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Who Calls the Shots in Dining Customer Service

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Who Calls the Shots in Dining Customer Service

by

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Bachelor of Science
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A professional paper submitted in partial fulfillment
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ABSTRACT
Who Calls the Shots in Dining Customer Service

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Who Calls the Shots in Dining Customer Service

Part One

Introduction

Americans have become impatient with poor dining service standards. Some believe a depressed economy, lack of skilled labor, and even bad customers have contributed to a new epidemic (Kim & Chen, 2010). Bottom line, most paying customers probably prefer a pleasant service staff to an unpleasant one. Service staff with pleasant personalities and positive attitudes impact the customer experience and overall satisfaction (Ryan & Ployhart, 2003; Barrash, & Costen, 2008). Grandey in 2003 coined this “QSD” or quality service delivery.

Long lines and rude wait staff appear to be the norm in society with red flags to consumers that company culture is not too concerned about the guest experience, or perhaps focused more upon short-term (financial) goals. The old adage that a business is only as good as its worst employee might still hold true today, but with much more at stake than before. Increasingly, customers do not take the time for service recovery due to high service expectations for service providers to “get it right the time”. Many companies don’t even know when customers are unhappy, since about 50 percent of non-complaining customers just walk away dissatisfied (McCleary, & Lepsito, 2003; Swanson & Hsu, 2009). The Technical Assistance Research Program (TARP, 2007) also reports that 45 percent of consumers complain directly to the employee with only 5 percent filing direct complaints with a manager or supervisor (TARP, 2007).

In addition to this communication breakdown, it is estimated that nearly 60 percent of company's that do know about customer complaints do not respond (TARP, 2007). The communication link between the service employee and the customer is important to the vitality of sustaining a business. With ample studies available about the subject of customer service, little has measured the direct relations between the front line employee and the customer. The consumers' expectation of employees' behaviors and service standards can be heard loud and clear not only through face to face verbal complaints but also through web blogs, restaurant reviews, and social media formats. This allows good and bad news to travel fast to a wide audience. Managers spend a lot of time and effort to hire, train, and motivate service employees and it is all in vain if industry does not attempt to understand or adapt to the ever-changing needs of the customer (Guiry, 1992; Ford, 1992; Zainol, Lockwood, Kutsch, 2010). This paper presents a case study format representing the current dynamic with participatory customers, and explores the communication and affects between the customer, service employee and management through critical service incidents, recovery methods, and emotion with post service. In an ever-changing world, who calls the shots in current day dining customer service?

Case Synopsys

The case study depicts a critical service incident with a dining service encounter in an upscale, full service restaurant. The case describes a dining situation leading up to indifference between the customer and the service staff. The case creates teaching moments related to hospitality customer service, and depicts a real life scenario that asks the audience to solve the issues at hand.

Teaching Objectives

This case was targeted with several objectives in mind. First of all, it clearly identifies the new trends and approaches with the dynamic and breakdown in communication between customer, employee, and management. The goal of the company should be to create an exceptional experience for the customer, thus creating customer loyalty and repeat patronage. This is done through qualified service staff. Hiring employees that are agreeable, helpful and pleasant to the customer is important in the service industry. Such positive behaviors create positive experiences for customers resulting in repeat patronage, therefore management should try to motivate employees and reward them whenever possible. Last, understand critical service incidents, service intensifiers and effective service recoveries.

Key learning objectives from this case may include:

- a. An understanding of the customer's expectation of service
 - 1. The ability to distinguish desired services and personal needs
 - 2. The comprehension of acceptable service standards; temporary service intensifiers; perceived service alternatives; and predicted service
 - 3. An understanding of the physical evidence and servicescape
- b. An understanding about corporate culture
 - 1. Define the importance of ethics and doing the right thing
 - 2. Explain the concepts behind hiring the right people and training them
 - 3. Outline the employees service role
 - 4. Understand the concept of emotional labor
- c. To embrace the concepts of effective communication
 - 1. Realize the impact of a service failure and service recovery
 - 2. Comprehend the different zones of tolerance

3. Identify types of service failures and complaints
4. Identify types of service recovery strategies and guarantees

Courses and Levels

This case study may be used in human resources management, service management, or general management courses. The case is suited for the undergraduate student, challenging the key objectives of this case study.

Justification

The service industry experiences challenges daily with critical service incidents caused from human error, bottom-line resulting in unhappy customers. Customers have lowered their zone of tolerance with poor service. According to TARP (2007) the number one reason customers turned to another service provider was due to indifference with an employee. With the progression of self-service technology (SST's), and the willingness for consumers to participate in their own choices, and arrangements with dining and leisure, face to face communication is already at risk. The dynamic between a service employee and a customer can further be explored and developed in order to better understand the cause, effect, and future relationship.

