

*Marketing for Hospitality and Tourism, 7e (Kotler)*

**Chapter 2 Service Characteristics of Hospitality and Tourism Marketing**

1) The fact that services cannot be seen, tasted, felt, or smelled relates to which service characteristic?

- A) Inseparability
- B) Variability
- C) Perishability
- D) Intangibility

Answer: D

2) The fact that a business traveler will have a very positive check-in experience during one stay at a hotel and then a very negative check-in experience the next time is an issue related to which service characteristic?

- A) Inseparability
- B) Variability
- C) Perishability
- D) Intangibility

Answer: B

3) If you manage a 200-room hotel, and only sell 150 rooms tonight, you can't stockpile the extra 50 rooms to sell tomorrow. This is a problem with the \_\_\_\_\_ of services.

- A) Inseparability
- B) Variability
- C) Perishability
- D) Intangibility

Answer: C

4) We as customers cannot take service on a "test drive," meaning we cannot evaluate them before we use them. This is a problem with the \_\_\_\_\_ of the service.

- A) Inseparability
- B) Variability
- C) Perishability
- D) Intangibility

Answer: A

5) Because services are characterized by the issue of inseparability, service providers will often have to:

- A) Reduce inventory
- B) Train the customers
- C) Lower their prices
- D) Minimize the inseparability issue

Answer: B

6) Which of the following is NOT a link in the service-product chain?

- A) Healthy service profits and growth
- B) Satisfied and productive service employees
- C) Greater service value
- D) Increasingly intangible services

Answer: D

7) Perhaps the best measure of service quality is:

- A) Customer retention
- B) Low employee turnover
- C) Profitability
- D) Total sales

Answer: A

8) Which of the following statements is FALSE?

- A) One goal of CRM is to make switching costs high.
- B) CRM combines marketing, business strategy and information technology to better understand customers.
- C) CRM calls for developing unique and lasting relationships with customers.
- D) The use of CRM in the hospitality industry appears to be strong.

Answer: D

9) A casino employee's uniform or a restaurant's fancy front lobby are a means of:

- A) Overspending on the part of the service provider
- B) Creating overly high expectations on the part of the customer
- C) Paying attention to the perishability of the service
- D) Tangibilizing the service

Answer: D

10) Studies have shown the best way to deal with service failure is to:

- A) Give the unhappy customer timely information regarding the failure
- B) Ignore the failure in the hopes the customer will forget about it
- C) Refund the customer's money whenever a failure occurs
- D) Replace the unhappy customer with a happier one

Answer: A

11) "We are Ladies and Gentlemen serving Ladies and Gentlemen," is a motto for:

- A) Hilton
- B) Marriott
- C) Ritz-Carlton
- D) Conrad Hotels

Answer: C

12) At the Ritz-Carlton, each employee can spend up to \_\_\_\_\_ to redress a guest grievance.

- A) \$500
- B) \$1,000
- C) \$2,000
- D) \$3,000

Answer: C

13) Which of the following is NOT part of the service profit chain?

- A) Internal service quality
- B) External service quality
- C) Satisfied and productive service employees
- D) Satisfied and loyal customers

Answer: B

14) Service marketing requires both internal marketing and \_\_\_\_\_ marketing.

- A) Intra
- B) External
- C) Promotional
- D) Interactive

Answer: D

15) Hospitality companies face the task of increasing three major marketing areas:

- A) Service differentiation, service quality, and service productivity
- B) Service focus, service quality and service productivity
- C) Service differentiation, service quality and service profitability
- D) Service focus, service quality and service profitability

Answer: A

16) In a well-run hospitality organization, there are two customers, the paying customers and the \_\_\_\_\_.

- A) Non-paying
- B) Employees
- C) Guests of the customer
- D) Customer's company

Answer: B

17) Disneyland's version of the ride reservation is called:

- A) FreePass
- B) FastPass
- C) MultiPass
- D) Extension Pass

Answer: B

18) Overbooking is another method that hotels, restaurants, trains, and airlines use to match:

- A) Demand with marketing
- B) Growing business needs
- C) Marketing with budget
- D) Demand with capacity

Answer: D

19) Developing a good \_\_\_\_\_ policy minimizes the chance of walking a guest.

- A) Marketing
- B) Promotions
- C) Check-in
- D) Overbooking

Answer: D

20) Price is \_\_\_\_\_ related to demand for most products.

- A) Directly
- B) Inversely
- C) Proportionately
- D) Disproportionately

Answer: B

21) Revenue management grew out of \_\_\_\_\_ management, which was introduced in the 1980s.

- A) Reservations
- B) Marketing
- C) Yield
- D) Overbooking

Answer: C

22) \_\_\_\_\_ form(s) when capacity exceeds demand and guests are willing to wait.

- A) Loyalty
- B) Demand
- C) Popularity
- D) Queues

Answer: D

23) It is better to tell the customer \_\_\_\_\_ the anticipated wait time.

- A) More than
- B) Less than
- C) Exactly
- D) None of the above

Answer: A

24) Marketing by a service firm to train effectively and motivate its customer-contact employees and all the supporting service people to work as a team to provide customer satisfaction is called \_\_\_\_\_ marketing.

- A) Intelligent
- B) Internal
- C) Perennial
- D) External

Answer: B

25) A system of values and beliefs in an organization that reinforces the idea that providing the customer with quality service is the principal concern of the business is called \_\_\_\_\_.

- A) Mission statement or vision statement
- B) Credo or Motto
- C) Mission and credo
- D) Service culture

Answer: D

26) In general, government-run tourism promotion organizations have not assumed responsibility for the quality of the services they promote.

Answer: TRUE

27) It is no longer possible for one restaurant to sue another over the "trade dress" issue.

Answer: FALSE

28) Empowering employees in part means giving them the authority to tend to customer needs.

Answer: TRUE

29) The perishability of a service is especially a problem when demand fluctuates.

Answer: TRUE

30) So long as a company sets high standards for service quality, it is not necessary to evaluate its actual performance.

Answer: FALSE

31) Bill Marriott would say that the first set of people you need to satisfy are your customers.

Answer: FALSE

32) To reduce uncertainty caused by service intangibility, buyers look for whatever tangible evidence they can find that will provide information about the service.

Answer: TRUE

33) Within the realm of Customer Relationship Management (CRM) switching costs are only monetary in nature.

Answer: FALSE

34) Most restaurant kitchens would be considered examples of invisible organizations.

Answer: TRUE

35) The three services marketing are: internal, external and interactive.

Answer: TRUE

36) Service marketers must be concerned with four characteristics of services. What are they? Describe each.

Answer: Answers will vary.

37) Describe three steps hospitality firms can take to reduce variability and create consistency.

Answer: Answers will vary.

38) Successful service companies focus their attention on both their employees and customers. They understand the service profit chain, which links service from profits with employee and customer satisfaction. List and describe the five links that make up the service profit chain.

Answer: Answers will vary.

39) Resolving customer complaints can sometimes be a difficult scenario in the hospitality industry. Service quality will always vary, depending on the interactions between employees and customers. Problems inevitably will occur. As the manager of a high volume establishment what measures will you take to resolve customer complaints?

Answer: Answers will vary.

40) How can managing the customer relationship be used to enhance revenues and retain customers?

Answer: Answers will vary.