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## **Guestology-The weapon to face the challenges of Hospitality services marketing**

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### **Introduction**

#### ***Survival of the Fittest!!!***

This theory by Darwin is no more a mere management concept for academics but a practical weapon of war used by the new age marketer to begin, thrive, survive and sustain their businesses in the highly competitive market place.

As we know, during the decade of 1990s, a sweeping change has occurred in almost all sectors of global economy due to which the consumer has also become more and more demanding. The people are searching for products and services that will best suit their needs and also give them a better value. (i.e. getting maximum benefits by spending reasonable price). Now they are expecting to be treated as Kings, i.e. to receive all the processes related to any product or services of the highest standards and superior quality. Also because all of these advances, the customer is no more brand loyal. The more the options they have in the market place, the less they are brand loyalist.

The marketer today has understood that the key for survival in the global market for a firm is to offer a product or service that is some way superior to its competition. In addition to being superior, it must also be sustainable over time. This concept is called a sustainable competitive advantage. And because of that a paradigm shift has happened in today's hypercompetitive market place; from transaction based business to relationship centric business.

If we consider the unique characteristics of services such as intangibility, perishability, heterogeneity and inseparability, we can say that obtaining and maintaining a sustainable competitive advantage is a more challenging task in case of services marketing. Therefore the marketer has to constantly keep a vigil in order to explore new avenues, best in class quality, better services, processes and innovative ways to reach to the customers in order to differentiate the Brand from others.

Because of all of these, the focus of every company has gradually shifted from customer satisfaction to customer delight. i.e. they are now busy in finding new and innovative way to satisfy the customers so that they will stick to the company. This has occurred as companies have slowly recognized that one-time purchases do not entirely contribute to the success of a company but actually it is the repeat purchases of the customer that is the key to the success.

In this regard, the concept of relationship marketing for providing customer service excellence has emerged as one of the fastest growing concept that has great potential for companies to achieve long-term sustainable competitive advantage over others.

Within relationship management, the term "**Guestology**" has been emerged as a major concept which aims to develop long-term and intimate relationships between buyers and sellers. It specifically involves open communication and the ability to know the customers so well that any changes in needs and wants can easily be anticipated before they become critical.

Therefore this paper specifically focuses on the term Guestology in order to develop deep insight in to this exciting and interesting concept.

### **THE NEED OF CUSTOMER SERVICE EXCELLENCE:**

As we know now-days the cost of shifting from one brand to another has been reduced and with the availability of various brands in the market place, retention of the consumers is a challenging task. The basic problem is that all human beings are different from each other in terms of their taste, preferences

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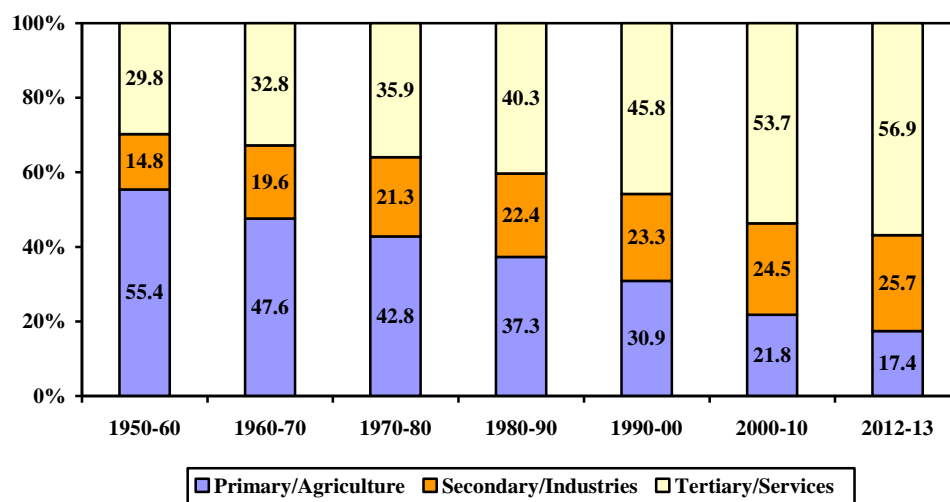
and expectations. This problem aggravates more in case of services sector compared to products.