Part Two

Introduction

This chapter of my paper reviews literature relevant to understanding the service relationship. The literature review first addresses current challenges within the restaurant industry. Secondly, I will examine corporate culture and the impact on service venue profit. Next, I will look at the service employee and the customer including the expectation of service, communication intensifiers, and emotional triggers. Finally, critical service incidents relative to this case study, and effective service recovery strategies will be reviewed.

What's Cooking in Customer Service?

Consumers are looking to support companies that offer outstanding service. According to the 2011 Small Business Trends (2010), customers want products and services that can offer the 24/7 instant gratification. Strategically, most companies need to control expenses especially in a recessed market place. This means companies may cut labor or new trends suggest the analysis of profitability from customers. In 2007, Sprint was the first of a new corporate culture choosing to conduct business with customers' that were deemed profitable for the company, resulting in the firing of some 1,000 customer accounts (Trends, 2011). Consumers want service incidents resolved immediately therefore more and more companies will need to train and empower qualified employees to help advance such demand with service expectation. On-line texting will resolve customer service issues much faster than the old days of an 800 number (Trends, 2011).

In business, time is money, and live chats with service agents are a critical service component for current day customers. The current day customer is savvy, demanding, and opinionated. Customers are busy, and want services more available to their schedules, and they

will choose providers that afford options. One thing that does stand the test of time is that customers like to conduct business with service providers that hire qualified and pleasant front line staff.

Corporate Culture: Mise en place'

Mise en place' is a French term used in the restaurant and cooking industry which means "everything in its place" (Herbst, 1995). All ingredients required for a dish are prepped and ready to use at the point of cooking, when orders are presented to the kitchen from wait staff. The pre planning preparation of the food, and organization is what contributes to cooking and expediting quick and fresh meals to customers. Outside the kitchen, the business should think and plan the same putting in place the all the right ingredients needed in advance to help create a strong corporate culture of the right attitudes, beliefs and values for employees to service customers. Hiring the right employees who are naturally nice, and genuinely enjoy working with and serving people; company orientation and training; as well as a positive work environment all make for a successful customer service recipe, which in the end will support the business.

In the United States there are about 4.7 million food servers, with an estimated 3 million of them earning tips as a large portion of their income (Bureau of Labor Statistics, 2010). It is almost standard practice for restaurants to utilize the tipping method as part of the compensation method with service jobs. Some utilize what is known as a dyadic plan (tipped and non-tipped). A tip means, "To insure prompt service", and implies a voluntary financial gift for services provided by the service staff receiving the tip (Brown & Rolle, 1991). The Fair Labor Standards Act classification stipulates a tip as any person who earns at least \$30 per month in gratuities (U.S. Department of Labor, 2008). Cash is motivating for service workers, but it is not always reflective of good service to customers and thus it is considered subjective. When a customer

fails to leave a tip after a dining experience might indicate a service failure. It might also indicate ignorance on tipping, miscalculation, a lack of funds, and or a direct message to the wait staff regarding poor service. It can serve as direct communication and feedback to the employee and management regarding the customers' service experience.

Miller (2010) believes there is a high turnover rate in the restaurant industry due to compensation issues. The uncertainty of tips can be very stressful to waitstaff that rely on the additional income source. Miller's study evaluated 1,181 hospitality employees in relation to occupational commitment and compensation. The majority of employees (61.3%) worked for their employer for one year, with 50 percent working more than 25 hours per week. As for compensation, 59.9 percent were through tips, and 63.7 percent identified the job as their primary income source, and 71.8 percent said tips made up less than 50 percent of their total compensation. The results found that commitment did differ between tipped and non-tipped employees. A higher level of commitment was attributed toward those that were employed longer in the company; worked more hours per week; and it was their primary job. No difference was identified in commitment between the two groups when reporting income from tips. Tips continue to be a source of contention. Some companies support tips, while others believe it manipulates the wrong types of behaviors. Unless mandated for large groups of diners, tips are still an optional leverage left up to the customer. The frontline staff plays an important role not only in the development of the guest experience, but for the success of the success of the business.

The National Restaurant Association (2010) reports the restaurant industry is in full force, with everything in its place for success. Restaurants, as the nations' second largest private sector employer supports some 12.8 million jobs for sales that exceeded half-trillion dollars in

2010. The United States also projected restaurant sales to total \$604 billion, representing a 4 percent gross domestic product, or 10 percent of the U.S. workforce. Horror stories have been heard that 90 percent of restaurants fail (American Express) yet according to Myth Busters and Business Week (April, 2006); percentages are more accurately estimated at 30 to 40 percent or one in every four restaurants close within the first year. Does poor customer service play a key role in restaurants that close? Not all service interactions develop into positive experiences and they do not all create profit for a company. With restaurants at such risk of failure, hiring good wait staff with excellent customer service skills would have to be an excellent recipe for success (Pettijohn, Pettijohn, & Taylor, 2004). This service relationship could mean the difference between a good dining experience or a bad one; and possible return patronage resulting in continued revenue generation for the company.

