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Customer Delight: How Do We Achieve it? Customer Service and Exceeding Expectations

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CUSTOMER DELIGHT: HOW DO WE ACHIEVE IT?

CUSTOMER SERVICE & EXCEEDING

EXPECTATIONS

by

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Bachelor of Arts in International Relations

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ABSTRACT

Customer loyalty is one of the greatest marketing goals of any organization. Traditionally, the key to loyalty has been satisfaction. More recently, consumer delight has been linked as having a stronger connection to loyalty. This paper explores through a literature review, the connections between customer service, loyalty, satisfaction, and delight through the lens of the experience economy. Then, recommendations are provided for academics and hospitality professionals alike on how to delight customers through future research and front-line employee policies and procedures.

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PART ONE

INTRODUCTION

Customers are the roots of all success in the hospitality industry. Without customers to fill the beds, there will be no hotel. Without customers to eat the food, there will be no restaurant. Without conventioners to fill the banquet halls and ballrooms, there will be no convention center. Without customers there is no hospitality industry.

One of the many goals in business is to create loyal customers. Hospitality is no exception to this goal. Current literature suggests that when an organization delights a customer and exceeds their expectations, that customer is more likely to become a loyal customer and therefore a long-term source of revenue and potential profits (Torres & Kline, 2013). However, there is limited literature that attempts to explain the causality and connection between customer service and customer delight and how to create this feeling of delight. Not knowing what causes delight makes it difficult for the hospitality industry to create loyal customers. In effect, how does the industry expect to delight consumers and create loyal customers, if the industry does not have the tools and information to accomplish this goal?

This paper hopes to draw connections between customer service and customer delight as derived from my own personal experiences as a front-line hospitality employee. Naturally, guests will judge their overall experience purely upon that guest's customer service experiences at the resort. As someone who has been intimately involved in many guests' experiences at my employer's resort, I have seen first-hand how good and, conversely, how bad a guests' experience can be. Additionally, I have been an important player in service recovery efforts, changing a guest's experience from mediocre or awful, into an exceptional one. It is through

these occasions of crafting exceptional guest experiences and being a key part of creating guest delight, which my interest in this subject is derived.

PURPOSE

The purpose of this professional paper is to conduct a literature review of current academic work to discuss customer satisfaction and customer delight and to assess the gap between how we understand the two concepts. An additional goal is to provide recommendations for hospitality organizations on how to create customer delight.

THEORETICAL AND CONCEPTUAL FRAMEWORK

The current literature uses a variety of marketing and sociological theories to understand customers and how to satisfy them. Most of the literature focuses on customer satisfaction, service recovery, and components of the customer experience. However, there is almost no literature about what happens when expectations are exceeded, when guests are delighted, and how to make this happen through customer service standards and expectations. This topic is significant to management in hospitality because new literature connects customer loyalty (which is suggested to create and maintain long term revenues and profits) and customer delight.

STATEMENT OF THE PROBLEM

The problem this paper will address is how can the hospitality industry create and maintain customer service standards and expectations that constantly exceed expectations, thereby delighting the customer? By delighting hospitality customers through services that promote exceeding expectations and delight, companies who carry out these types of policies will have a competitive advantage over other industry actors who do not employ such a customer service strategy.

DEFINITIONS

Customer Delight: where the experience goes beyond satisfaction and involves a pleasure experience for the guest... an emotion composed of joy, exhilaration, thrill or exuberance (Torres and Kine, 2013, p. 643).

Customer Loyalty: the willingness of a consumer to repeatedly purchase the same product or service (Capstone encyclopedia of business, 2003); Persistent behavior by consumers towards a product, brand, service, store or activity (The new Penguin business dictionary, 2003).

Customer Service: the actions by a company oriented toward meeting the needs of its customers, including providing product information, making repairs and doing maintenance, offering guarantees, dealing with complaints, and providing after-sales follow-ups (The AMA dictionary of business and management, 2013).

Customer Satisfaction: the fulfillment of customers' requirements or needs (Collins dictionary of business, 2006); the customer feels his needs, desires and expectations have been met or exceeded (The new Penguin business dictionary, 2003).

Humanware: human resource management [that] focuses on the employees, the customers and the service performance (Brunner-Sperdin & Peters, 2009, p. 171-172).

Service Experience: the subjective personal reactions and feelings by consumers when consuming or using a service (Manhas & Tukamushaba, 2015, p. 77).

Service Orientation: a blend of certain dimensions of personality; a disposition to be helpful, thoughtful, considerate, and cooperative; and interaction between individual employee's personality traits and the service environment (as cited in Kim, 2011, p. 620-621).

Service Quality: the difference between customer expectations of service and the perceptions of the actual service received (as cited in Kim, 2011, p. 621).

PART TWO

LITERATURE REVIEW

This literature review is divided into several sections that assess the connection and causality between customer service and customer delight. The themes of these sections have emerged from the literature and show the relationship between exceptional customer service, the creation of customer delight, and customer loyalty. The literature review focuses on marketing and psychology research to demonstrate and create an understanding of the causality between exceeding a guest's customer service expectations and creating customer delight.