### **The Concept of Services:**

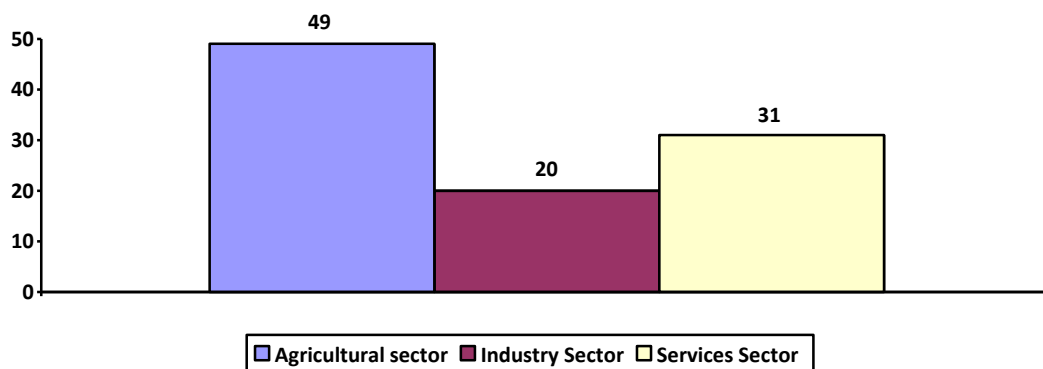
According to the International foundation of Information Technology, a Service is a set of actions or solutions that are put in place or are performed to provide a repeatable and consistent set of outcomes, deliverables, and performance for people, organizations, and systems that represent consumers or beneficiaries of such results. A service provision comprises a sequence of activities that does not result in ownership of the outcome, and this is what fundamentally differentiates it from furnishing someone with physical goods.

### **Importance of Service Sector**

The contribution of service sector to the national economy has grown up to a significant percentage over the last few years. After India gained Independence, for more than a decade the share of services in the total GDP was less than 30%. But gradually it gained momentum and according to the CIA World fact book and Economic Survey of India, in the year 2012 – 13, around 60% of the India's GDP come from the services sector. If we see the comparative statement, we can find the following figures of India's GDP scenario over the years.



Similarly we can also divide the total labor force employed with various industry sectors where also a major contribution in employments is provided by the service sector only seconded to the agriculture sector.



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*Source: Economic Survey of India for the year 2013-14*

### **Service Characteristics:**

Services can be paraphrased in terms of their generic **key / unique characteristics** which differentiate them from the products.

❖ **Intangibility:** Services are intangible and do not have a physical existence. Hence services cannot be touched, held, tasted or smelt. Thus, there is neither potential nor need for transport, storage or stocking of services.

❖ **Perishability:** Services cannot be stored, saved, returned or resold once they have been used. Once rendered to a customer the service is completely consumed and cannot be delivered to another customer. Examples: The hair dresser serves another client when the scheduled starting time or time slot is over. An empty seat on a plane never can be utilized and charged after departure.

❖ **Inseparability:** This refers to the fact that services are generated and consumed within the same time. Examples: The service consumer must sit in the hair dresser's shop & chair or in the plane & seat; correspondingly, the hair dresser or the pilot must be in the same shop or plane, respectively, for delivering the service.

❖ **Variability:** Each service is unique. It is one-time generated, rendered and consumed and can never be exactly repeated as the point in time, location, circumstances, conditions, current configurations and/or assigned resources are different for the next delivery, even if the same service consumer requests the same service. Example: The customer in a restaurant may perceive the service of the same waiter on two different days or he may perceive the quality of service delivery by two different waiters on the same day.

Therefore it's always a difficult task for the service marketers to build, attract, deliver and retain their consumers to build a sustainable service delivery system. Because in service sector there is actually no particular product or its technology or its features that can attract a customer and retain him, therefore it is the perceived service quality, the service delivery process with a different, the people who provides the services, the equipments through which services are performed, the physical facilities etc. that binds the customers with the company.