The service provider and wait staff. Servers play an important role in the service experience for management and guests alike. Management spends less time and money in recruitment and training when wait staff and front line employees are those who naturally, and genuinely like to serve people. Companies that employ fair and ethical practices can motivate and empower employees, which in return have a positive effect on customers (Liu & Yang, 2006). Many customers are loyal due to the direct relationships with service staff and employees (Matilla, 2001). Jiun-Shen Chris Lin and Cheng-Yu Lin (2011) confirmed this with research conducted to over 217 employees within ten service industries. Similar to Liu and Yang's (2006) findings regarding employee emotion, mood related to co-workers, and the service work, work environments have a positive influence on affective service delivery, which is passed on to the customer through the employee.

A job in the service industry is hard work and offers daily challenges with all types of customer personalities and idiosyncrasies. With such constant interaction with human beings, it might be difficult for service employees to behave in a positive manner toward customers 100 percent of the time as external conditions like motivation or personal issues can interfere (Diefendorff & Gosserand, 2002; Liu & Yang, 2006). Certainly, management, companies and customers want to believe they are, but in reality service staff have moods, and external situations that emotionally affect their behaviors while working just like anyone else on this planet. How service staff behaves when communicating and servicing dining customers is an indicator of exceptional service (Barrier, 2004).

Diefendorff and Croyle (2008) measured antecedents of commitment for employees in the service industry with emotional display for engagement of rules and incivility. The study tested 231 employed students with an average age of 20.5 years, and 22.3 averaged work hours per week. The industries represented were retail (35.9%); customer service (26.4%); restaurant (23.4%); fast food (10.4%); and child care (3.9%). All participants received a personality and reward structure measure; a customer interaction scenario; and completed the expectancy, valence, and commitment measures. Essentially, agreeableness and reward structure were positive indicators of expectancy, valence, and motivation. The type of customer interaction however made a difference in how employees reacted to policies and conformed rules while agreeableness was associated with all categories. Again confirming that employees that experience positive relationships will most likely pass those emotions onto the customer (Diefendorff, 2008; Lui & Yang, 2006; Madanoglu, 2004).

Emotional labor. While it may not always happen, it is certainly expected that service staff provide positive emotional courtesy while interacting with a customer (Liu, & Yang, 2008).

Just like employees, customers have varied emotions too, and they can be very demanding, which might cause physical and psychological stresses. All of this can lead to what Hochschild (1983) termed emotional labor. This is when individuals or service staff express feelings publically, and visually through facial and body language or emotional labor. Liu and Yang (2006) identified it as a service staff exerting energy to maintain an appropriate level of customer service (Liu and Yang 2006). Positive emotional experiences motivate service staff to perform better, which in return results in customer experiences and outcomes that are positive.

Service environment and training. The work environment and a training orientation help create a positive experience for an employee. This helps the employee to understand the most important determinants to customers, which are speed of service, polite courtesy, knowledge, skill in what they do, and genuine courtesy (Pettijohn, Pettijohn, & Taylor, 2006). Eight full service restaurants agreed to participate in a study conducted by Pettijohn, Pettijohn, & Taylor (2006), in which questionnaires were distributed to employees in a city residence of 150,000. In an attempt to evaluate two antecedents, the mean age of the group was 29, with the average workweek of 35.9 hours. Sixty-seven valid questionnaires found happy employees and job satisfaction was linked to proper orientation and training. A reminder to management how closely linked training is to customer satisfaction.

Behaviors. When servers are rude, complaints are filed against them, or mistakes are made, management usually intervenes to resolve the issue (Silber, Israeli, Bustin, and Zvi, 2009). A study conducted in Israel shows 77.5 percent of the time, management intervened with inappropriate behaviors of employees showing a 10 percent frequency in apologies made. A similar study (Bitner, Booms, and Tetreault, 1990), found 43 percent of dissatisfied service encounters were linked to an employee's unwillingness to respond to the situation. A total of 23

percent of memorable experiences in the hospitality industry were linked to relations with a service employee and their positive response to service failures. Employees' behaviors, and willingness to resolve issues with customers can greatly enhance a dining experience. experience.

The Customer

Dining out can mean many different things for consumers. Regardless, it is an expected experience of some sort. An experience that for most, these days, want the opportunity to participate in the process. Parasuraman (1993) expands the theory that interpersonal relations of service are created during encounters, and through communication between the two, opposed to outcomes. Thus, satisfaction develops through a customer's participation effort (Guiry, 1992) possibly developing the relations.

