Verhoef, Antonides, & de Hoog, 2004). Despite the emergence of electronic customer relationship methods, such as the Internet, e-mail, or the World Wide Web, a call center is still a primary way for customers to communicate with an organization (Miciak & Desmarais, 2001).

Call centers perform various business functions to support customers, such as handling account inquiries, dispatching, pre-sale and post-sale services, providing information, resolving complaints and service recovery (Gilmore & Moreland, 2000; Feinberg et al, 2000; Mattila & Mount, 2003; Miciak & Desmarais, 2001; Ruyter & Wetzels, 2000). Among these roles, the major objective of call centers is to deliver appropriate service and accurate information to customer callers (Dilauro & Lubowsky, 1998; Fleischer & O'Herron, 2004; Spencer, 2005). In other words, call centers connect customers and organizations in order to efficiently link demand and supply for services (Burgers, Ruyter, Keen, & Streukens, 2000).

Due to the connection between customers and a service provider, a call center performs two strategic activities which strongly affect customer satisfaction, which are the delivery of a service and an initial service contact. Customers evaluate the services provided through the process of the resolution of issues and problems related to initial unsatisfactory services (Bitner

& Zeithaml, 2003; Burgers et al., 2000). Another critical element for customers to evaluate service is the interaction or contact point as the 'service encounter' between customers and a service provider (Bitner & Zeithaml, 2003; Burgers et al, 2000). Many researchers conclude that customers care more for an effective process of service recovery and delivery, such as speed, employee friendliness, or available resources applied by the provider than a final outcome or compensation (Bailey, 1994; Gilmore & Moreland, 2000; Lewis & Clacher, 2001; Lewis & McCann, 2004; Writz & Mattila, 2004). In addition, a service encounter plays a major role in customer satisfaction, since customers' overall satisfaction with services is based upon their evaluations of a series of experienced services at each individual encounter (Bitner, 1990; Dilauro & Lubowsky, 1998; Verhoef et al., 2004). To secure a customer's satisfaction with a service experience, managers need an effective tool to examine the performance of their call centers, and the practice of CM offers such means to managers.

In this section, the importance of CM practice was addressed. The next section of this literature review will explore a unique capability of CM, which is to record live communications between a call center agent and a customer caller.

CM's Unique Capability

As the words 'call monitoring' indicate, CM is a tool for call center managers to monitor their employees' phone conversations with customers. Perhaps the initial managerial intention of utilizing CM is to evaluate their call center representatives' performances. However, this practice is considered to be more effective than other conventional performance evaluation methods, such as checklists or interviews, since the practice of CM gives managers an opportunity to listen and evaluate live communications between a call center agent and a customer caller. Thus, this capability makes CM a unique instrument. Recorded live

communications contain various elements that are involved in a given situation. They are the facts of a topic, the process of handling issues or delivering appropriate services, or emotional reactions of either customers or employees (O'Donnell & Ward, 2006). When considering these elements, a performance evaluator, such as a call center manager, will be able to visualize a clear picture of a given situation and to make a better judgment of employees' performances. For example, a call center manager of a Las Vegas Strip property (personal communication, January 25, 2006) mentioned that, by the use of CM, she is able to precisely evaluate her employees' performances to see whether they are consistently delivering appropriate services to customers tailored to given scenarios. A former call center representative of another Las Vegas Strip property (personal communication, November 20, 2005) also mentioned that performance evaluation initiated by CM was effective for her, because recorded calls explained more clearly to her supervisor the content of the call and how she handled a given situation. In addition, she commented that it was more acceptable for her to receive performance advice from her supervisor, when it was based upon the evaluation of those recorded calls.

However, this CM ability to record live communications between agents and customers is not limited solely to the evaluations of employee performances. This ability also provides hotel operators further advantages, such as an enhanced understanding of customers' service needs and service encounters, such as first impressions or service recoveries. It is widely accepted by both the hospitality institutions and the hotel industry that the prerequisite to enhance service quality and increase customer satisfaction is to have more comprehensive customer information (Keeley, 2005; Miciak & Desmarais, 2001; Ruyter & Wetzels, 2000). Hotel managers can have such customer data, since CM' recording ability provides them deeper understanding of customers' attitudes, such as verbal and emotional responses to the services provided. In other words, the

recording ability of CM allows a service provider to attain a strategic evaluation point to judge its service quality and customer satisfaction. The strategic evaluations of a firm's services can become a think tank for an organization to effectively achieve organizational advantages that a service provider can receive from utilizing CM (Hollman, 2002).