First, the guest experience and its many factors will be discussed. This section establishes that customer service is one of the most important factors of the guest experience. Literature on customer satisfaction then presents the connection of customer service as an experience to customer satisfaction. Next, customer loyalty addresses reasons why hospitality organizations should care about customer service and satisfaction. Research presented in the literature review will indicate that with greater service experiences and greater satisfaction, loyalty is sure to follow. The literature review will then show how customer delight is superior to satisfaction and therefore should be the goal of the organization. The literature will also show how delight is more likely to create loyalty than satisfaction, alone (Torres & Kline, 2013). Finally, the idea of the experience economy will be discussed. The experience economy will be explored as the lens through which the importance of customer service and achieving customer delight should be viewed (Pine & Gilmore, 2000).

CUSTOMER SERVICE: A FACTOR OF THE GUEST EXPERIENCE

A guest's experience is comprised of many parts. These parts contribute to the whole and create a lasting impression that a guest has when they leave the resort. There have been multiple interpretations by academics regarding what the guest experience is made up of – what its factors are.

The contemporary understandings of the guest experience are holistic in their approach, emphasizing that the guest experience is, “every point of contact at which the customer interacts with the business, product, or service (as cited in Torres, Fu, & Lehto, 2014, p. 255)”. Instead of looking at the guest experience for its individual parts, this framework suggests that one should be looking at how those parts act together and what their sum means to the final interpretation of the guest. While this interpretation of the guest experience is the most accurate way to analyze the inherently personal and individual guest experience, for the purposes of this paper, this framework is too broad. There are several different frameworks of the guest experience available for interpretation; however only those that include customer service as a primary factor have been selected for analysis in this paper.

Customer service is defined as, “the actions by a company oriented toward meeting the needs of its customers, including providing product information, making repairs and doing maintenance, offering guarantees, dealing with complaints, and providing after-sales follow-ups (The AMA dictionary of business and management, 2013)”. Ultimately, customer service can be summarized as the relationship between the organization and the consumer. This relationship is very unique. The relationship between a guest and a service employee is generally the point of contact from which guests determine their levels of satisfaction. The emphasis therefore is the interaction of the guest with a service provided by a company employee.

To better understand the guest experience, Knuston, Beck, Kim, and Cha (2009) used exploratory factor analysis and identified 41 variables from a sample of 152 guests' hotel experiences. Of these 41, four variables were deemed statistically significant. The four variables are (1) benefit, (2) convenience, (3) incentive, and (4) environment (Knuston et al., 2009). Ultimately, "guests want their hotel environment to be stimulating, entertaining, motivating, as well as interactive. They also want the environment to bring them into the experience via a consistent theme (Knuston et al, 2009, p. 50)". Environment as an experience factor is later elaborated in a subsequent study by the same authors. In a 2010 study, a continuation of the previous research, proposes a model of the guest experience that, "integrates service quality, value, and satisfaction into the realm of the guest experience (Knutson, Beck, Kim, & Cha, 2010, p. 16)".

In a 2010 study, the Knutson et al. conducted a meta-analysis of over 600 articles for connections and relationships between four constructs. These constructs are service quality, satisfaction, value, and experience. Ultimately the model suggests there are three stages in the guest experience. First, in the Pre-Experience stage, expectations are formed. Then, in the Experience Stage, the guest interacts with the hospitality environment. The environment is inclusive of many factors, such as customer service. Finally, during the Post-Experience Stage, the guest makes conclusions and memories about their overall experience and whether or not their expectations, set in the pre-experience stage, were met or not (Knutson et al., 2010).

It is during the participation stage that this paper is most interested. The guest's various points of contact during the participation stage determine the experience they have and it is during the post-experience stage that the guest decides whether or not they are satisfied. It would be during the stage of participation that the guest would interact with employees and where

customer service would be delivered. These interactions are what will make or break whether or not the original expectations of the guest, formed during the pre-experience stage, are fulfilled. It is also at this point that customers decide whether they are satisfied with the post-experience stage.

Walls, Okumus, Wang and Kwun (2011), understand the guest experience as a combination of individual responses to various factors. Through semi-structured, in-depth interviews with guests who had stayed at a luxury hotel within the last six months, a series of open-ended questions were asked to gather information about their stays. The findings of the studies showed that the consumer experience was created through three factors: (1) the physical environment, (2) human interactions – with other guests and employees, as well as (3) a combination of other, more minor trip related factors (i.e. purpose of the trip, nature of the hotel, etc...). Human interactions, particularly those between the guest and the employee of the hotel were noted in this study as having unique importance. As stated previously, this unique behavior is why this component of the guest experience, customer service, is being studied more closely over the other, many attributes (Walls et al., 2011).

Walls et al. (2011), also explores attributes of an employee interaction with a guest. Employees are used because they are the medium through which most customer service experiences are delivered. In this study, the authors' goal was to “understand the structure of consumer experiences from the eyes of consumers in a luxury hotel setting. This [was] accomplished by examining (a) what consumer experience dimensions are perceived by hospitality consumers; and (b) whether there are other factors that impact hospitality consumers' experience perception in a specific hospitality context (Walls et al., 2011, p. 167-168)”.