It is the need of the hour to make the service delivery system optimum and excellent in order to be ahead of others and to provide the customers the perceived amount of service quality standards.

### **The Concept of Service Quality: The Challenges before Service Marketers**

Service quality refers to the collective effort of service performance, which determines the degree of satisfaction of users of all the services. The degree of customer satisfaction bears a direct relation to the quality of service where good quality of service gives better customer satisfaction and the bad one leads to dissatisfaction of the customers. In another view, Service quality is defined as the customer's impression of the relative superiority/inferiority of a service provider and its services (Bitner and Hubbert 1994) and is often considered similar to the customer's overall attitude towards the company (Parasuraman et al. 1988, Zeithaml 1988, Bitner 1990).

The major difficulty in this aspect is the problem in measuring the service quality because of the unique characteristics of it. Because of the unique characteristics of the services, marketers of services face some of the very real and distinctive challenges such as:

1. How can service quality be defined and improved when the product is intangible and non-standardized?
2. How can new services be designed and tested effectively when the service is essentially an intangible process.
3. How can the firm be certain it is communicating a consistent and relevant image when so many elements of the marketing mix communicate to customers and some of these elements are the service providers themselves?
4. How does the firm accommodate fluctuating demand when capacity is fixed and the service itself is perishable?

5. How can the firm best motivate and select service employees, who because the service is delivered in real time, become a critical part of the product itself.
6. How should prices be set when it difficult to determine actual costs of production and price may be inextricably intertwined with perceptions of quality?
7. How should the firm be organized so that good strategic and tactical decisions are made when a decision in any of the functional areas of marketing, operations, and human resources may have significant impact on the other two areas?
8. How can the balance between standardization and personalization be determined to maximize both the efficiency of the organization and the satisfaction of its customers?
9. How can the organization protect new service concepts from competitors when service processes cannot be readily patented?
10. How does the firm communicate quality and value to consumers when the offering is intangible and cannot be readily tried or displayed?
11. How can the organization ensure the delivery of consistent quality service when both the organization's employees and customers themselves can affect the service outcome?
12. Service quality should be defined by the customers or by the company as it is non-standardized?

The process used by consumers in evaluating services differs from the process used for goods. Services tend to be high in experience and credence qualities while goods tend to be high in search qualities. Search qualities are attributes that consumers can evaluate prior to purchasing a service or good. Experience qualities are attributes that consumers can evaluate things only during or after the consumption process. Credence qualities are attributes that consumers have difficulty evaluating even after consumption is over.

This aim of providing the best quality service may be achieved by understanding and improving the operational process of the services, quickly identifying the problems if any, systematically solving them, establishing valid and reliable performances measures, continuously measuring customer's expectation - satisfaction factors and ensuring the constant optimum service delivery system.

Customer service excellence is the basic, one and only strategy used by the most successful and leading service providing companies world over and it gives the companies the much needed **“Wow factor”** to differentiate their brand from others.

“Guestology” is one of the most important methods in providing the customer service excellence in order to increase the market share and earn profitability simultaneously.

To understand the theory and practice of Guestology, let us understand the success story of one of the World's best service provider, the Walt Disney Company, USA which has coined and used it in their processes which has been unmatched till today.