This section discussed CM's unique ability, which is to record live communications between agents and customers. From this discussion, this review section considered its capabilities and benefits that this recording ability can bring to service providers, including hoteliers. The advantages include deeper understanding of customers' desires, more effective employee development, and advanced service encounters, such as first impression and service recovery. In order to further explore these advantages, the next three sections of this literature review will discuss how the utilization of CM can allow hotel managers to pursue these benefits, and a discussion of the effectiveness of CM to enhance a hotel's customer understanding will be addressed in the following review.

Advantages of the Utilization of CM

Better Understanding of Customers' Service Desires

The importance of having an appropriate customer database cannot be over-emphasized in today's service industry, especially in the hotel sector. In other words, the customer database always has room for enhancement, and it requires on-going improvement efforts from service operators. Customers, who have become more sophisticated, seek customized services from their service providers rather than the standard services. Therefore, it has become increasingly burdensome for hotel operators to provide tailored services to their educated customers. However, once a hotel succeeds in satisfying their customers, the benefits from those satisfied customers to the firm will assist in sustaining a competitive advantage in the market (Bitner &

Zeithaml, 2003). The positive outcomes derived from satisfied customers include an increase in brand loyalty and recognition, repeat purchase intentions, positive word-of mouth advertisement, and/or longer stays (Bou-Llusar, Camison-Zornoza, & Escrig-Tena, 2001; Dubrovski, 2001; Kondo, 2001; Rowe & Barnes, 1997).

Hotel firms have conducted numerous research both quantitative and qualitative, such as customer surveys, interviews and focus group studies. These studies set a goal to gain better understanding of customers' service expectations and to pursue the above mentioned organizational advantages. However, these practices require a significant level of budgets and efforts from organizations. In addition, most of these studies are conducted when participants have no physical interaction with service providers (Zikmund, 2003). Therefore, the results of previous practices have inherent limitation to accurately represent customers' true demands.

A hotel call center with the utilization of CM can act as a data-collecting department for an entire organization and can remedy the above mentioned research constraints. Hollman (2002) asserts that a call center should be a think tank for an entire organization in regard to its customer services and service quality assurance. Utilizing a call center as the think tank is feasible for hotel managers, because of CM's ability to collect and evaluate live communications between a call center representative and a customer caller (Burgers et al., 2000; Fleischer, 2006; Mattila & Mount, 2003; Spencer, 2005). This data-collecting method is cost effective for a hotel, since it is an in-house tool. For example, the call center manager (personal communication, January 20, 2006) considered that the utilization of CM is very efficient in terms of cost, while mentioning her involvement in the current project of implementing the CM system in the property. According to the manager, the initial investment to install the system is quite expensive; however, potential benefits from the practice of in-house CM will override the costs.

In other words, the manager expects that the hotel will end up with high ROI while implementing the in-house CM. In addition, the evolved technology of CM hard- and software enables users to conveniently and efficiently customize collected raw customer data fitted to specific organizational needs (Fleischer, 2006).

Secondly, the utilization of CM enables managers to collect relatively accurate or reliable customer information, since customers are physically interacting with a service provider through voice-to-voice encounter. In other words, the practice of CM allows hotel call centers to collect live customer information, which is solely directed or influenced by a given situation, without being biased by common business and academic research constraints, such as acquiescence or extremity bias (Zikmund, 2003). This advantage is critical when considering the intangible characteristic of service. Service is created at the interaction between a customer and a service provider, and perishes immediately after the encounter (Bitner & Zeithaml, 2003). Customer satisfaction is not the result of actual service itself; rather, the satisfaction is derived from the memory of service provided or post-service experience. Thus, customer information, which is generated during a delivery of services from a provider to a customer, should be considered more valuable than customer data collected through conventional research methods. Based upon the evaluations of this live information, service providers will have an opportunity to strategically enhance their understanding of customers' true service demands.