Many conclusions were made in this study regarding the overall consumer experience. Most pertinent to this paper are the conclusions regarding the human interaction dimensions, most specifically those conclusions that focused on guest-to-staff encounters. During this type of interaction, the authors find that the factors of attitude, professional behavior, proactive service, and appearance are most significant and consistent among hospitality consumers (Walls et al. 2011). The authors point out that human interactions have the potential to affect a guest's overall experience at a hotel. Therefore, they serve to create customer impressions. Additionally, those interactions with hotel employees are important because while hotel services are well known, the proactive service of an employee that anticipates the needs of the guest created specific memories with the guest and increased their overall satisfaction with their overall experience. In the eyes of the guest, as this study suggests, customer service is very important for the overall guest experience.

Manhas and Tukamushaba (2015), intended to better understand the underlying factors of service experience. For the purpose of their study, service experience is defined as, “the subjective personal reactions and feelings by consumers when consuming or using a service (Manhas & Tukamushaba, 2015, p. 77)”. In this study the use of, “importance-performance analysis...enables an understanding of the service quality dimensions deemed to be important by customers and how hotels have performed based on customers' evaluation (p. 78)”. Their results suggested that there are six components of service experience. These components are service quality, service delivery, hotel ambience, quality of staff and amenities, experience quality, and the quality of aesthetics (Manhas & Tukamushaba, 2015).

The results of this study “help[ed] us to understand the impact of customers' common expectations and factors important to provide service quality during guest stay (Manhas &

Tukamushaba, 2015, p. 78)”. The suggested components of a guests’ service experience emphasize that customer service is extremely important, both holistically – for the overall guest experience, as well as individually – customer service as an entity alone. Manhas & Tukamushaba (2015), cite several different studies that show, “guest’s satisfaction, service quality perceptions and guests’ decision[s] are significantly influenced by the employee service levels (p. 79)”. The conclusions of this study support and add to the current literature they cited regarding the importance of customer service as a component of the overall guest experience.

Kim (2011) notes that, “numerous studies have indicated that customer satisfaction, service quality perceptions and a customers’ decision to remain loyal or switch service providers [is] significantly affected by the customer-oriented attitude or behavior of contact employees (Kim, 2011, p. 620)”. However, as argued by Kim, there is little empirical research that attempts to find the connections between these components. From this, the objective of Kim’s study is, “to develop and validate a conceptual model that integrates the relationships among service orientation, service quality, customer satisfaction, and customer loyalty in the context of casual dining in Korea (Kim, 2011, p. 620)”. While this study specifically focuses on the restaurant industry in Korea, the construct proposed as well as the conclusions made, are widely generalizable to the entire hospitality industry. Additionally, this study and its holistic understanding of the customer experience, makes it relevant to this paper.

The model proposed by Kim (2011) is a combination of seven hypotheses. Based on these hypotheses, questionnaires created by the researcher were distributed to both employees and diners of a casual dining restaurant in Korea. The Groves Scale of factor analysis was implemented to interpret the results of the surveys. For the purposes of this section on customer service, the first and second hypotheses are most relevant for discussion – the other hypotheses

will be discussed in their relevant, subsequent sections of this paper. The first hypothesis, “a high degree of service orientation for the contact employee has a positive and significant effect on the customer’s perception of service quality (Kim, 2011, p. 623)”, was supported by the data.

The importance of these conclusions to this paper is that a high degree of service orientation by a service employee has a positive and significant effect on the overall perception of service quality to the guest. This supports this paper’s assumption that customer service is important to the perceived quality of a hospitality organization and its services as well as eventually how they remember and perceive their entire guest experience. Additionally, the service orientation of an employee may not have an effect on customer satisfaction – which leads into this paper’s subsequent discussion regarding customer service and its effect on customer satisfaction

CUSTOMER SATISFACTION

Customer satisfaction can be understood as, “the fulfillment of [a] customers' requirements or needs (Collins dictionary of business, 2006)”, as well as, “the customer feels [their] needs, desires and expectations have been met or exceeded (The new Penguin business dictionary, 2003)”. Therefore it can be inferred that the goal of customer service is to meet (or exceed) the needs, desires, and expectations of the guest so that they might be satisfied with their overall experience and interaction with a hospitality organization.

The previously discussed study by Manhas and Tukamushaba (2015) supports the statement above. The authors state, “customer satisfaction has become widely accepted as an important concept in marketing and has been used as a benchmark for measuring company performance (p. 77)”. Customer satisfaction is frequently used as an indicator of quality – especially when determining the quality of customer service. Ultimately, customer satisfaction is

the tool used to determine the quality of a service provided to a guest. Additionally, high quality services must be provided to the customer to create more memorable guest experiences (Manhas and Tukamushaba, 2015). Therefore the authors conclude that the goals of customer satisfaction can be met by improving customer service standards. In the end, “service standards for intangible services in hospitality would be the factors that affect the emotions of guests/customers (Manhas & Tukamushaba, 2015, p. 78)”, therefore improving overall customer satisfaction.