Expectation of service. During a 3-month research project by Keung (1999), inbound tourists traveling to Hong Kong completed questionnaires (491), to measure perceptions of frontline employees' behaviors and ethics with service encounters. Most of the subjects were university graduates, with 30 percent of the subjects under the age of 30 years. The first section of the study utilized a Likert scale to measure perceptions with service encounters including food and beverage service. The second section measurement studied attitudes and the third section targeted the collection of demographic data. Results found confirm that positive customer behaviors from employees will most probably service the guest better. Bottom line, customers perceive relations with service staff as reciprocal. The highest tolerance regarding company work rules was found with the 26 to 35 year age group, even when rules were broken. This supports the notion that customers and their requests are a priority, even with conflicts of company policies.

What customers want. According to the National Restaurant Association (2010), half of all adults have worked in a restaurant at one point in their life. Does this lend itself to a higher expectation from customers who have worked in restaurants? There is still a need to understand the dynamic better between the front line worker, and the customer. Ford (2001), examined the expectations of customers and their interactions with the different types of service providers. Interactions between strangers and exchanges that can be identified as relationships and encounters were identified from the study. Sixty-six full-time undergraduate students including bartenders, and fast food employees answered a questionnaire. A convenience sample of 664 residents was completed. Results from a second survey found customers want to be listened to, and have conversations with understanding as a component of personalized service. The study also found communication as a top priority in the service exchange.

Communication

It has been said that complaints are gifts; meaning communication from the customer should be welcomed as ammunition to run a business. When customers take the time to tell a service provider about a concern regarding a service shortfall, the service provider has the opportunity to make things right and to learn about problems. Policy, rules and protocol can all develop from lessons learned (Namkung, Jang, & Choi, 2010; Kim & Chen, 2010; Voorhees, Brady & Horowitz, 2010). Venting and expressing opinions increases satisfaction (Nyer, 2000). Sing (1990) identified three common categories for complaints: voice, private, and third party. The third party represents negative word of mouth with external agencies, which today includes social mediums. Su and Bowen (2001) concluded that over half (58%) of subjects that responded to their study registered a complaint, while 42 percent of the subjects did not communicate their concerns to the company or manager. Customers that are loyal to a company

were more comfortable to register complaints (Cheng & Lam, 2008; Namkung, Jang, & Choi, 2010; Kim & Chen, 2010). If complaints truly are gifts that help a business, a paradigm shift in how they are received and even possibly interpreted is necessary. Understanding the bottom line impacts of a customer, should be enough to encourage and invite feedback from customers, good or bad (Namkung, Jang, & Choi, 2010).

Complaints. Some customers are more likely to communicate disappointment if they believe the establishment rewards complaints (Su, & Bowen, 2001). Miller's (2000) research found 45 percent of complaints were registered with waitresses and waiters and not managers (Miller, 2000). In regards to resolution, there was difference between a manager and waitstaff. This can be a positive attribute if the first line employees are empowered with authority for customer resolutions. On the other hand, an unhappy customer can spread negative word of mouth quickly.

Customers that voice their opinions with a failed service experience appear to be younger and well educated (Lam & Tang, 2003). Garsoy (2003) segmented dissatisfied customers into two segments themed talkers and voicers. The talkers complained directly to management, family and friends, while the voicers kept their dissatisfaction within a private circle of family and friends. The three top complaint behaviors were talking bad about the company to others; complaining to management; and publicizing personal dissatisfaction (Lam & Tang, 2003).

Dissatisfaction is usually linked to a specific situation (Folkes, 1984). Folkes (1984) revealed in his earlier study that the customer experiences negative feelings, negative word of mouth and post purchase response. They too, feel emotions like anger, frustration, remorse, and regret.

In a restaurant setting, Velazquez, Blasco, Contri and Saura (2009) conducted a study with 345 individuals to understand cognitive and affective variables and the casual attributions, equity and affection related to dissatisfaction and complaining behavior with service. Attributes, inequity, and negative affections also influenced the customer's dissatisfaction. In particular, perceptions of injustice, and increased dissatisfaction. Companies that train employees to focus on professional conduct, and to utilize effective customer service skills with employees can help customers feel as if the service matters more than profits (Valazquez, Blasco, Contri, and Saura, 2009).

Non-Complaints. Voorhees, Brady, and Horowitz (2006) measured top themes from non-complainers from 530 qualified surveys in a study to understand why customers do not complaint after a service failure. The results identified 6 categories with 16 subcategories of non-complainer motivations. Top responses were time and effort. Management that trains service staff to understand sense of urgency to service failures for customers that complain is key.