More importantly, the utilization of CM is able to simultaneously perform both quantitative and qualitative research. This will provide hoteliers more comprehensive customer information consisting verbal and emotional responses toward services provided. It is true that, by recording and monitoring live communications, a hotel call center is able to simultaneously collect facts, such as actual service outcomes, and emotions, such as voice tones or attitudes,

from customers (O'Donnell & Ward, 2006). The interviewed call center representative (personal communication, November 25, 2005) commented that an effectively utilized CM practice would enlarge a company's understanding of their customers, because the utilization of CM continuously finds previously unanticipated service needs of customers. It is widely understood that the ability to obtain customers' emotional reactions is significant for today's hotel managers, since it provides managers a competitive opportunity to evaluate their services more critically from the viewpoint of customers. In other words, a hotel firm will be able to compare what it thinks is best and what services customers want most, based upon the obtained comprehensive customer information. From such a comparison, service providers are able to create customer-friendly service products and to practice customer-centered service quality based upon their increased understanding of today's sophisticated customers (Bitner & Zeithaml, 2003). These enhancements will ultimately increase the possibility for service firms, including hotels, to satisfy their customers, to create customers' brand loyalty, and therefore to obtain sustainable competitive advantage in the market.

This section discussed the opportunity to enhance a hotel's customer understanding by utilizing its call center with the practice of CM. It emphasized that the application of CM will provide hoteliers three advantages in terms of improving their customer database. They are cost efficiency, reliable customer data and opportunity to obtain both the facts and the emotions of customers toward services provided. The next section of this literature review will explore CM ability to develop employee skills.

Employee Development

Besides physical appearances or automated service features of hotels, services are created and delivered to customers by employees. Hence, employees are the link between an

organization and its customers (Danaher & Mattsson, 1994; Mattila & Mount, 2003). It is critical for an organization to monitor and evaluate its employees' performances, since their performances represent its service standard and commitment to guests (Bitner & Zeithaml, 2003; Eade, 2000). In addition, appropriate training to develop employees' performances is essential, since organized and uniform employee performances will effectively make a hotel's service consistency appealing to customers.

Efficient employee development is desirable for management, especially when considering front-line employees and call center agents. It is true that customers identify front-line employees, such as valet attendants or front desk associates, as the representatives of the service provider (Bitner & Zeithaml, 2003; Gronroos, 2001), thus, these employees' service performances directly influence customers' overall satisfaction with the service experiences provided. Although call center agents do not physically interact with customers, their service activities with customers should be considered even more critical than those of any physical contact employees. It is because a call center agent is the person who defines what service quality is for the customers through voice-to-voice service encounters (Burgers et al., 2000; Fleischer, 2001a). In addition, when evaluating a call center, customers commonly draw their impressions of a service provider from the agent whom they contact (Fleischer, 2005a). For example, a call center agent is the one who can create a first positive impression on customers with regard to a hotel's overall service quality, even before the guests step into the property. Thus, hotel call center managers need to have appropriate means to train and develop their agents in order to mold them to perform a desired level of services to customers.

Hotel managers are able to enhance employee training and development processes by effectively utilized CM (Dawson, 2005a, 2005b; Fleischer, 2005a, 2005b; Rial, 2000). By

recording and monitoring employee performances, CM is able to create a customized training program tailored to each employee (Dawson, 2005a; Read, 2004). The call center manager (personal communication, January 20, 2006) commented that CM allows management to effectively customize training programs depending upon individual employees' specific developmental needs. For example, she receives a monthly report from an outside contractor that conducts CM for her department. The report contains evaluation data consisting of scores and explanations regarding performances of call center representatives based upon the phone-service standards of her hotel, and of the services industry in general. For example, those standards include answering phones within three rings, a low call-abandon rate, the frequency of internal transfer of calls, knowledge, having an 'invisible smile,' the speed of the process and the total number of calls received within a specific time frame. From the performance evaluations, she is able to pinpoint her individual employees' areas of strengths and weaknesses; therefore, she can customize training that is adapted to their developmental needs.

Similarly, the call center agent (personal communication, November 25, 2005) supports the advantages of customized training initiated by CM. She commented that the feedbacks generated by the CM practice provided her on-going effective training programs, since the programs were customized to her developmental needs. The CM program allowed her to accurately understand her strengths and weaknesses, because she was able to listen to recorded calls of her own conversations with guests. In addition, with appropriate comments from her managers, the customized training provided her with opportunities to effectively enhance her skills and gain more confidence in her position with the hotel.