Ferreira and Fernandes (2015) conducted a study about customer satisfaction with the company Futurlab in Portugal. While this study is not hospitality specific, its implications for customer satisfaction research and literature in general are significant for all industries, including hospitality. In this study, the authors identified through exploratory factor analysis of a questionnaire distributed to customers of the company, various critical success factors (CSFs) that were assessed to maximize customer satisfaction (Ferreira & Fernandes, 2015). Then from the identified CSFs the goal was to “analyze the degree of satisfaction and importance that customers assign to these CSFs (Ferreira & Fernandes, 2015, p. 164)”. The construct used to analyze the variables in this study assumes that there is a linear connection between importance and satisfaction.

The major contribution this work can provide to the hospitality industry was the success that this study had in assessing “the attributes and dimensions related to quality of services that influence customers’ satisfaction (Ferreira & Fernandes, 2015, p. 172)”. With these results the company created a complete overview and profile of their target market as well as information about how they have been successful in retaining their current consumer base. This success is one that hospitality companies should emulate. If hotels were able to pinpoint which factors of an

experience at their resort satisfied their guests, they would know where efforts should be spent improving the overall experience by focusing on the factors that are not satisfactory.

Knuston et al. (2010) proposes a model, which suggests guest expectations are created in the pre-experience stage. Then during the actual experience (stage two) interactions with the hospitality environment – including customer service experiences – occur. Finally, these interactions are evaluated in the post-experience stage. Because customer satisfaction is understood as the realization of guests' needs, desires, and expectations being met, the experience stage should be a top priority for hospitality organizations. This is one of the major conclusions in the paper by Knuston et al. (2010). Ultimately, if a guest's customer service expectations are met or exceeded, the overall interpretation of their hospitality experience will be satisfactory and memories will be created. It is argued that these memories are the result of customer satisfaction and should be the goal of the customer experience. Then hopefully from satisfaction and positive memories, the loyalty of that guest will be attained. Customer loyalty is discussed in greater detail in the next section of this paper.

In the study by Setó-Pamies (2012), the focus is on better understanding customer loyalty. In this study, which is discussed in great detail in the following section, two of the hypotheses that were tested and supported also support many of the conclusions made in this paper. The study supported the claims that, perceived service quality by the consumer has a positive effect on customer satisfaction as well as that customer satisfaction has a positive relationship with customer loyalty (Setó-Pamies, 2012). Therefore it can be assumed that there is a causal relationship between these variables – if service quality (customer service) is perceived favorably, and then there is a positive effect on customer satisfaction. Subsequently, if the

customer is satisfied, there is a positive effect on customer loyalty. This relationship supports the theoretical framework of this paper.

Zhang, Zhang and Law (2014) conducted a study that focused on combined effects on satisfaction in the Chinese restaurant industry. This study investigates, “(a) the relative importance of restaurant attributes in determining customer satisfaction and (b) the combined effects of attributes on customer satisfaction or the moderating effects of an attribute on the relationships between another attribute and satisfaction (Zhang, Zhang, & Law, 2014, p. 551)”. The reason why the authors chose this approach was because they had determined that little research had been conducted regarding the combined effects that attributes of service can have on satisfaction. Using a regression model to determine relationships between variables, data from customer reviews of Chinese restaurants was collected and analyzed.

The results of the restaurant-based study have implications that are applicable to the overall hospitality industry. Firstly, “the findings of this study revealed the hierarchical substitution effects among functional clues, mechanic clues, and humanic cues (Zhang, Zhang, & Law, 2014, p. 562)”. Basically, the study found that “humanic cues” or attributes such as customer service can compensate for other attributes of an experience that have not totally satisfied the customer. For example, the steak may not have been cooked exactly to your liking, but the server was attentive and friendly, so you were not so upset about the steak. This knowledge that attributes that are performed by service employees may have a compensatory advantage in promoting guest satisfaction is extremely valuable information for hospitality professionals.

Finally, Torres (2014) suggested in a study that there was a need to reconsider the ways of defining and measuring service quality, as a way of better defining and separating the topics

of service quality and customer satisfaction. According to Torres (2014), the concepts have become too constructed within one another and therefore there is a need to discuss and examine the many perspectives on service quality and satisfaction as well as propose directions for future research. A major question posed by Torres (2014) is, “how does customer satisfaction differ from service quality (p. 658)”? The author’s premise is that satisfaction and quality are too different and therefore their definitions and the understandings of the concepts require clarification because they have become morphed in the literature. The final statement from the author regarding this issue is that “satisfaction is only measured from a customer’s point of view, whereas quality can take into account the perspectives of many stakeholders including customers and experts (Torres, 2014, p. 672)”. In conclusion, Torres suggests that this study, since it is grounded in theory, has the possibilities to open the door for more research. While this article is one that focuses on service quality, it disputes the much of the foundations of customer satisfaction theory.

CUSTOMER LOYALTY

As stated in the previous sections, the results of an excellent customer service experience can create customer satisfaction, which in turn is suggested to create to customer loyalty. This is a foundational concept for this paper, as well as for the hospitality industry. This is also why customer loyalty is the most common marketing goal of hospitality organizations.

