

Strengthening Moment of Truth as Cost Effective Marketing tool with special reference to the Hotel Industry

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Abstract: The hotel industry is rising to accelerate the corporate performance by increasing the customer relationship. Beyond this, industries are also trying to achieve the optimum profit to sustain in this competitive world. This paper explores the phenomena by the comparison of publicity through advertising and publicity through experience as a result of Moment of Truth (MoT). The purpose of this research paper is to establish the importance of Moment of Truth as an economic tool for the hotel industry. Secondly, it highlights the antecedents which shape customer expectations and experience through literature review.

Keywords: Moment of truth , advertising ,publicity, hotels.

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I. INTRODUCTION

Hotel industry is becoming a significant part in an Indian's life. Indian customers prefer to go for the dining once in a week or a month to the restaurant with their family or friends. In recent years ,more jobs have been created in the service industry and it is also estimated that the hotel industry will work as a key driver to give the employment in the near future. India is expected to move up five spots to be ranked among the top five business travel market globally by 2030, as business travel spending in the country is expected to treble until 2030 from US\$ 30 billion in 2015.¹

International hotel chains will likely increase their expansion and investment plans in India, and are expected to account for 50 per cent share in the Indian hospitality industry by 2022, from the current 44 per cent.¹ ICRA expects RevPar for Indian Hotel Industry to grow by 8-9 percent in FY18, aided by stronger domestic demand, strong flows in free trade agreement (FTA) and the return of pricing power across markets barring few micro-markets in NCR, Kolkata and Chennai.²

In today's scenario, marketers should understand that moment of truth have become an important fact of customer interaction for the service driven market. If the customer get a favourable service or more than his expectations than it can be termed as Moment of Magic. Sometimes there can be instances where customer will get a negative interaction, than it can be termed as Moment of Misery for the hotels. The paper presents a detailed analysis of arguments that have contributed to make the Moment of Truth a true situation to position is as an economic tool.

II. LITERATURE REVIEW

The hotel industry are looking for and making use of various enhancement programs either through advertising or through publicity to improve their operations performance so that they can give the Moment of Magic to their customers. According to Smith and Wheeler (2002),the bid to win customer loyalty is in recognition of the importance which is related to the today's consumer. In hotel industry, service is a strategic concern .Smith and Wheeler claimed that whatever service is delivered to their customers says more than the brand advertising or publicity. The employees of the hotel plays an important role in delivery of quality service and shows that any service encounter of staff with the customers ,greatly affect the expectation and experience.(Lovelock and Wright ,2002)

2.1 Moment of Truth

Procter and Gamble proposed the concept of Moment of Truth to describe a step on the purchase cycle by a customer. Their idea was to examine how the customer discovers a product and what helps him decide if the product is right for him. A Moment of Truth is any phase in which the customer comes into the contact of the organisation for any aspect and gets a feedback of the quality of its services. This gives a chance to the organisation that whether customer approval is won or lost.

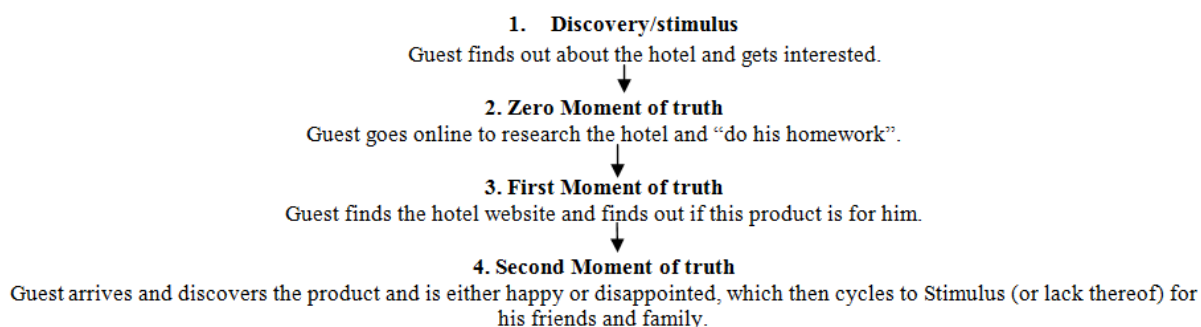
The success or failure of the guest experience may depend on how a single “moment of truth” between a hospitality employee and the guest is handled. Therefore, the management’s responsibility is to ensure that each moment of truth has been prepared and managed as well as humanly possible to yield a satisfactory outcome for the guest (Robert C. Ford, 2012).

Smith (2003) says the "moment of truth" occurs in the relationship when customers experience what organisations have to offer. Explaining further, Smith (2003) indicates that this encounter is when an organisation and the product or service it provides, meets face to face with the customer - the point where a potential customer becomes an actual customer. The outcome of this often determines whether the guest will visit a particular place again or not. Since service encounters are the consumer’s main source of information for conclusions regarding quality and service differentiation, no marketer can afford to leave the service encounter to chance (Payne et al. 2003). Incidentally, the quality of service encounters is frequently determined by the actions of front-line staff, whose experience and commitment may be limited and whose attitudes may vary from one encounter to another (Lewis and McCann 2004).

