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Supporting the Contemporary Tourism Product – Tourism Service Management

Chapter objectives

After reading this chapter, you will:

- Further appreciate the linkages and relationships between the various elements that combine to make up the destination product and experience.
- Understand the service management perspective.
- Recognise the difference between a *product* and *customer* orientation.
- Be aware of current issues related to visitor/customer/tourist satisfaction, and whether satisfaction is an ambitious enough aim.
- Be familiar with the concept of, and challenges with, managing and measuring service quality.
- Understand the conceptual frameworks which link employees, customers and organisational performance.
- View human resource management as a strategic function.
- Understand innovative practices designed to measure and therefore manage service industry performance.

Introduction

Tourism is a complex system – an assemblage or interrelated combination of things or elements forming a unitary whole. As Chapter 1 explained, this system includes various forms of individual products including the trip product, the destination product, the tourism business product and the service product. Underlying this tourism system is a need to understand how to best manage the experience in order to reach satisfying outcomes for tourists, individual organizations and destinations. The total tourist experience encompasses many aspects, but the primary aim of tourism businesses – customer, or tourist ‘satisfaction’ – is ultimately determined as an emotional experiential evaluation by the tourist. This is done as part of a tourist’s overall appraisal of the destination experience through the co-creation and co-production of experience between tourists and formal (tourism and other businesses) and informal (communities) producers. As a result, the management of each component of the tourism system by tourism businesses either individually or as part of organisational networks is particularly important. This chapter provides the foundation for understanding the key issues related to managing tourism service organizations in contemporary tourism.

The chapter first explains the importance of individual business performance within the context of a tourism system, and then outlines the ways in which a service-oriented strategy facilitates heightened tourist satisfaction. An overview of the evolution of thought from a manufacturing to a services paradigm is then explained, before a series of service management principles are defined and discussed. Understanding the links between tourism business interorganizational practices, organisational performance and enhanced destination perceptions are outlined in a tourism context, as is the importance of a strategic approach to human resources management. The creation of a service-oriented culture and climate is then discussed. The final section of the chapter overviews an innovative approach to measuring organisational performance in service organizations, linking business strategy to performance measures and the remuneration of staff and management.

Context

How do tourists evaluate their tourism experiences? The answer is rather complicated! The following are some examples:

- Think about a tourist’s first encounter with a tourism destination. It might be an advertisement for that destination on television or in a newspaper, or it could be on a website (see for example www.Australia.com or www.France.com). Destination websites often contain many links to travel packages, accommodation choices, car rental business, places to visit and things to do within that destination. Nested within these destination-marketing activities is a reliance on the individual performance of each organization promoted through such a marketing offer.

- Do you think that impressions of Singapore as a satisfying tourism destination can be influenced by a trip to Singapore on Singapore Airlines? Or a first visit to Australia on Qantas? (Even experiences on non national airlines, such as United in the USA or budget airlines, such as Ryanair, can potentially influence satisfaction perceptions).
- What if the person you speak to on the phone regarding destination services on a toll-free number is less than friendly or enthusiastic?
- How would a tourist react upon stopping at a Visitor Information Centre and finding that the employees (often volunteers) are indifferent or apathetic about the region's tourism activities?
- What if the reservation in the hotel, where you plan on spending your first night at the destination, has no sign of your reservation – and they have no rooms available?

Although there is widespread agreement on the importance of the concept of service experience in marketing, there are divergent views on how it should be characterized (Helkkula, 2011). Traditionally, service experience has been conceptualized as an experience that is unique to an individual at a specific point in time, in a specific location, in the context of a specific event. As you can see from the examples above, the experience of the tourist is dependent on many component parts, many of which exist before someone ever becomes a tourist at a destination, and destination marketers hope that none of these links will lead to dissatisfaction with the overall tourist experience (Campos et al., 2018).

Service experiences incorporate what are commonly referred to as service encounters and these encounters happen at different stages of the consumption process, such as pre-purchase, on-site and post-purchase (Klaus, 2014). This view of service experiences has been described as the 'process view' that implicitly suggests various stages or phases over time, thereby involving an ongoing transformation or change in customer behaviour and their evaluations of the encounter (Helkkula, 2011), especially as the customer builds up experiences over time. Indeed, the service experience, according to this view, is not a state but a dynamic process that evolves from the pre-purchase to post-purchase stages of the consumption process. Tourism organisations need to understand the totality of the service experience, including customer experiences, and its meaning to be able to deliver superior encounters with customers (Meyer & Schwager, 2007).

Given the challenges and importance of ensuring that the links in the tourism system are strong, it is important to understand some of the factors which define individual organisational management and performance. The study of management has traditionally been viewed from a manufacturing or industrial perspective. However, in tourism, a different perspective is necessary, since tourism is about managing not only products and assets, but also, and most importantly, about managing service, experience and customer expectations (see Chapter 1).