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From tangible to intangible: the hospitality function

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The nature of the Hospitality Experience

- What **benefits** does HOSPITALITY provide? **Who** is the recipient?
- What type of **EXPERIENCE** encounter?
- Is the customer **changed** as a result of the service?

THE TANGIBLE & INTANGIBLE COMBINATION OF THE OFFER

Product stock

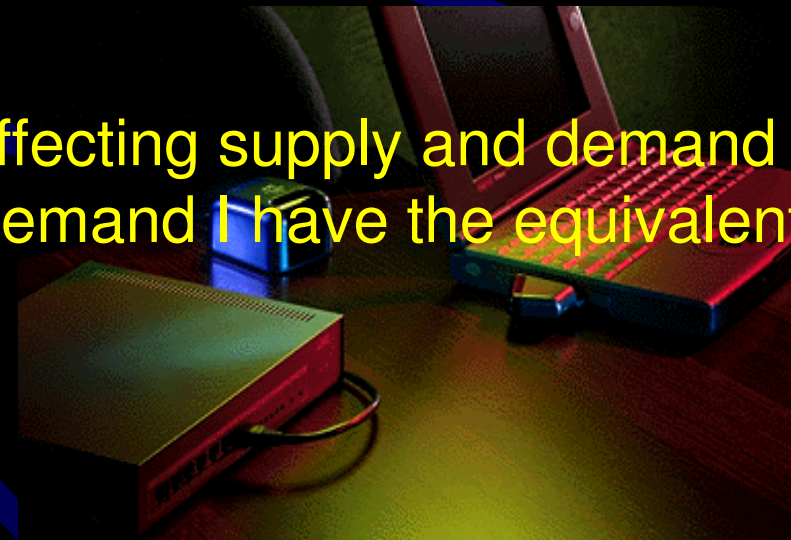
Food, cars, books,

We manage through controls on purchasing, consumption, and process control.

Service stock

People, time space

We manage by effecting supply and demand
If I have excess demand I have the equivalent
to stock



THE TANGIBLE & INTANGIBLE COMBINATION OF THE OFFER

A service is the result of a deed, a performance an effort or an encounter in time, it can not be displayed, physically demonstrated or illustrated. Services therefore have few of the characteristics technically described as “**search**” qualities, “**experience**” qualities and “**Credence**” qualities.

