

Service Management and Tourism

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About the author

David Solnet is a Senior Lecturer in Service Management at the University of Queensland in Australia. Prior to his academic career, David enjoyed a successful 18-year career in the hospitality industry where he held senior management roles in the USA and Australia. David has authored over 20 peer-reviewed articles principally in hospitality and service industry journals.

Introduction

We live in a radically different world than that of even 20 years ago. From a business and economic perspective, perhaps the most significant change in the world has been a change from a product, or *manufacturing-orientation* to a *service-orientation*. Most economic consumption today involves processes, activities and personal interaction, rather than simply a purchase of a 'thing'. Economic exchange and therefore business management was developed based on the product orientation; of manufacturing 'things' which were shipped to a retailer who sold them to a consumer at a retail outlet. Many of our management and marketing principles were based on this basic pathway – production, inventory, purchase, consumption. As the world has changed to be more service oriented, management and marketing scholars have failed to keep pace.

The purpose of this review is to introduce the service management paradigm in the context of tourism. This is done via an explanation of the evolution from a product to a service management orientation and an evolutionary mapping of management thought. Then, an overview of relevant service management topics is provided followed by a Case Example of service management principles in action. Finally, an overview of the emerging issues and future focused agenda in the field of service management is provided.

Background

What do we mean when we refer to the evolution of management thought? How is it that the world can evolve, but academic terminology and theory does not, or does so but much more slowly? This delay is evident by the simple example of the traditional 4 Ps of the 'Marketing Mix' (McCarthy, 1960). These Ps' (Product, Price, Place, Promotion) were taken for granted for years as the necessary recipe for successful marketing. When taking an item to market, it was thought, one must consider *what* to sell (Product), *how much* to sell it for (Price), *where* to sell it (Place), and how to *promote* its sale (Promotion).

When service managers and marketers tried to use these 4 Ps for marketing services (e.g., what you 'buy' at a bank), they found this mix insufficient. Subsequently, researchers sought to expand the marketing mix with a series of proposed additions (see Rafiq & Ahmed, 1995). Of these, the most frequently utilised and accepted mix is the revised 7 Ps (or the 'extended marketing mix') (Booms & Bitner, 1981), which takes into account People (all people who directly or indirectly influence the perceived value of the product or service, including knowledge workers, employees, management and consumers), Processes (procedures, mechanisms and flow of activities which lead to an exchange of value) and Physical Evidence (environment in which the service is delivered and in which the service provider and consumer interact).

Why is it important to understanding the evolution of management thought? Let us think metaphorically for a moment. Very recently, anthropologists in Ethiopia unearthed pieces of bones and other fossilised fragments. This discovery provided a series of new clues in the understanding of the development of mankind. In fact, the skeletons found have now been dated as being 4.4 million years old – and have led to a dramatic rethinking about the development of man and the 'family tree' which distinguishes man from chimp-like animals. This recent discovery has elucidated the history of man's development, and has inspired many scientists to enter

Chapter extract

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