Customer loyalty is important for many reasons. As stated by Setó-Pamies (2012), many studies have documented the benefits that companies receive from loyal customers. Some of these benefits include an overall increasing of a company’s income, additional incomes through repurchase intention, generation of new business through word of mouth recommendations, and the reduction of other costs (Setó-Pamies, 2012). Loyal customers are considered to be the most

easily sustained form of revenue and profits. Hospitality organizations have figured out over time that, “attracting new clients takes four to five times as much money as maintaining existing ones; therefore, customer retention is a key to survival in the hospitality industry (Kim, 2011, p. 620)”. Because these customers are already loyal, marketing efforts do not need to be spent attracting this market segment of consumers, saving so much time and effort on behalf of the organization. Organizations do not need to fight as hard to keep these customers coming back for more.

In the study by Delors Setó-Pamies (2012), research is conducted to add to the understanding of how customer loyalty is developed in the service industries and to add to the literature of factors that predict future intention-to-repurchase behavior. In this study, three hypotheses were developed around the connections between service quality, customer satisfaction, customer loyalty, and trust. These hypotheses are, “(1) the service quality perceived by the customer has a positive effect on customer satisfaction... (2) customer satisfaction has a positive effect on customer loyalty... [and] (3) customer trust in the service provider has a positive effect on customer loyalty (Setó-Pamies, 2012, p. 1260-1262).” After data was collected from questionnaires, using the theory of structural models, the data was analyzed and the hypotheses were tested. In the case of this study, all three hypotheses of the model were supported.

Based on the data from this study, perceived service quality has a positive effect on satisfaction; additionally customer satisfaction and customer trust have positive effects on customer loyalty. This study supports the premise of this paper that through improving customer service, customer satisfaction can be attained, and customer loyalty will be achieved. However this study still does not address the gap between satisfaction and delight, which will be discussed

later. Additionally, how can hospitality organizations create delight with customer service and at what level of satisfaction or delight is required to achieve loyalty?

From an alternative perspective, Ramanathan and Ramanathan (2011) conducted a study that explored multiple service attributes and whether or not they have an effect on a customers' intention to stay at a hotel again. The premise of this research is that "customer loyalty is often shaped by positive experience by the customer during his/her stay in a hotel (Ramanathan & Ramanathan, 2011, p. 7)". The authors believe that loyalty can be derived from a positive service experience.

The most important attribute that contributes to loyalty in this study is, "value for money." This attribute can be described as feeling like you have received the best value service for the lowest price. Additionally it can be concluded about the attributes of customer service and family friendliness, "high performance in terms of these attributes may not add highly to customer intention to stay in the hotel again but a poor performance is likely to be detrimental to guests' intention to stay again (Ramanathan & Ramanathan, 2011, p. 21)". Therefore two conclusions can be drawn from this study for the purposes of this paper. Firstly, while these attributes may not be significant to customer loyalty when they are performing well, they are certainly very detrimental if they are failing. Finally, customer service may not be as important to customer loyalty as many other studies have inferred.

In the study by Kim (2011), the statement is made that many times, "a customers' decision to remain loyal or switch service providers are significantly affected by the customer-oriented attitude or behaviors of contact employees (p. 620)". This study, which has been discussed thoroughly in the pervious section about customer service, argues that there is a direct connection between customer service and loyalty. Ultimately, the greater and more effective the

customer service is, the more likely the guest is to be loyal to that hospitality organization. This paper is in support of the customer service and loyalty connection.

There have also been several studies that dispute the connection between customer satisfaction and customer loyalty. Frequently in these studies, the conclusions have in common that mere satisfaction may not be enough to promote customer loyalty. Instead, hospitality organizations need to exceed customers' expectations, more than satisfy them, and perhaps even delight them. The phenomenon of customer delight will be discussed in detail in the last section of this literature review. One of these studies that dispute the connection between loyalty and satisfaction is discussed below.

Skogland and Siguaw (2004) conducted a study with three objectives. These objectives are: "(1) to examine the degree to which satisfaction influences loyalty, (2) to investigate how satisfaction may influence involvement, and (3) to understand how involvement may directly affect loyalty (p. 222)". To achieve these goals, the authors conducted a survey using the 5-point Likert-scale, to collect data regarding six variables. The results of the study showed that satisfaction was not a determinant any form of loyalty. Additionally, the study also did not support what they refer to as the "people factor," also known as service quality as a factor for determining repeat purchases (Skogland & Siguaw, 2004). The conclusions of this study conflict against the widely accepted belief that satisfaction leads to customer loyalty. The overall suggestion from this research is that "hoteliers should not assume that satisfying their guests will ensure repeat purchases...the connection between satisfaction and loyalty is tenuous, at best (Skogland & Siguaw, 2004, p. 231)".

Finally, there have been developments in recent research suggesting that there is a stronger connection between customer delight and loyalty than satisfaction and loyalty. The

concept of customer delight will be discussed further in the next section of this paper. However, in the study by Torres et al. (2013), they state, “it has been suggested that delighting customers, rather than satisfying them, is a better way to engage guests and ensure loyalty...at extreme levels of satisfaction or arguably delight, the relationship to loyalty is potentially stronger (p. 645)”.