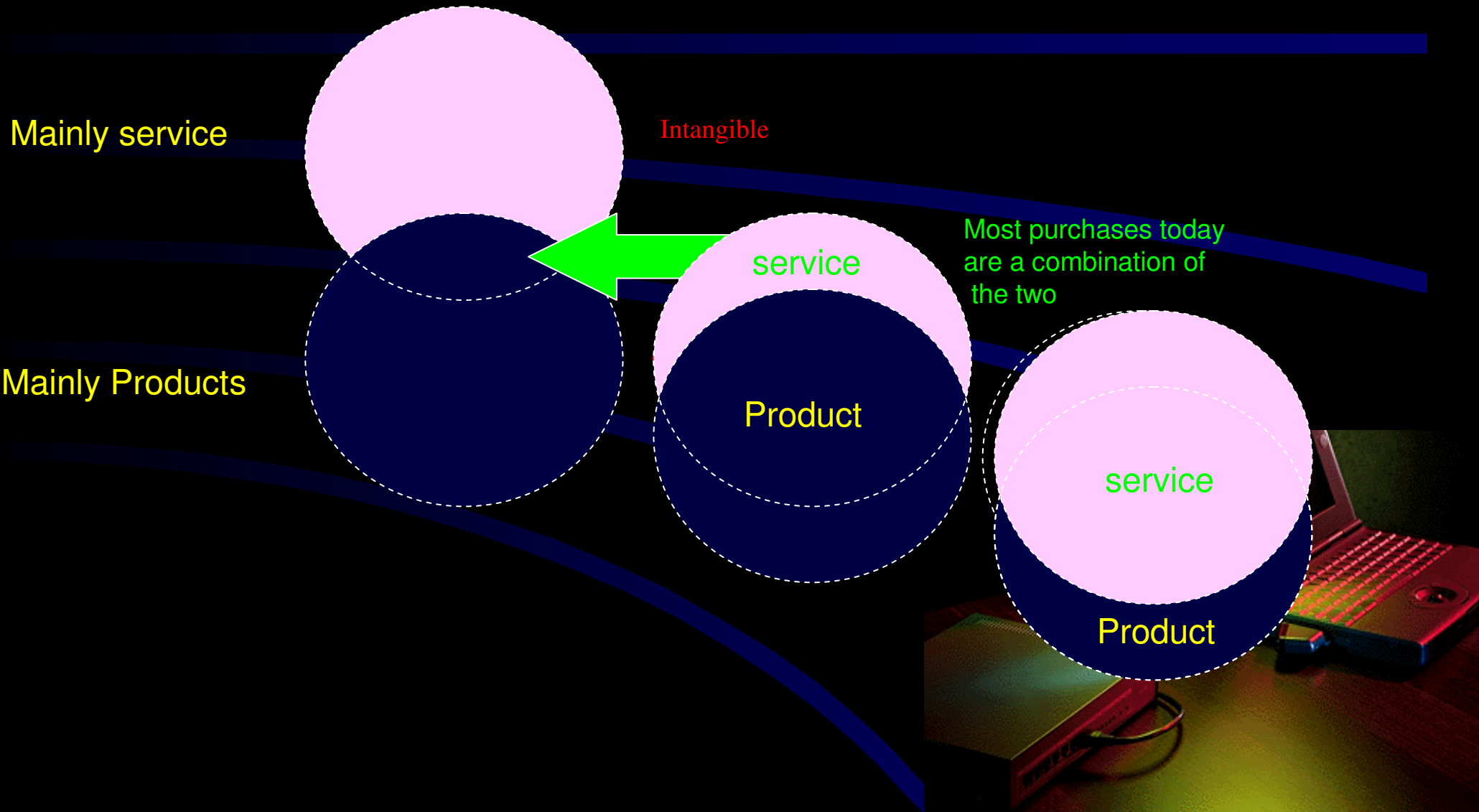
Search quality = Physical examination (inspect the car in the show room)

Experience quality = Checking (compare with other cars or other owners)

Credence quality = Tested (test-drive the car)



The Tangible & Intangible combination of the offer



CHARACTERISTICS OF SERVICE

- Customer participates
- Simultaneous production and Consumption
- Time perishable
- Site & Labour intensive
- Difficult to measure output
- Intangibility
- Decentralised
- Site selection dictated by location of customers



INTANGIBILITY

- A service cannot be **patented** and **specified with drawings** in the same way that a product can.

What implications from the perspective of :

- ***the consumer?***
- ***the service marketer?***

IMPLICIT SERVICES vs 3-S MODEL

Attitude of serve

Atmosphere

Waiting (yes or no)

Status

Sense of well being

Privacy and security

Convenience

Customer surprise = What customer gets to perceive - What customer expects to get