Word of mouth. Satisfaction influences customers' sense of loyalty, recommendations and word of mouth, and a willingness to pay more (Ladhari, 2007). Three hundred and thirty eight undergraduate students revealed three sources of satisfaction in restaurant environments: positive emotion, negative emotion and perceived service quality. Handling customers' complaints with care, in a prompt and genuine fashion will increase the chances of repeat patronage, and reduce the likelihood of negative word of mouth (Heung & Lam, 2003; Su & Bowen, 2001). Those companies that are able to establish sound procedures for handling complaints are more susceptible to achieving customer satisfaction.

Critical Service Incidents and Service Recovery

A service failure occurs when a customer expectation is not met. A shortfall in a service encounter results in negative resources (Michel, 2001; Smith, 1999). Some of the most common critical service incidents in the dining industry are related to server behavior, slow service, food and beverage spills and special requests from customers (Silber, 2009). The action a service provider takes in order to resolve service issues indicates to the customer their business is valued and important. Service employees should all be trained how to effectively handle customers complaints. Those companies that create this type of culture where employees encourage and invite customer feedback will retain customer loyalty more than those that don't. Some companies even reward customers for providing feedback (Bodey & Grace, 2006). The cost of customer retention measures about 20 percent of that to find new customers with an increase of 5 percent of the returning customers produce the increase range of 25 percent to 125 percent for a company's profits (Kotler, Bowen, & Makens, 2006).

Parasuraman (1985-1988) identified the five dimensions of how a customer measures customer service: tangibles, reliability, responsiveness, assurance, and empathy. The top service recoveries included in this report are equity, justice and fairness; an apology; responsiveness; tangibles; empowerment; and emotion.

Food and beverage spills and special requests. Silber (2009) conducted an anonymous study with 11 large Israeli restaurateurs through an interview process to list the most common service failures and how the restaurants handled the incident. A response rate of 95 percent or 200 questionnaires was returned. An apology was frequently used for food and beverage spills (42.5%), followed by the offering of free food (19%), third, a discount was extended (14.5%). Replacement reported only 3 percent frequency (Silber, 2009).

One of Bitner's (1990) identified categories of a service failure is the response to customer requests. In particular when a customer registers a special request to a wait staff who in return is either unwilling to assist or restricted from doing so due to policies or company rules or regulations.

Equity, justice and fairness. Social justice is a key component to service recovery and matters to customers. Smith (1999) in particular found perceived justice to be enhanced when recovery resources match the failure type, social resources, and an apology. Problems occur when there is a process failure in that some part of the core service is flawed or challenged. An outcome failure occurs when the core service is not delivered causing financial loss, or time waste for the customer. When a service failure has occurred and a service provider apologizes yet does not provide a fair resolution, customers are not happy or satisfied (Miller, 2010).

Miller researched 448 critical service incidents with undergraduate and graduate business students at two southeast universities located in the United States. Structured questionnaires were condensed into a final survey to 238 graduate and upper division undergraduates' students. The final survey consisted of multiple choice and open-ended questions reflective of service incidents. Of the 229 subjects (94 from restaurants), 90 percent of service failures said they would return again with 10 percent stating they would not return. Of the 179 subjects satisfied with both process and outcome incidents, 9 subjects expressed interest to return. Of the 177 dissatisfied subjects with both process and outcome incidents, only 34 identified interests with a return visit. Therefore, the research concludes serious problems are less likely to be resolved. A total of 78 percent of the subjects identified loyalty following a service recovery that was equal or greater in value. Most were not aware that restaurants or

companies employed service guarantees (80 percent). When known, 64 percent of critical incidents were resolved satisfactorily.

The largest problem area with the survey results reflected 90 percent lacking in follow up. The most important issue of all in the research found that operational issues, in particular fair restitution and equitable resolutions mattered the most to customers. This research helps reiterate the importance of communication between the service staff, company and customer. The fact that 90% of this study lacked follow up, is an indication that there still exists issues in the communication between company and customer. It is more affordable to apologize and offer a complimentary meal, opposed to losing a repeat patron completely. Companies that understand this, can fair over others.

An apology. According to Miller (20010) this is considered a psychological recovery effort. Customers might consider it an empathetic, and kind effort. Employees and managers that show genuine care and concern with the needs of customers can certainly win consumer loyalty (Zemke, 1994; Lewis & McCann, 2004). Employees should have the opportunity to learn these techniques and use them on the job. They are inexpensive to implement and powerful. Miller concludes that an apology alone does not do the job, in fact it can add insult to injury if done incorrectly, and insincerely (Miller, 2000).

Responsiveness. Customers prefer timeliness and responsiveness as the most important issue to food and price (Kotler, Bowen, & Makens, 2006; Susskind, 2005; Swanson & Hsu, 2009; Anadaleeb, and Conway, 2006; Davidow, 2000). Customers prefer to have current needs and issues dealt with immediately, not negotiated with a discount for future visits or other marketing ploys (Sigler, Israeli, Bustin, and Zvi, 2009).