Effective training further benefits an organization and its call center personnel due to its positive effect on employee development (Dawson, 2005a; Fleischer, 2005a; Hollman, 2002;

Read, 2004). Fleischer (2004b) states that employee development is critical for an organization, because it creates a valuable link between a firm and a customer. He supports his argument that employees who develop effective skills to deliver services simply perform better. Dawson (2005b) and Hollman (2002) comment that well managed employee development ultimately increases the employee retention rate and employee and business performances, both of which positively affect service quality. Hence, it can be concluded that CM provides efficient and customized training opportunities for employees, which can develop their skill sets and performances. Armed with these skills, employees can positively affect the overall performance of a call center, and this improvement is likely also to increase customer satisfaction (Dawson, 2005a; Fleischer, 2004a, 2004b).

This section addressed the CM ability to effectively develop call center agents by providing tailored trainings depending upon an individual's developmental needs. The next section will discuss how the utilization of CM can enhance service encounters or interactions, such as making positive first impressions and performing appropriate service recoveries, in a hotel call center. It will begin with a general overview of service encounters, and then the focus will be on the first impressions and service recovery.

Call Center's Service Encounters

A service encounter is an interaction between a customer and the service provider. Bitner and Zeithaml (2003) assert that service encounters are 'moment-of-truths' for customers, where their impressions of services most vividly occur. Therefore, customer satisfaction is a result of accumulated continuous evaluations of their service experiences, which are generated through a series of service encounters (Bitner, 1990; Dilauro & Lubowsky, 1998; Verhoef et al., 2004). However, service encounters do not always occur through physical interactions between

customers and a hotel. Customers interact with a hotel through various non-physical contacts, for instance, advertisements and/or physical appearances of the property, also known as ‘servicescape,’ such as spatial layouts, lighting, or cleanliness (Bitner, 1990, 1992; Bitner & Zeithaml, 2003). From their impressions derived from these non-physical service encounters, customers also create a service image of the hotel and evaluate its overall service quality.

When considering a hotel call center, customers will evaluate its service performances through voice-to-voice service encounters. As mentioned earlier, despite the fact of the increasing usage of the e-resources, such as the Internet and e-mail, call centers are still major communication hubs for customers (Bennington et al., 2000; Feinberg et al, 2000; Gilmore & Moreland, 2000; Verhoef et al., 2004). For example, although a hotel room reservation can be made through the hotel Website, an individual may need to contact a human being to inquire a confirmation or other information with regard to his/her trip. In addition, customers will deal with their issues of service failures by contacting a hotel call center in order to seek compensation or solutions. Thus, it is critical for hotel managers to evaluate and manage their call centers’ service performances via voice-to-voice encounters. Among various services delivered to customers through their interactions with hotel call centers, for example, pre-sale and post-sale services or account inquiries, hoteliers should focus more on two service elements: making positive first impressions and delivering appropriate service recoveries. It is because they are the primary determinants of customers that influence their satisfaction with service providers (Bitner & Zeithaml, 2003).

Effectiveness of CM to Enhance First Impression

First impression is significant for hotel firms, because it dramatically influences customers’ overall satisfaction with properties and there is no second chance (Denaher &

Mattsson, 1994 ; Feiertag, 2004). Knutson (1988) asserts that the positive first impression or experience is most likely fixed in customers' minds. The author describes this process as 'imprinting,' which means that customers are indelibly fixed to it as a permanent indicator of their overall future service experiences with the provider. Sheehan (2004) states that this first 'welcome experience' is critical in the hotel industry, since it is the beginning point for customers to evaluate their current and future services provided.

A positive first impression made through a hotel call center should be considered more critical than that by a face-to-face encounter, since a customer can create a positive image with regard to the hotel's overall service quality even before stepping into the property. For example, when a customer make a reservation or inquires via a hotel call center, the customer will be able to draw an overall impression of future services based upon the service experiences provided at the moment. In addition, any customer's choice of a service firm is subject to change based upon his/her first impression of the property, since, in today's competitive market, service quality has become the major determinant for customers to differentiate among future service providers. It is obvious, if a customer perceives services provided through a hotel call center to be inappropriate, the customer will more likely turn to another property. Thus, consistently creating a positive first impression allows hotels to obtain a sustainable competitive advantage in the market (Bitner & Zeithaml, 2003).