#### **GUESTOLOGY: THE DISNEY APPROACH TO PROVIDE QUALITY SERVICE:**

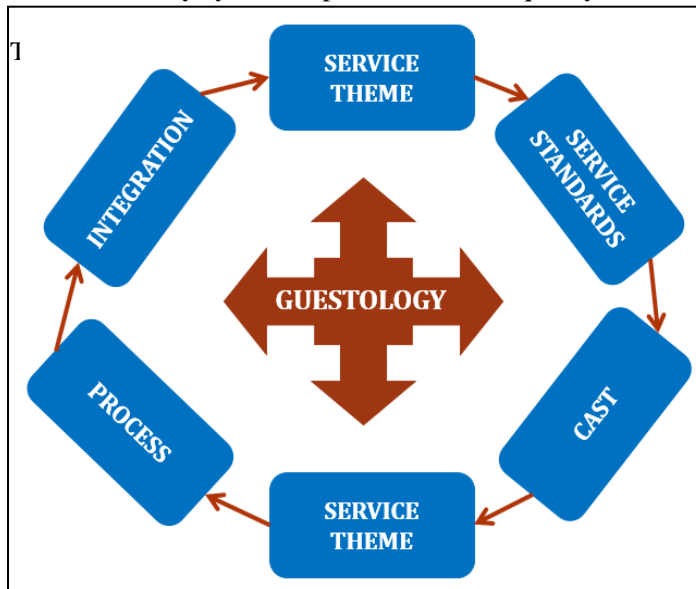
The Walt Disney Company has been delivering magical experiences to millions of their customers since its inception. Over the years, many things have changed for them, their customers, their taste, preferences, type, expectations, perceptions etc, but one thing has been constantly provided by them, it is the legendary quality.

It is one of the best brands in the World, which has become very successful in their businesses. We normally associate it with Fairy tales, animation, movie studios and amusement parks. Their success story is attributed to their commitment in providing wonder in everyone, of any age, anywhere pays off in dividends. If we search for the reasons for the same, we can find the term “Guestology” at the center of its core. Learning about the guests is not a very revolutionary idea, but it requires more effort than just opening your door and welcoming the guests.

The reasons behind this “Wow factor” of exceeding the Guest expectations in every aspects by Walt Disney company can be listed as follows –

- ✓ Superlative face-to-face service
- ✓ Paying close attention to every aspect of the Guest Experience
- ✓ Analyzing that experience from the Guest's perspective
- ✓ Understanding the needs and wants of the Guest
- ✓ Committing every element of the organization – from the design of the infrastructure to the interaction between Guest and Cast – to the creation of an exceptional experience

According to the Disney Institute, which provides the most essential management directives to the company in fruitfully delivering the best in class services, the model of Disney's Quality service takes help of a quality service compass known as Guestology that aligns the major elements of an ideal service delivery system to provide the best quality service.



Core - The Guestology – To study and exceed Guest expectations – resides at the center of the compass. Let us describe them individually –

#### **Center : Guestology**

It is defined as studying the customers. They define Guestology as the study of the people for whom we provide service. Disney calls it the art and science of knowing and understanding their Guests. It is the first point of the compass because the needs, wants, perceptions, and emotions of Guests are the basis for the action that takes place in the other three points.

#### **Step 1: Quality Standards**

This is defined as setting benchmarks around every aspect of the service delivery processes. They are also used as measures to evaluate the quality of services. After understanding the customer's needs, wants and expectations, the standards to be achieved by benchmarking they propels their delivery systems.

#### **Step 2: Cast**

Here cast is defined as the employee working for the company, we need to inject the philosophy of quality service right from the time of HR planning to recruitment, selection, training & Development etc. through series of induction and seminar programme we need to make them understand the art and science of retaining the customers.

#### **Step 3: Setting**

Settings are described as the environment, facilities and the equipments through which the company provides best in class quality service to its customers. This is to ensure customers' experiences with the sights, sounds, smells, touch, and tastes of the organization consistently with the theme.

#### **Step 4: Process**

This is defined as the way of delivering the services. One of the important factor that is implemented here is to treat all the guests as VIPs. We need to identify those who requires special attention like children and persons with disabilities and then implement our processes accordingly to give them a

positive service experience. If needed we need to fix any design flaws immediately and adapt to new technologies and techniques to solve the customer's problem proactively.

#### **Step 5: Integration**

It means combining the cast, settings and processes to create a complete operating system in successfully implementing a quality service delivery system. On the Integration Matrix, each combination of a service standard and a delivery system represents a service moment of truth. Each should be fully considered and developed to deliver a magical service moment.

#### **Step 6: Service Theme**

A service theme is a simple statement which when shared with all employees serves as the driving force for meeting the needs of customers. The need of this theme is to make everyone in the company understand the basic philosophy of the service delivery system. E.g. the service theme followed at the Walt Disney Company is "We create happiness by providing the finest entertainment for people of all ages, everywhere". This is properly communicated, understood and followed by each and every employee of the company.