Swanson and Hsu (2009) measured 1030 critical service incidents resulting in 54.2 percent satisfied and 45.8 percent unsatisfied patrons. The mean age was 34.6. A total of 72.4 percent of the travel and tourism (accommodations, travel transportation, and restaurants) based incidents were delivery failures with unprompted employee actions of 18.6 percent and 9 percent for failure of employees or management to respond to the request or complaint. Service providers did not respond to over one third of the reported complaints. The most common recovery was service correction at 23.2 percent, compensation at 12.9 percent and future credit at 10.3 percent. A total of 53.1 percent of respondents with both satisfactory and unsatisfactory experiences did not repurchase from the same provider. Those that chose to not switch providers were due to previous experience (28.4%). Those that switched providers were related to the dissatisfaction with the initial incident (89.6%) or the response from the provider to the failure (88.7%). Bottom line, when service providers did not respond in a timely fashion it affected repeat motives for customers. Many studies prove positive repurchase intentions with service recovery (Kotler, Bowen, & Makens, 2006; Susskind, 2005; Swanson & Hsu, 2009; Anadaleeb, and Conway, 2006; Davidow, 2000).

Tangibles. Tangibles refer to compensation to customers for service failures. Most providers try to provide fair restitution for either the costs incurred, or the time and inconvenience experienced with a service shortfall (Zemke, 1994; Bell & Ridge, 1992). Some companies exceed expectation when a service failure occurs, attempting to win back future repeat patronage and to show genuine care and concern.

Empowerment. Employees that are trained, skilled and empowered to make specific decisions related to a service failure are more capable at maintaining customer loyalties. Speed

and recovery time are the key components to solving service issues and so it is imperative the right people have the right power at the right times.

Emotion. A satisfied employee makes for a satisfied customer. Emotion links together service climate, employee behavior, and the customers' reactions all blending toward an attitude and an experience. Liu (2006) confirmed this and that climate could be seen and felt. Madanoglu (2004) measured service quality with the tangible and intangible constructs. The results proved physical environment, and staff behavior are important to measuring service quality.

Customers' post-failure perceptions and experiences (McColl-Kennedy & Sparks, 2003) also have an effect on a business. When a customer reflects back on a service failure, emotions surface from recollection or awareness with expectation. Emotions such as anger, disappointment, and regret are targeted at a company and even its employees.

Chan (2006) identified 2 key constructs with face consciousness and fate submissiveness. This is basically public image and saving face, and the other is related to superstition (Chan, 2006; Chan, Wan, & Sin, 2006). The study concludes that service is a process with outcome attributes.

Conclusion

The inconsistent nature of the restaurant and dining industry in conjunction with human error from service staff, coupled with current demands of consumers, customer service is a challenging career and skill. The review of literature referenced throughout this paper helps gain an understanding regarding the importance of the relationship between the front line service staff, management, and the customer. A well constructed and professional business infrastructure that is in place helps to guide and empower employees, and identify how complaints are to be handled properly. With so much ample literature available regarding

hospitality customer service, and service industry failure and recovery; attentive and efficient customer service should not be such a daunting duty, especially when it results in positive customer experiences, and more often than not, helps turn customers into loyal patrons.

Part Three

Introduction

Chapter three presents the actual case study and teaching notes to accompany the learning objectives.

Case Study

Everyone stared in disbelief at the soiled linens, and empty shot glasses. “Wendi, how could you”, exclaimed Allred. ” It was an accident”, exclaimed Roth. Within minutes after Carla Sampson, the restaurant waitress, delivered the four Patron Anejo shots at \$12.50 a pop, they lay empty on the table with only the scent available to consume. It is as if everything happened in slow motion. Roth had hurriedly returned from the restroom and upon returning she knocked the edge of the table. That’s when it all happened - when everything changed. Four shot glasses wobbled right before everyone’s eyes as if viewing bowling pins being knocked down all by themselves. Gladly two remained standing in the end. Instantly, Roth popped back up and said, “Not a problem, let me go and tell Carla what happened, she just left, she’ll give us two more. Wait for me for the toast.”

Roth returned, but without two more shots, and a scorned look upon her face. “That’s just horrible customer service, charging for something that we can’t even drink, right? ”, Roth told her friends as she returned from meeting with Sampson. They agreed to pay the bill and go home. It was now midnight. Collectively, Roth and her friends paid the final bill (which incidentally was presented to the group by another waitress, not Sampson). They paid the \$327.00 and left Sampson a ten-dollar tip.

The mood was a little somber when arriving to the restaurant in the first place. The four friends, Wendi Roth (51 years old), Cindy Allred (51 years old), Don Rowan (49 years old), and Rick Tooley (54 years old) had spent the entire day at the hospital visiting a childhood friend who was terminally ill. Now 7:30 p.m. in the evening, everyone was tired, hungry, did not want to cook, and wanted alcohol. Dining out was a unanimous choice among the group.