Call center managers are able to develop their agents to create positive first impressions for their customers by the application of CM. It is because, as mentioned earlier, the managers are able to enhance their understanding of customers' service needs and provide their employees tailored training programs to improve their service performances. For instance, a formal employee of the reservation department of an upscale hotel in Korea (personal communication,

November 19, 2004) mentioned that the practice of CM allowed her department to understand how to make good first impressions. When she worked in the reservation department, the major topic of her training was how to impress customers on the telephone. She was intensively trained to deliver friendly attitudes, invisible smile, positive voice tone, and appropriate knowledge of her hotel, since the department understood that these elements were what customers expected to receive when they contacted the call center to make room reservations. After the training, her supervisors monitored her conversations with customers for first three weeks to make sure that she was able to make a good first impression. She emphasized that the CM was very helpful for her and her co-workers, because the practice of CM was able to find both the strengths and weaknesses of the representatives' communication skills to be improved.

Effectiveness of CM to Enhance Service Recovery

Service recovery is defined as a 'service-oriented approach' taken by service providers in order to respond to service failures and complaints (Bitner & Zeithaml, 2003; Gronroos, 2001). Service recovery is able to ameliorate the failures when appropriate efforts are implemented (Mattila, 2001; Spreng, Harrell, & Mackoy, 1995). Various researchers confirm the advantages that service providers, including hotels, can receive from practicing efficient service recovery, and the benefits are, for instance, increase in brand loyalty, improvement of long-term relationship, repeat visitation and/or purchase, positive word-of-mouth, or higher customer satisfaction (Bitner & Zeithaml, 2003; Boshoff, 2005; Lewis & Spyropoulos, 2001; Lewis & McCann, 2004; Wirtz & Mattila, 2004). Bailey (1994) states that customer satisfaction with a service provider is even greater after a service failure has occurred and been effectively recovered than it is before the problem occurs. Customers' service quality perceptions are also

likely to be enhanced after appropriate service recovery is initiated in order to respond to a service problem (Brown, Cowles, & Tuten, 1996).

Hotel call centers are actively involved in service recovery activities, since customers contact them to bring service issues to be resolved. Thus, the improvement needs for an efficient service recovery process are even more critical in the call centers. Mattila and Mount (2003) state that a hotel call center is a core department that receives many calls about service failure issues, and delivers appropriate corrections to customers. In the interviews with both the call center manager and the call center representative of Las Vegas Strip hotel properties, both mentioned that it is up to the call center to turn dissatisfied customers into satisfied ones, and to earn repeat visits and other advantages to their properties.

From the utilization of CM, hoteliers will have an opportunity to increase the efficiency of their call center performances, in order to appropriately manage service failures by delivering enhanced service recovery efforts to customers. Again, this opportunity to enhance the call centers' recovery activities comes from the CM capability to increase management understanding of customers' service needs and to improve employee performances. Hotel call center managers are able to obtain valuable knowledge of customer expectations with regard to service recoveries through their practice of CM. Some examples of the customer expectations are a sincere empathy and an apology from representatives, responsiveness from a hotel, flexibility and fairness in process and outcome, value-added compensation and/or speed of resolving problems (Bitner & Zeithaml, 2003; Zemke, 1994; Zemke & Bell, 1990). The call center manager added to the above list of items that customers require customized services depending upon the nature of service failures. For example, when a customer has a problem involving a technical difficulty, such as operating TV or cable network, what they want most is

an immediate solution. On the other hand, when a customer experiences a problem with a reservation or room service, they care more for the process how the problem is solved than the actual outcome. She stated that her understanding of customer desires come from the utilization of CM, since it allows her department to understand past issues and problems, and to effectively evaluate how they were treated and how the agents dealt with them.

This increased understanding of customers with regard to service recoveries enables call center managers to set customized training programs that develop their employees for future problems. From these tailored trainings, individual call center agents will be equipped with the necessary skills in order to effectively perform the desired level of service recoveries. These improvements of agent performances will positively affect the service recovery activities of a hotel call center, and be likely also to increase customer satisfaction (Dawson, 2005a; Fleischer, 2004a, 2004b).