That's how Disney does customer service. A common purpose generates quality standards. The standards are defined and delivered using three basic systems that every organization shares: its people, its physical assets, and its processes. All three are integrated and aligned to produce the Disney brand of magic.

The basic aim behind all of these to convert the person availing the products / services from suspect to partners in systematic ways.



### **ACTION STEPS IN GUESTOLOGY:**

#### **Definition:**

*“Guestology is the scientific study of the behaviors, needs, and expectations of people in a service environment, and how to use that knowledge to optimally manage a service organization.”*

The foremost law enacted by the Walt Disney Company is that always treat your customers as your Guests rather than a customer because it creates a difference in the attitude of serving them. If we treat everybody as merely as a customer there will be no implied obligation of special treatment or service. Similarly if we treat our customers as the guests, we can increase the level of service and that to we can deliver it with courtesy and respect.

The founder of Walt Disney, Mr. Walter Elias (Walt Disney) always looked for revolutions in terms of customer service. When he designed the Disneyland, he put one compass structure in front of the Sleeping Beauty Castle at Disney Land. This compass shows prominently the Disney philosophy of customer service. Mr. Disney along with his Vice-president of Operations Planning and Development Mr. Bruce Laval has coined the term Guestology and develop the specifications around it in order to provide best quality services to their customers to create not only business but long term relationships.



The four points of The Disney Compass describes how to treat people in area of study that Mr. Walt Disney called as Guestology.



If we breakdown them further we get details of each of them as follows.

**Needs:** Needs are the basic human requirements. Examples can be Food, water, shelter etc. if we are thirsty, then we need to water to survive. Then it can be said that water is a need of us. Similarly in Guestology process, we need to understand what is the exact need of a person coming to our organization?

**Wants:** Needs become wants when they are directed towards specific objects that might satisfy the needs. Everyone needs water to quench their thirst, but if chilled bottled mineral water will be available, it will be better. Psychologically, it also tastes better or quenches the thirst in a better way.

**Stereotypes:** It describes the image about the company created in the minds of the customers over a period of transactions. Here we need to overcome if any wrong or negative stereotype has created for our company and guide them towards building a positive image about the company. If we see the same example, due to certain problem with one lot of bottled water, some stomach diseases happened and the customers may have generated a negative image of the company over the years which we need to change.

**Emotions:** These are the feelings of the customers about the company. Emotions are often more powerful than logic when it comes to many decisions. Therefore it is the duty of the service marketer to connect emotionally with the customers so that the relationship can last for a longer period of time. This plays a role while choosing between various brands, as people normally selects that particular product or service to which they are emotionally linked. If the customers are attached with another brand of bottled water, we need to change their habit by attracting the customers emotionally towards us.

The following Disney service principles support these philosophies:

1. When balancing customer needs and wants with your service quality standards, remember that the customer isn't always right. However, when they're wrong, allow them to be wrong with dignity. If you must reject a need they have, offer some alternative or future service.
  2. Be sure to examine your three primary delivery systems: cast (employees), setting (environment), and process (structure), with regard to all customer touch points.
  3. Don't build things for yourself. Understand your customer's needs and wants, and build it for them.
- In Guestology, for successfully understanding customer's needs and wants, we can use the following tools

- ❖ Face-to-face surveys
- ❖ Specific "listening posts"
- ❖ Comment cards
- ❖ Cast member observations
- ❖ Usage and visitation patterns
- ❖ Mystery shoppers
- ❖ Focus groups

#### **THE PRINCIPLES OF GUESTOLOGY:**

The objectives of various principles under Guestology believes in the following facts:

1. It can help in maximizing the profitability of the business
2. We can achieve the organizational objectives of acquiring, grow and retaining the customers.