Surprise

Sacrifice

Satisfaction



THEORY OF HUMAN MOTIVATION

ABRAHAM MASLOW - 1943

The Hospitality Function



THE HOSPITALITY FUNCTION

Hospitality Function



Hospitality Function



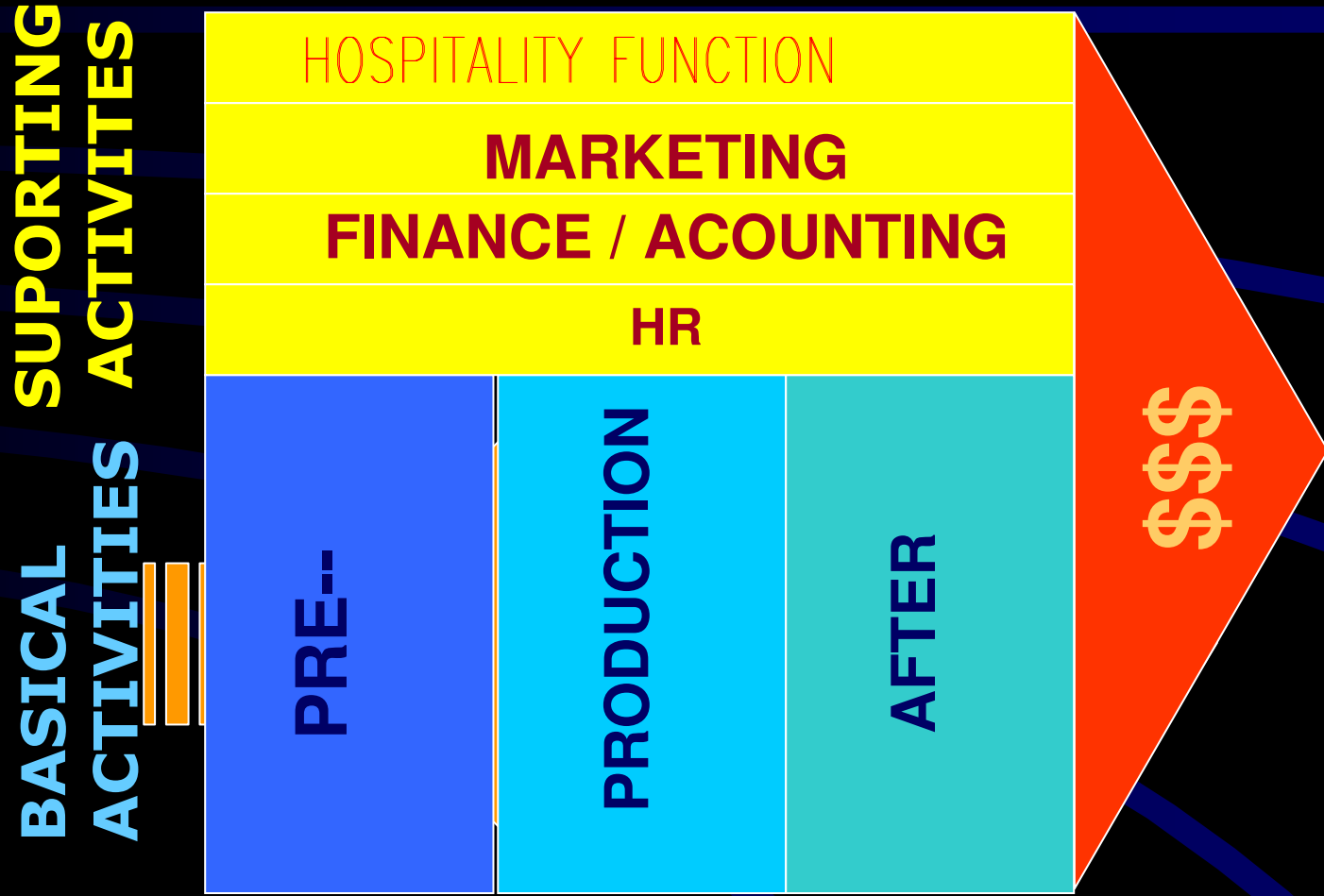
CUSTOMER

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CUSTOMER