Short Summary of Part Two

This chapter attempted to increase the understanding of CM and advantages that hotels can receive from utilizing it, based upon the reviews of available literature about the use of CM in business firms. CM is defined as a managerial tool, which can ensure overall service quality and service practices of service firms, including hotels. The single distinctive capability of CM is its ability to record live communication between a call center representative and a customer caller. From the intensive reviews of literature, this chapter identified that this unique CM ability is capable to provide hoteliers three major advantages: opportunities to enhance customer understanding of their service needs, to develop employees, and to improve service encounters or interactions, such as first impressions and service recoveries.

The next chapter of this paper will describe the research methodology to examine the application of CM in hotels. Focus will be on designing a research to establish a property profile of today's hotel firms utilizing CM and their understanding of CM benefits.

PART THREE

Introduction

This chapter describes the research methodology adopted for this study. The focus of the proposed research is addressed first. The next section will discuss the research methodology that explains the sample and survey development. Recommendations for future research will then be suggested. Finally, this chapter will conclude with a discussion of the findings of this professional paper.

Research Focus

The purpose of this paper is to explore the application of CM in hotel organizations. It is an appropriate topic, since there are no empirical studies available with regard to examining the utilization of CM and its benefits for the hotel industry. In addition, the interviews conducted with industry personnel confirmed that management's intentions and/or their perceived benefits of the CM practices are somewhat vague or unspecific. Thus, it is hoped that this study can benefit both the hotel industry and hospitality educators, in terms of providing a suggested method to study CM in the future.

Thus, the primary focus of this research will be to establish a property profile of CM usage in Las Vegas Strip hotels. Such information will include the existence of the practice of CM in these hotels, the segments and types of properties practicing CM, and comparisons between operating an in-house CM practice or hiring a third party to perform it. In addition, ascertaining management's initial purpose for the utilization of CM will be included in developing the profile. Another focus of this study is to examine managerial understanding of CM benefits, which were discussed in the previous chapter of this paper.

Methodology

An on-line survey will be used for this study because of the general advantages of the sampling method. It is one of the most cost efficient sampling methods and more convenient for researchers to utilize, when compared to the traditional paper-based survey via the mail. In addition, the application of e-mail software allows a researcher to conveniently follow up with respondents who do not respond to the surveys. Since data collected from the on-line surveys will be in the form of an electronic copy (also known as a softcopy), this data-collecting method is efficient for the time and labor efforts required to code and analyze the data collected.

Several limitations exist for this survey method. Primarily, they are the issues of formality and 'junk mail.' E-mails will be used to introduce the study and distribute the survey to the participants; however, e-mails are generally considered less formal than paper-based documents. Therefore, the participants might perceive this study as unofficial or casual. In addition, the size or content of the e-mail used for this survey could be categorized as junk mail by the recipients' e-mail software. Thus, non-response rates might be relatively high. Finally, as a general limitation, this method has a bias that is related to self-selection response, by those who choose to complete the survey.

Sample

The population of this study is the U.S. hotel call center managers and the sampling frame of the population will be the hotel call center managers in Las Vegas Strip properties. It is virtually impossible to conduct a research study that addresses the entire population due to certain research constraints, such as cost and time. Thus, this study will only select hotel call center managers in Las Vegas as the sample. This sampling method is nonprobability sampling, because the selection of sampling units is quite arbitrary. This is also convenience sampling,

since this technique is aimed at obtaining units or people who are most conveniently available for the study. Therefore, the results of the study would not be generalizable to the hotel industry as a whole.

Las Vegas was selected as the sampling frame of this research because of the unique destination characteristics of the Las Vegas hotel industry. Las Vegas is known as an ultimate destination for many purposes, such as pleasure, business, gaming, and/or convention. Therefore, a variety of hotels are located there in order to accommodate the diverse customer base. For instance, Las Vegas has hotels covering the lodging choices from luxury to economy and also other segments, such as the casino and entertainment and/or business and convention. Categories for full and limited service hotels, as well as mega resorts are also included in this destination. Because of these unique destination characteristics, it is hoped that the sample chosen from Las Vegas would provide this study with diverse managerial perspectives with regard to CM.