CUSTOMER DELIGHT

Customer delight is, “where the experience goes beyond satisfaction and involves a pleasurable experience for the guest... an emotion composed of joy, exhilaration, thrill or exuberance (Torres et al., 2013, p. 643)”. These feelings are those that are felt after a guest has experienced an exceptional guest experience. It is this feeling of delight that industry professionals should be attempting to create and maintain within their resort environments. By “delighting” guests as opposed to just satisfying them, a hotel stay becomes an experience, and that experience can be described as extraordinary. This extraordinary feeling is precisely what this project is attempting to better understand. Once it is better understood, hospitality professionals will learn how to create and maintain guest service standards that promote customer delight. It is this concept of delight that this paper is focused on assessing for the hospitality industry.

As Torres and Kline (2013) point out, there is a gap in the literature regarding when customers’ expectations are satisfied and when they are exceeded. Exceeding customers’ expectations creates customer delight. This study suggests that recent research proposes that a merely satisfied customer is not necessarily a loyal or committed customer. Eventually, “at extreme levels of satisfaction or arguably delight, the relationship to loyalty is potentially stronger (Torres & Kline, 2013, p. 645)”. This is why studying customer delight is important –

by figuring out what delights guests, higher levels of loyalty are possible. This is especially important since the connection between satisfaction and loyalty is becoming increasingly disputed.

The results of this study created a typology of customer delight. Additionally, the authors provide many examples of how that type of delight might be achieved. For example, the first type of delight explained is “problem resolution delight.” This delight can be achieved when, “the hotel’s staff seeks to proactively solve a guest’s problem. This is especially true when the problem is not the hotel’s responsibility (Torres & Kline, 2013, p. 650)”. The second type of delight is, “professional delight.” This type of delight is achieved when, “the hotel’s staff is knowledgeable and proper in the execution of their jobs (Torres & Kline, 2013, p. 651)”. Guests attribute this type of delight to an employee’s overall attitude and level of professionalism when providing a service. “Comparative delight,” or the delight achieved by a guest when they “compare[s] the service received at different hotels and realize[s] that he or she obtained superior service (Torres & Kline, 2013, p. 651)”. This delight is usually realized post-experience and during their evaluation of their purchase decision. “Charismatic delight,” is attributed to “employees [who] are particularly personable and friendly (Torres & Kline, 2013, p. 652)”. Finally, “fulfillment delight” is achieved when “the guest’s needs have been satisfied especially those of high esteem and the feeling that the guest is important (Torres & Kline, 2013, p. 653)”.

This typology of customer delight is beneficial because it is increasingly important that the industry has a better understanding of positive consumer emotions so that the industry might have a better opportunity to influence these emotions, thereby creating consumer delight. As stated previously, with greater levels of delight, the more likely that guest will become and remain a loyal customer.

Torres, Fu, and Lehto (2014), state that “customer satisfaction has been believed to be the ultimate goals for service industry. However, some research challenges the previously held assumptions that customer satisfaction leads to loyalty. Moreover, existing research also suggests that merely satisfied customer is not necessarily a loyal nor committed (p. 255)”. These authors agree with this paper in that, a hospitality organization which achieves delight with their customers will undoubtedly have a competitive advantage over their counterparts. In this study, the goal was to understand customer delight from a cross-cultural perspective. The author’s goal was to discover the factors that determine a delightful experience and to find the difference between different types of travelers. The results of the study showed that people from different areas of the world had different factors in their hospitality experience that caused them to achieve delight. This study highlights the complexity of delight and the challenges that consumer delight creates for hospitality organizations looking to achieve it.

The study by Yang (2011) focuses on the practical implications of measuring consumer delight. Recognizing that the majority of academic discussions on consumer delight has been conceptual discussion or theoretical analysis, this study steps away from that trend and creates a “consumer-delight barometer (CDB) (Yang, 2011)”. To understand the practical implications of the CDB, a case study of an international certification service company in Taiwan was completed. The study concluded that a tool like the CDB “can be used by managers to identify critical ‘delight drivers.’ Having detected the critical attributes, firms can then focus attention on these identified attributes (Yang, 2011, p. 97)”. A tool such as this one will help hospitality organizations make more educated decisions on how to improve the quality of their services.

Magnini, Crotts, and Zehrer (2011), also focus on the practical implications of consumer delight but more specifically how the attributes of delight present themselves in travel blogs.

Based on the premise that “managerially relevant tourism-related behavior information can be extracted from travel blogs (Magnini et al., 2011, p. 535)”, the authors aim to illustrate that travel blog narratives can be used to identify key drivers of delight for various tourism and hospitality organizations.

After an analysis of 742 cases, the top three determinants of delight were customer service (24.4% of all cases), cleanliness of the hotel properties (15.5%) and hotel location (14.3%) (Magnini et al., 2011, p. 539). The implications that these results have on the hospitality industry are plentiful. Firstly, satisfaction and delight are two very constructs and therefore need to be discussed and measured separately. Additionally, travel blogs are a very good tool by which organizations can gauge their ability to produce delight at their resort and give advice and insight into how to improve delight at a property through the insights of the blogger.