2.2 Moment of Truth and the Hotel industry

The experience of front-line staff to the delivery of quality service and ultimately, customer satisfaction is widely accepted (Walls et al. 2009, Mahesh 1988). Carlzon (1987) described the "moment of truth" as every point of contact between the customer and front-line staff of the company, thus applying it to every contact, however seemingly trivial, that a customer has with a staff member or agent of the company in question. Although in themselves these are relatively small incidents, "moments of truth" are make or break occasions when an organisation has the opportunity to disappoint the customer by failing to meet expectations or can get it right by matching those expectations or even excel by exceeding expectations (Zeithmal and Bitner 2003, Baum 1997). Incidentally, the level of control and standardisation of service is not feasible as services tend to vary as a result of different situations. In this context, one cannot easily anticipate the nature and outcome of the "moment of truth" which the guest will experience.

In the hotel business, the following interfaces are deemed as "moments of truth":



Source: SEO & Zero Moment of Truth by Marcus Miller

This short info-graphic explains the source of hotel bookings, the stimulus. In the above model the stimulus plays an important role as it is the most expensive form of advertising since it is the broadcast target zone.⁴

A customer having a moment of misery (i.e., delayed flights and having to turn late at the hotel) could be made to feel more than welcomed at the hotel. It could turn the customer’s mood around. This, in essence, has been the hotel’s moment of magic. Such an opportunity can be used to show how good an organisation is. This could go a long way to help in building long-term customer loyalty and total customer satisfaction. On his part, Baum (1997) argues that from an organisational perspective, while it may be gratifying to exceed expectations, the key objective in the management of the front-line zone must be consistency in meeting customer expectations and minimisation of the occasions when customers are disappointed. In line with that, Pullman and Gross (2004: 556) have argued that "effective experiential design creates loyalty when the service provider relies on its employees and customers to enact a shared identity and emotional connection during the customer’s experience”

2.3 Public Relations and Advertising in Hotel Industry

The service industry have a spectacular impact on the various aspects of social ,cultural and economic life. The service industry is people oriented, providing various personal ,economical benefits to the people who use the service around the world. The certain tempt is linked with the hotel sales, promotion ,publicity and marketing. Many a times ,the hotels offer more significant opportunities are offered through sales and marketing for the fulfilment of the personal need ,want and demand.

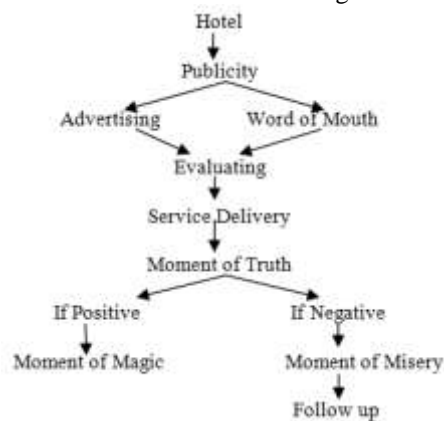
The basic purpose of the customer is to create satisfied and profitable customers. The organisation can retain their customers only when their needs meet. It is noticed that in hospitality sector, a satisfied customer always return back to the same hotel/restaurant through the word of mouth marketing. Therefore, it is important for the marketers to target the market with well defined objectives so that they can get the potential customers in near future.

One of the major function of marketing is effective communication which involves two way flow of communication. Advertising, an effective tool of marketing communications, to reach at the niche audience that the product is targeted at.

Publicity is considered to be as one of the non paid public relations technique that involves communication of information about an organization's services. The Service publicity assists in new product launch of the service industry as well as in product repositioning. Furthermore, it creates interest in a product category. Publicity is ideal when the firm wants to communicate about a new service, any service enhancements, hosting special events etc. As it is well known, this is most cost effective. The hotels mostly believe on word of mouth marketing which helps in establishing their marketing objectives to achieve maximum profit. The hotel industry should upgrade their facilities ,services according to the feedback of the customers.

III. THEORITICAL MODEL

The easiest way to explore the dynamics of moment of truth between guests and the hotel is to divide into various stages. The author developed a model to discuss the ways in which expectations, perceptions and evaluations are formed by guests of the services as well as the obligations of hotel staff in meeting these.



Source: Authors

The first step in which hotel tries to access to the customers through Advertising and Publicity. Through this medium, the attributes the competitors offering must be available physically with the service or goods. Likewise, the customer segments must be well defined and wisely selected so that they do not have any over expectation. Advertising is a source through which a the customers can be aware about the various services of the hotels .If they will enjoy the moment of magic than this customers will become a consumers for our industry. When the customer enters into the service place , they should get the expected service delivery so that the SERVICE QUALITY of the hotel can be evaluated. Sometimes , the hotel can get the positive words from the customer only when the expectation of the customers should be kept at the level which is deliverable. The MoTs are there throughout the service encounter and hence any short-sighted measure like “flattening the pyramid” may only back-fire as in the case of SAS. If the customer is getting services according to his expectations than it is termed as Moment of Magic . The experience can give a positive result in experiencing Moment of Truth. of the customer did not get the services according to his expectation which he assumed according through advertising and publicity ,than it is termed as Moment of Misery. Positive Publicity a can result Moment of Truth as a profitable economic tool for the hotel industry.

IV. SUGGESTIONS AND RECOMMENDATIONS

- The employees/management of the hotel should pay attention towards the services provided to the customers so that customer will have positive impact about the hotel.
- To establish Moment of truth as a powerful economic tool, there should be positive and beautiful moments of truth for all the customers ,so that these customer can convert into all time consumers.
- Focussing on the concept of Moment of truth the participants of hotel industry should assist and formalise each other's behaviour and expectation.
- The hospitality industry should conduct an evaluation of Moment of Truth ,to ensure that the industry is taking an advantage of every opportunity to make a good impression on the customers.

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