It was a Friday night in January at approximately 8:00 pm in the evening in a city near Sacramento, California. The four friends decided to venture to the renowned, and renovated downtown area, allegedly notorious for the active nightlife and great food. They drove to the area with an open mind in hopes to give fate and luck a try. They landed upon a restaurant sign that read Dionycus. It looked open, and it wasn't crowded, so they gave it go. The full service, upscale restaurant had been in operation for only 3 years and prides itself on intimate dining experiences. The restaurant décor was adorned with brown leather chairs and booths, amber mood lighting, sheer curtains hanging between spaces, and a large illuminated bar area, which promoted an assortment of spirits. The group

Figure 1: Restaurant Entrance

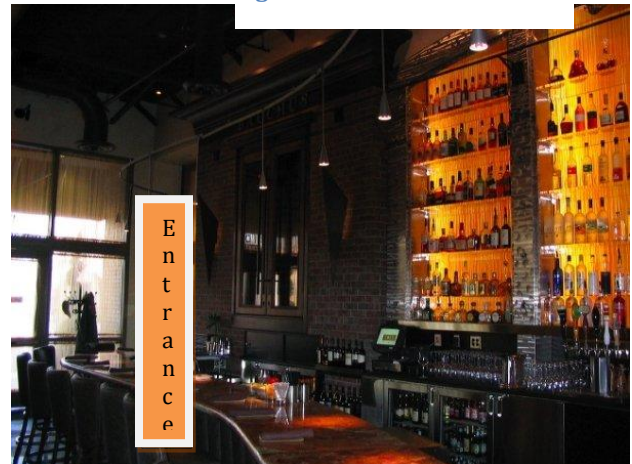


Figure 2: Spirits Bar

believed they had made a great choice.

As they entered the front doors of the restaurant, a hostess walked out from behind a kiosk and greeted the four patrons. “Welcome to Dionycus”, she said. “Do you have a reservation?”. Roth replied, “No, we don’t. Can

you take four of us for dinner right now?” The hostess advised the group that she could and that a booth would be available for them shortly. From the bar area, the bartender hollered from behind the counter if he could get any drinks for the group. With four glasses of wine on the way, the group stood at the front, near the entrance awaiting the seating of their table. Twenty-five minutes later, at 8:25p.m. the hostess escorted the group to a booth located on the perimeter wall of the restaurant.

Carla Sampson was the waitress assigned to Roth’s booth. She approached the booth with a very friendly demeanor and warm welcome; asked if anyone wanted more wine or beverages, and explained the specials for the evening. She dressed conservatively with black pants, and a white shirt. Seating took a little longer than expected for the group, but they were



Figure 3: Dining Booth

grateful since they didn’t have a reservation, and they really were not in any hurry. The gold and orange lights in the restaurant created a very sultry and sexy atmosphere. Sheer curtains separated the booths from each other, with just the muted sounds of

conversations between spaces. Music was playing, but it was not too loud that conversations could not be heard, or enjoyed while dining. Sampson took her time talking to the group, making menu recommendations for the first time diners.

Starting with several appetizers, soups and salads, the dining experience continued on to the entrees. The food was delicious and Roth and her friends were very pleased with their

restaurant choice. Around 9:00 p.m. the entrée orders were taken. Sampson had been very timely and attentive with service to the group. After the entrée order was taken, Sampson was seldom seen. She now had begun to also service the bar area. The booth that Roth and her group occupied directly faced the main bar. The entrée's were delivered at 9:40 p.m. by another waitress. Sampson was not around. The group did not pay it any mind, as they were very pleased with the experience and the food.

Sampson did not check on the group at all between taking the order at 9:00 p.m. and 9:40 p.m. when the three dinners and Pizza Margarita was delivered. She was seen rushing by with a tray of cocktails. In the meantime, the restaurant was transitioning into what appeared to be a nightclub. The music had changed; it was much louder with a techno vibe. The dinner house had in fact transitioned into a nightclub beginning at 10:00 p.m., serving from the bar menu until 2 a.m.

A little after 10:00 p.m. Roth went looking for Sampson to order dessert, request for more water and ask for all dirty plates to be cleared. The booth table was very small, and no one was bussing the tables. It was a small restaurant, so

Sampson was seen gathering cocktails at



Figure 4: Bar View from Dining Booth

the bar area. Sampson said she would have someone bring dessert menus right over to the booth and also have it cleared. At this point, the restaurant, and bar area was packed and Roth and her party now had prime seating!. About 10 minutes later, another waitress passing by dropped off

dessert menus at the table, with water, but plates were not cleared. Roth decided to flag down the next passing waitress and turn in their dessert order, and request to have their area cleared. This waitress said she would put in the dessert order, and flag a busser to clear the table. Rowan ordered a round of Patron Anejo for the group as well. At this point, the lack of attention and communication was becoming annoying for the group who had enjoyed the prompt, attentive service in the beginning.