THE EXPERIENCE ECONOMY

A very common theme throughout contemporary marketing literature is the concept that the market is not only a place to buy goods and services. Today, more often than not, and perhaps especially frequently in hospitality, customers are purchasing experiences and memories. This idea is relevant to this paper because in order to really understand how important customer service is to the guest experience and why it hospitality organizations need to strive for delight and not just satisfaction, the experience economy must also be discussed and understood. The guest experience is best understood from a holistic point of view, and by studying the customer service through the experience economy lens, more effective conclusions regarding how to exceed expectations as well as create delight and loyalty, will be formed. The experience economy is the lens through which this project is viewed through and therefore deserves consideration in the final part of this literature review.

Pine and Gilmore (2000) are two of the first authors to discuss the idea of the experience economy. They have established that, “mass producing one’s products and processes would not cut it in an increasingly turbulent competitive environment. Instead, companies must mass customize their goods and services to create offerings more relevant to the wants and needs of individual buyers, differentiate their goods and services from the sea or look-alike competitors, and thereby increase the value provided – thus the price charged – to users and clients (Pine & Gilmore, 2000, p. 18-19)”. They go farther into this concept and discuss a theory they refer to as, “the progression of economic value,” which they describe as, “customizing a good turns it into a service, customizing a service turns it into an experience, and customizing an experience turns it into a transformation.” They follow that up by stating, “businesses wish to prosper in the emerging experience economy should first get their act together by mass customizing their goods and services (Pine & Gilmore, 2000, p. 19)”. Then the issue for the industry becomes how to mass customize goods and service. Therefore the industry needs to find a better way for how to measure individual customer satisfaction as opposed to the satisfaction of the market, which the authors equate to standard customer satisfaction measurement methods. These authors propose that there needs to be a better tool for the measurement of consumer experience success in the experience economy.

Hemmington (2007), views hospitality from the business perspective. However Hemmington also believes that the hospitality industry is not well defined. Should hospitality be viewed as a service industry, an entertainment industry, or just another business looking to make a profit? The argument of this paper is best summarized that the implications of the experience economy on the hospitality industry have never fully been explored and this is a major inadequacy. Therefore, by retaining a customer’s perspective, hospitality professionals will be

able to effectively deliver hospitality products and services in a way that promotes experiences and memories (Hemmington, 2007).

The most important conclusion of this paper is that the key dimensions of hospitality as an experience, if utilized properly, will allow a one resort a massive competitive advantage over everyone else by providing personalized customer services. Therefore, hospitality organizations that capitalize on the dimensions of the guest experience, such as exceptional guest service, will be most successful overall. This should be a major motivator for organizations in the hospitality industry encouraging management to care about the experience economy and to employ methods that support exceeding guest expectations, and creating customer delight.

Knuston et al. (2009), also suggests that the hospitality industry needs to refocus what they know about the business and look through the new lens of the experience economy that the industry is now a part of. Essentially, this research identifies hospitality as an experience industry and that is why a new framework, one rooted in the experience economy, is required for a new and more comprehensive understanding of hospitality and guest service. The guest is a customer of the hospitality industry and they are not just buying a service, they are buying an experience. However it is also pointed out in this piece that experiences are extremely personal. For this reason, measuring, marketing and managing these experiences are very difficult (Knuston et al., 2009). Therefore it is suggested that hotel operations must understand the guest experience from the expectations they have from arrival, to their realizations after departure.

Bharwani and Jauhari (2013) suggested a construct for hospitality front line employees based around the experience economy. Based on an assessed gap in current literature, the authors elaborated in great detail the specific competencies that might create a superior customer experience. They did this with the formulation of what they refer to as “Hospitality Intelligence,”

and a construct for front line employees that goes along with it (Bharwani & Jauhari, 2013). A content analysis was conducted from an extensive literature review of research on the guest experience and hospitality industry front line staff, “to determine the various dimensions and sub-constructs which are relevant for engendering a memorable hospitality experience (Bharwani & Jauhari, 2013, p. 825)”. The objective of this study was to transition employees “from simply being ‘service providers’ to taking on the mantle of ‘experience providers’ (Bharwani & Jauhari, 2013, p. 824)”.

The authors conducted this study because they believe that “the future survival and growth of hospitality organizations depend on their ability to proactively and effectively elevate customer-employee interface from a simple interaction to a positive memorable experience (Bharwani & Jauhari, 2013, p. 837)”. Their assessment of the experience economy and its effect on the hospitality industry is in agreement with the overall premise of this paper. The construct of the Hospitality Intelligence is one of the first attempts to close the gap between exceptional guest service and the actions of front line employees.

Finally, in a work by Brunner-Sperdin and Peters (2009), the authors make another excellent statement regarding the guest experience. They state, “customers reduced their consumption of goods to spend more money on services, and they are willing to buy memorable experiences, which create the highest possible individual value (Brunner-Sperdin and Peters, 2009, p. 173)”. In other words, creating experiences that are extremely memorable and personalized increases their value to the guest. The greater the value created, the better the experience is for the guest, and the more beneficial and profitable the guest’s experience is for the hotel. This phenomenon is unique to service industries like hospitality organizations and through exceptional guest service, individualized experiences can be created. This study focuses

on consumers' emotional state. The authors chose to research this topic because, "the experience value of tourism products is a dominant factor influencing consumers' motivation to by a service. As the experience-generation searches for emotional experiences...today's tourism enterprises are forced to sell experience services (Brunner-Sperdin & Peters, 2009, p. 171)".