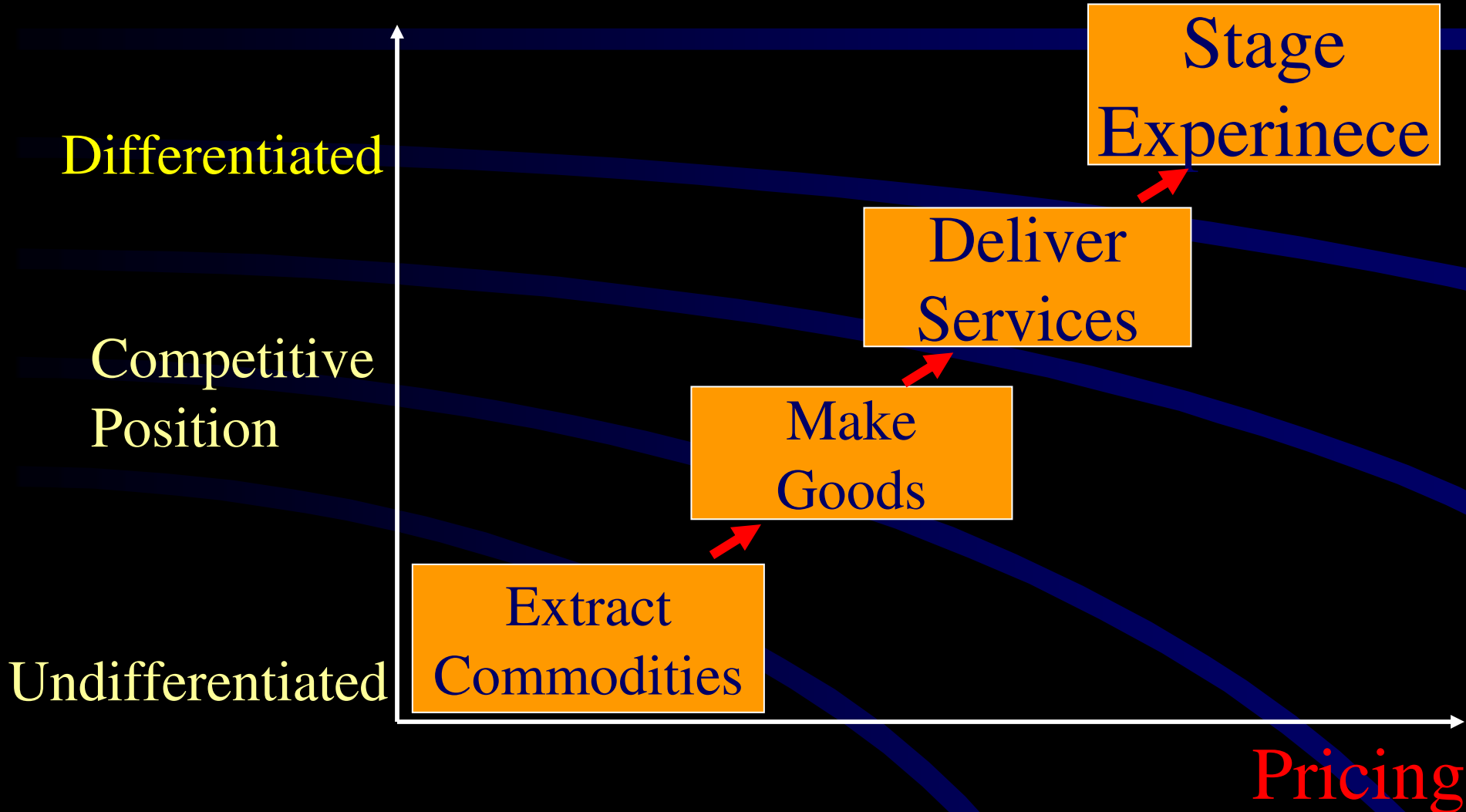


THE VALUE CHAIN AND THE HOSPITALITY FUNCTION

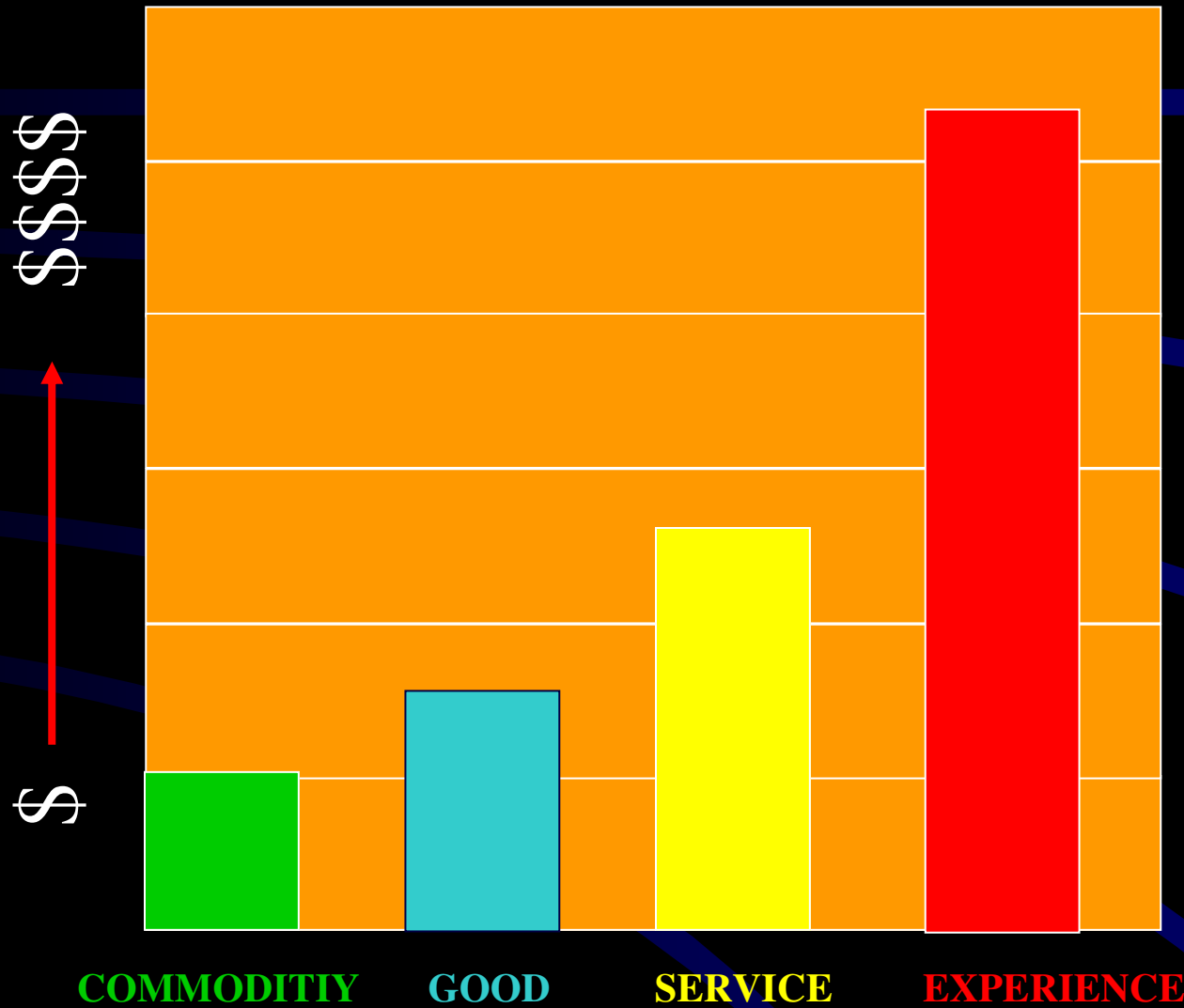


VALUE CHAIN

PROGRESSION OF ECONOMIC VALUE