The desserts arrived about 10 minutes later with the Tequila shots. The shots were not served in the traditional short, chunky style shot glasses. They were presented in thinner, longer shot glasses. The group, with failing concern for the deteriorating service was glad to see Sampson deliver the desserts with the shots and they thanked her.

At about 11:20 p.m. Sampson came rushing by the table, and Rowan hollered out to her for a second round of shots. Feeling sentimental, he wanted to buy one more round of shots for a formal toast to their friend Lyman who was in the hospital.

Figure 5: Tequila Shot Glasses

Sampson took the order, and Roth left the booth to use the ladies restroom. When she returned to the crowded and loud dining room (disco?), and approached the dining booth, Sampson was concurrently setting down the four shots of



tequila and then quickly departed. As Roth was entering the booth, she knocked the edge of the table, and the tequila shot glasses all started to wobble, resulting in two drinks dropping to the center of the table, soiling the linen. In shock and total disappointment over the accident, Roth

assured her friends Sampson would replace the two spilled shots since it was an innocent mistake.

Roth approached Sampson in the center of the crowded bar area, where she again was carrying a full tray of cocktails and explained that two of the shot glasses had tipped over, and could they please get two more to replace it. Sampson stated that she had to deliver the tray of



Figure 6: After 10 p.m. Techno Bar

drinks, and then she would put the order in. Speaking very loudly due to the overhead music blaring, Roth asked for clarification that they would not be charged for the two replacement shots due to the accident. Sampson stated that she

would be happy to replace the two shots, but that she would have to charge for them. Roth asked Sampson to come see for herself the soiled linens that smelled of tequila as proof. Sampson reiterated the company policy to Roth, and asked if she should bring two more shots or not. Roth, now completely irritated with the act of injustice asked Sampson what policy was if food is spilled without the opportunity to eat it? Or if the wait staff spills things, then does “policy” allow for refilling or replenishing?

Unemotional, and scripted, Sampson repeated company policy. Roth asked if there was a manager in the house. Sampson stated the manager was not available. Sampson’s lack of empathy, and helpfulness, seemed to bring out all the negative feelings encountered all day while at the hospital. The dining experience that started out so good was ending with negative feelings toward Sampson and the establishment. Roth returned to her table, shared the news with her

friends, and collectively they decided to leave. They paid the \$327.00 bill, and left Sampson a \$10.00 tip. Upon leaving the restaurant, there were two bouncers at the front door, and a long line of patrons waiting to get into the evening hot spot!

Teaching Notes

This case was written with several teaching objectives in mind. It depicts a clear breakdown in communication between customer, employee, and management. The goal of the company should be to create an exceptional experience for the customer, thus creating customer loyalty and repeat patronage. This is done through friendly and qualified service staff. Hiring nice employees that are agreeable, helpful and resourceful help make up pleasant customer relations and experiences. These positive behaviors undoubtedly create positive experiences for customers, therefore management should try to motivate employees and reward them whenever possible. Frontline employees, in particular, service staff, are key assets to the success of a any company. Last, understand critical service incidents, service intensifiers and effective service recoveries. This case does provide an interesting twist and challenge for management.

Key learning objectives from this case may include:

1. An understanding of the customer's expectation of service
2. The ability to distinguish desired services and personal needs
3. The comprehension of acceptable service standards; temporary service intensifiers; perceived service alternatives; and predicted service.
4. An understanding of the physical evidence and servicescape components that might affect a work environment and service.
5. An understanding about corporate culture
 - Define the importance of ethics and doing the right thing

- Explain the concepts behind hiring the right people and training them
 - Outline the employees service role
 - Understand the concept of emotional labor
6. To embrace the concepts of effective communication
- Realize the impact of a service failure and service recovery
 - Comprehend the different zones of tolerance
 - Identify types of service failures and complaints
 - Identify types of service recovery strategies and guarantees

Discussion Questions

1. What are the real issues to be addressed in this case?

These include, but are not limited to the following:

- a. Are there possible affects of emotions and temporary service intensifiers impact on the situation?
- b. How do you think the group, or Ms. Roth in particular measured her customer self perceived service role?
- c. Is the customer always right?
- d. How might social-cognitive theory help us to understand why service staff or management ignore complaints?

Teaching Suggestions

Utilized for group or individual study

Possible role-play

Debate for each case

Conclusion

How employees behave tells a story about the culture that exists with a business. If employees treat customers rudely or poorly, then this is a culture that needs to be analyzed from the top first. Frontline employees are an important resource and asset for a company. If employees appear happy, and are satisfied, then chances are the customers are too. And that is good for business!

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