Survey Development

The survey questionnaire will be developed based upon the literature review and in-depth interviews with industry personnel. The industry personnel include hotel call center managers, hotel PBX managers, hotel reservation managers and agents and operators of these departments.

The survey will consist of two sections corresponding to the two research focuses. The first section of this survey will examine managerial perspective of CM benefits (i.e. employee development, customer understanding, first impressions, and service recovery). This section will include fixed alternative questions, which require a respondent to choose one response closest to his/her viewpoint among given specific limited alternative responses, with a five-point Likert scale anchored from 1 (strongly disagree) to 5 (strongly agree).

The second section of this survey will attempt to establish a property profile of CM usage in hotels. This section will include questions about the following topics: the existence of CM practice in the hotels; reasons for not using CM (i.e. cost or other); the primary focus of CM usage (i.e. employee training or other); methods for practicing CM (either in-house or third party); two questions for categorizing lodging segments (a. full- or limited service; and b. upscale, midscale, or economy); and types of properties (i.e. casino and entertainment, business, or convention). This section will be made of simple dichotomy questions, which require a respondent to choose one of two alternatives, and determinant choice questions, which require a respondent to choose one response from among several possible alternatives. The Appendix contains an initial draft of a proposed survey.

Recommendations for Future Research

The present study attempts to explore the application of CM in hotels by examining current CM utilization in hotel firms and managerial understanding of CM benefits. However, a relatively small and convenience sample is proposed; hence, the findings cannot be extrapolated to the hotel industry as a whole. Continuing research should broaden the sample; for example, to incorporate call center managers in other cities or from remotely located call centers, which are commonly operated by national hotel chains, such as Marriott. Further, this research considers the application of CM and its benefits only from the hotel management's perspective. It would be interesting to investigate customers' perspective with regard to CM; for instance, to elicit their reactions or perceptions of CM and perceived benefits from service providers' CM practices.

In conducting the proposed research, the researchers need to receive an approval from an appropriate university authority, such as the Office for the Protection of Research Subjects (OPRS), because it will involve human subjects. In addition, the researcher would have a

number of methodological issues, including determining the measurement scale, data input techniques, and software to be used for coding and analysis of the data collected.

Conclusion

The primary contribution of this paper was to initiate a study, which attempted to examine the practice of CM in a segment of the hotel industry, based upon interviews with hotel industry personnel and a review of the available literature addressing CM practices in business firms. Another intention of this paper was to enlarge the literature base with regard to examining CM usage in today's hotel industry. Overall, this paper identified the advantages that hoteliers can receive from utilizing CM, such as the enhancement of customer understanding of their service desires, employee development, and improvement of employee service encounters with guests.

As a general limitation, any specific indication or assurance was neither developed nor confirmed with regard to the topic, since this paper was intended to propose a research topic rather than conducting an experimental study. However, it is hoped that this research proposal motivates a future researcher to investigate the CM application in the hotel industry in order to establish reliable and empirical understanding of the practice.

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Appendix

*Call Monitoring Survey Draft***1. The utilization of call monitoring will increase my hotel's understanding of guests.**Strongly disagree disagree Neither agree nor disagree Agree Strongly agree **2. The utilization of call monitoring will improve employee development.**Strongly disagree disagree Neither agree nor disagree Agree Strongly agree **3. The utilization of call monitoring will enhance making a good first impression to guests.**Strongly disagree disagree Neither agree nor disagree Agree Strongly agree **4. The utilization of call monitoring will enhance performing service recoveries.**Strongly disagree disagree Neither agree nor disagree Agree Strongly agree **5. Call monitoring is currently utilized in my property.**Yes No

(if 'Yes,' please go to the question number 7.)

6. Call monitoring is not utilized in my property because of the cost.Yes No (If 'No,' please indicate the reason(s): _____)**7. The primary focus of the utilization of call monitoring is employee training:**Yes No (If 'No,' please indicate other reason(s): _____)**8. At my property, call monitoring is performed:**In-house By third party **9. a. My hotel is categorized as:**Full-service hotel Limited service hotel **b. My hotel is categorized into one of the following lodging segments:**Upscale Midscale Economy **10. My hotel is primarily categorized as:**Casino & entertainment Convention Business Other (Indicate: _____)