Using lessons learned from the emotional and environmental psychology literature, the authors create "a research model for measuring flow experience during the consumption of activities in the hotel sector (Brunner-Sperdin & Peters, 2009, p. 172)". The authors refer to this measurement as the "Experience Sampling Method (ESM)." This model assumes many causal relationships that are tested via surveys. These relationships are tested in the form of six hypotheses. The results of the study indicate that "humanware" – or "human research management [that] focuses on the employees, the customers and the service performance (Brunner-Sperdin & Peters, 2009, p. 171-172)", is extremely important to the overall guest experience because the variable of "involvement" was highly significant. The authors argue that the variable of involvement is purely experience-based and therefore there needs to be a further research of emotion in economics.

These pieces all mention the importance of the change in the atmosphere of the hospitality industry – people are no longer just purchasing goods and services but more often they are purchasing experiences. Hence the importance to this project, since this concept is intimately related to understanding exceptional guest experiences and figuring out how to create delight through the tool of customer service.

PART THREE

The goal of this paper is to review current literature on customer service so that the industry might be able to understand the differences between consumer satisfaction and consumer delight. In the final section of this paper, the overall implications of the reviewed literature are discussed. Then the implications of this research as well as recommendations are laid out for industry professionals and academics alike. Finally, this paper is concluded.

DISCUSSION

The literature reviewed in this paper has some very clear conclusions. To begin, there is an agreed upon and historical connection between customer satisfaction and loyalty. However, aspects of this relationship have recently been disputed. The term ‘customer delight’ was created to illustrate a stronger connection to loyalty than satisfaction. Satisfaction has been described as the result of realized expectations after the consumption of goods and services. Satisfaction and expectations are linked. Delight is considered to be superior to satisfaction because delight occurs when the expectations of a customer have been exceeded. The more the industry can exceed their guests’ expectations, the more loyal the guest will be. Satisfaction is not enough anymore.

Service activities that create delight with hospitality customers are essential because of the implications of the experience economy. People are purchasing experiences and memories as opposed to just goods and services, therefore experience economy is a necessary lens through which the problem this paper is viewed. Hospitality is an experience. While the industry provides a wide variety of goods and services, guests are paying for the goods and services with the understanding that the combination of these will create delightful experiences and wonderful

memories. By delighting guests, the better their overall customer experience will be and the more memories they will create.

Finally, customer service is the most important tool that the hospitality industry has when trying to satisfy and delight their customers. Customer service has been noted as an important part of the overall guest experience. It has even been noted that an exceptional customer service incident might completely override many other less than satisfactory variables of a guest's experience. The people factor of customer service, and the interaction between hospitality front line service employees and guests, makes it the best tool by which delighting guests might be possible. It is not simply an interaction but an excellent interaction that makes customer service the best tool for delighting guests.

IMPLICATIONS AND RECOMMENDATIONS

Much of the discussed literature focuses on measuring satisfaction because satisfaction is important for loyalty. However, the results of this paper suggest that much more value is with guests who are delighted as opposed to satisfied. Industry professionals and academics alike, need to be focusing on delighting guests, not just satisfying them. Delight can be most effectively achieved through customer service activities, therefore customer service and delight need to be studied further together to achieve loyalty for hospitality organizations.

From this statement, this paper suggests that academics that study satisfaction and delight need to create a framework and tools for understanding and measuring consumer delight. New frameworks for understanding consumer delight within the customer experience need to replace old frameworks that focus on customer satisfaction. These frameworks should also provide real-world suggestions for customer service representatives in the hospitality on how to create and achieve customer delight in their day-to-day job responsibilities. Then, hospitality professionals

will have plentiful and detailed research to use when implementing new policies and procedures that promote the creation of delight with their front-line employees.

Subsequently, hospitality professionals need to refocus their efforts on delight over satisfaction. Because customer loyalty is one of the greatest marketing goals of any organization and consumer delight has been linked to higher levels of loyalty, hospitality professionals need to find ways to apply this concept to their work environments. For instance, new protocols should be put into place for front-line employees that promote customer delight as opposed to just satisfaction. These policies and procedures can be drawn from the new frameworks and suggestions of academic research on delight.

Additionally, it should be noted that all recommendations and the implications of this paper on academics and industry professionals should all be taken seriously and be considered through the lens of the experience economy. We must understand that customers are no longer only buying goods and services – they are purchasing experiences and memories. And because of this, customers are now expecting more quality than ever before. This should not be forgotten and is a major implication of the findings of this paper.

CONCLUSIONS

Literature shows us the relationship between satisfaction and loyalty. However this relationship has begun to be disputed as more recent research suggests that there is a stronger connection between loyalty and delight. Delight has become an increasingly important idea in marketing and loyalty for hospitality organizations because of the era these organizations now function within the experience economy. Because customers are purchasing memories and experiences, they expect a greater quality product – a greater quality experience. As suggested, customer service is perhaps the greatest tool the hospitality industry has to promote its product

and ensure that a high-quality service experience is delivered each and every time to the customer. Therefore, this paper proposes that academics and industry professionals must refocus their efforts to the understanding and promotion of delight.

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