#### ***OBJECTIVE: Making your Organization Guest-Centric***

**Principle 1:** Understand the behaviors, needs, and wants of your guest.

**Principle 2:** Identify Key drivers in your business

**Principle 3:** Focus all business strategies around those "Key Drivers".

#### ***OBJECTIVE: Building a Service culture***

**Principle 4:** Find and hire those kind of people who love to serve.

**Principle 5:** Incorporate commitment to guest service in all training programs.

**Principle 6:** Define, build and sustain a total service culture.

#### ***OBJECTIVE: Managing the Guest's Service Experience***

**Principle 7:** Set standards with appropriate metrics.

**Principle 8:** Constantly reinforce standards by all levels of management –"walk the talk".

**Principle 9:** Motivate for Success.

**Principle 10:** Manage the quality and perception of the waiting experience.

**Principle 11:** When the service experience fails to meet expectations, provide immediate recovery.

#### ***OBJECTIVE: Provide Guest Centric Support***

**Principle 12:** Set the stage (physical environment)

**Principle 13:** Provide centralized coordinating and overseeing role –organizational structure.

**Principle 14:** Ensure organization's commitment to continuously pursue perfection.

According to Guestology, The success formula for any business is to become best in class service provider is

**Quality Employee Experience + Quality guest Experience + Quality Business Practices = Success in attracting and retaining the customers for a longer period of time = The Future.**

#### **SERVICE STRATEGIES USED BY THE WALT DISNEY COMPANY UNDER GUESTOLOGY:**

Walt Disney has injected the quality of Service excellence as an attitude amongst its employees and in their every department. Excellence is a consistent, premium service at every corner that drives the company at every level. The following list are the common strategies used by the Walt Disney company that helps them to achieve customer service excellence:

- ❖ Always Focus on Service before anything else.
- ❖ Give the Best and Unique customer experience possible.
- ❖ Use the Customer as your partners.
- ❖ Always remember that you are Selling "WOW".
- ❖ Always try to improve on service.
- ❖ Always respect your customer (time and opinion).
- ❖ Measure their satisfaction and engagement regularly.
- ❖ Educate, encourage and use incentives on employees to deliver service.
- ❖ Differentiate the Brand from competition.
- ❖ Know the customer base (segmentation).
- ❖ Understand that Customer Satisfaction is based on loyalty, identity, values, and relationships.
- ❖ Special Interactions keep customers coming back.
- ❖ Solve problems quickly and turn complainers into advocates.
- ❖ Customer Service agents must have the authority to make decisions.
- ❖ Listen to your customers; Change their attitudes, and fix their problems.
- ❖ Measure your relationships, and refine your processes, and proactively solve and prevent the same mistakes from happening again. (Continuous improvement).
- ❖ Improve your supplier relationships, and hold them to the same standard as your customers do.
- ❖ Exceed expectations and treat customers as if you would treat a guest in your own home.
- ❖ Hire good employees from the start; study your culture, and find the right fit.
- ❖ Always remember what your corporate values and purpose are, and set mission to that goal.
- ❖ Tell the customer the truth, and love what you do.
- ❖ Personalize your service to meet your customers' needs.
- ❖ Listen to Customers; Take appropriate action; keep it simple.
- ❖ Leaderships should stay involved in the business, and respect employees and customers.
- ❖ 5 P's of Customer Service Excellence – Process; Product; Presentation; Price and most importantly *People!*

#### **CONCLUSION:**

As we have seen, the Guestology is an interesting topic of the overall Customer Relationship Management system in services marketing.

As discussed in detail in the above sections, the essence of Guestology remains in two steps. They are:

- ❖ Provide products and services that not only meet but exceeds the expectations of the customers.
- ❖ To provide exemplary service that the customers not only become repeat customers, but become loyal advocates for the company.

Through various objectives and strategies, we can always emphasize on the idea of serving according to the needs & wants of the customers to fulfill the notion of "the Customer is always right".

The Walt Disney Company is an exemplary model of best service delivery process which has coined and successfully implemented the concept of Guestology in their organization and now getting the interest in a dignified way today by attracting millions and millions of customers (or guests as they say it) each year.

Finally we can say that if we create all our business process by keeping our customers and employees at the core of it then definitely we can create sustainable competitive advantage over our competitors over the years and remain in the hearts of our customers for ever.

***"You can design and create, and build the most wonderful place in the world.  
But it takes people to make the dream a reality."***

-Walt Disney



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