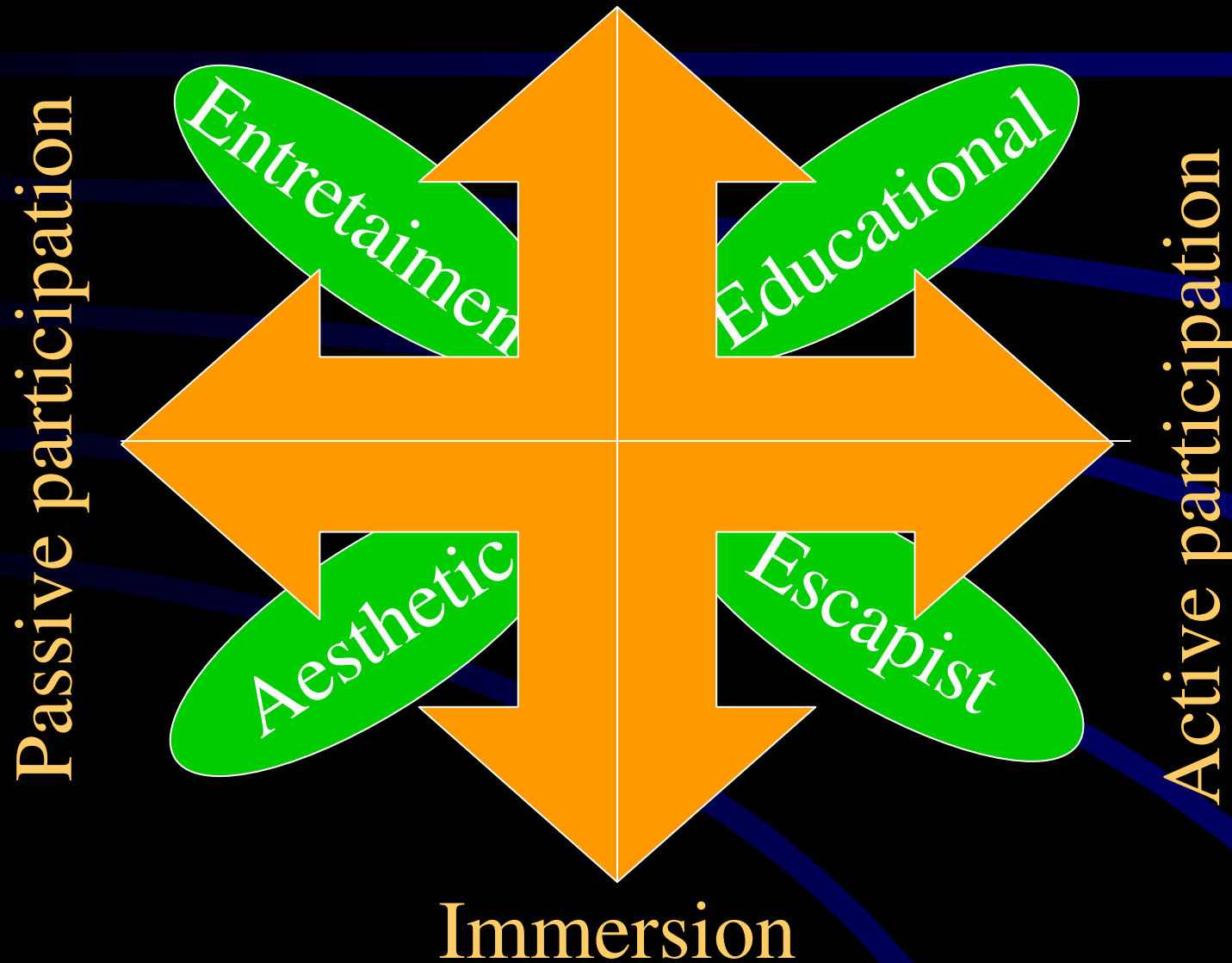


THE VALUE OF EXPERIENCE



THE EXPERIENCE REALMS

Absorption



WHERE OPORTUNITIES ARE..

Annual Non Food Spend by Category

