

# Cutting-edge hospitality

As an innovative educator and researcher with substantial experience of the hospitality industry, **Dr John Bowen** is tackling the challenges of the 21st Century for service industries

## What prompted your interest in hospitality?

During my senior year in high school, I stayed at the Benjamin Franklin Hotel in Philadelphia, a large classic hotel. I was fascinated by the variety of activities and number of people, both guests and employees. I felt that a career in hotel management would be both exciting and interesting.

After earning a degree in hotel administration, I managed the officers' quarters at the naval base in Orlando. I then worked across a variety of food and beverage operations. I also ran my own business, a pub, for 15 years. While reading the paper over breakfast one day, I saw an ad for a restaurant management instructor. I applied, and that started a 30-year career in hospitality education.

## What is hospitality management?

The hospitality industry is a service industry in which careers include management of restaurants, hotels, events, casinos and clubs. Hospitality businesses are usually characterized by a high level of customer interaction, fluctuations in demand, the inability of making an inventory of products and the creation of an intangible product. Indeed, these are characteristics of most service businesses.

## Could you describe your involvement with the gaming industry?

I taught Casino Marketing at the University of Las Vegas, during which I consulted with casinos and gaming machine manufacturers on customer service and loyalty. I conducted focus groups with slot players to get their perceptions of proposed themes for new gaming machines. Additionally, I conducted surveys to provide evidence that new games would not attract underage players, in accordance with gaming commission policy; the results were presented to the Nevada Gaming Control Board and aided manufacturers to gain approval for their machines.

## Could you provide a synopsis of your latest work?

In addition to customer satisfaction and loyalty, I also focus on social media. User referrals previously came from friends, family, co-workers and local residents. Now social media provides personal information about travel products from many people, often compiled into composite ratings. It is a powerful voice, one that can make or break a business.

## What are some major successes that you have initiated?

In the businesses I have operated, I was often the first one who was able to turn unprofitable locations into profitable ones. I would also like to think I have been an innovator

in hospitality education. I helped develop an MBA programme for Sheraton Asia Pacific and was one of the first to develop a hospitality Master's programme delivered over the internet.

Moreover, I developed a branch of the University of Houston for hospitality management training in South America. Students in South America graduate from high school at a comparatively young age. Families are not eager to send them to an international university. We were able to bring a world-leading hospitality programme to South America, allowing students to receive an internationally-recognized degree in their home country.

We also partnered with two leading organizations, the Lausanne Hospitality Research Centre and Hong Kong Polytechnic, to produce a Master's in Global Hospitality Business. This will create a cohort who will spend a semester in Europe, Asia and North America. Given the internationalization of the travel industry, these students will gain global business and cultural understanding that will make them sought after by hospitality companies upon graduation.

## Do you plan to expand your research in the future?

There are three areas for possible expansion. One involves the development of service delivery systems; specifically, collaborating with an architect to develop hotel public areas and guest rooms designed for the millennial consumer segment. Another is the design of service delivery systems for healthcare operations. The third is the use of technology in hotel operations – how new technology can be introduced, while improving interaction between guests and employees.

## Finally, what attracted you to work with Emerald Group Publishing?

I am on the editorial board of three Emerald Journals and have been co-editor of a number of special issues for Emerald. I first started reviewing for the *International Journal of Contemporary Hospitality Management* following the invitation of its founding editor, Richard Teare, to be on the editorial board in 1996. I have been on the editorial board of the *Journal of Services Marketing* since 1989, and am a member of the editorial board for *Worldwide Hospitality and Tourism Themes*. The review process helps me to keep up to date on research trends, thus my experience with Emerald has been very rewarding.



# Cultivating customer engagement

Hospitality industry research at the **University of Houston** in Texas, USA, pinpoints changing customer profiles, new technology and social media as both challenges and opportunities for successful service delivery in the future

**THE HOSPITALITY INDUSTRY** employs roughly 10 per cent of the global workforce, largely in jobs relating to travel, tourism, leisure and entertainment. As tourism continues to grow over the next 15 years, it is predicted that the numbers of international travellers will rise

exponentially. Currently, about 1 billion people travel abroad each year; by 2030, this number will be about 1.8 billion. Coupled with increasing domestic travel, expanding market opportunities and the shortage of skilled managers for hospitality domains such as hotels, restaurants, food service outlets, meeting venues, casinos and tourist destinations, the pressures to meet customer demand in the future will be immense. In addition, changes in technology are expected to complicate the ways in which customer services are delivered.

Being in the service industry, hospitality businesses are entirely dependent on an intangible product: customer loyalty. Often measured as customers who return for a repeat purchase, social media has made the behaviour of customers referring others an equally, if not more important, outcome of customer loyalty. Through social media, a customer can reach hundreds or even thousands of potential customers. When customers use the services of an establishment of which they have no prior experience, such as going out for a meal in a new restaurant or booking a stay at a hotel far from home, they are taking a risk. Thus they often seek information from people they know to help reduce this risk.

Indeed, Dr John Bowen, Dean of the Conrad N. Hilton College of Hotel and Restaurant Management at the University of Houston maintains that trust is one of the most important drivers of customer loyalty. However, because there are often major gaps between hospitality managers' viewpoints and those of their customers, establishing trust to obtain good references and repeat business is a major hurdle: "You simply do not know if the product will meet your expectations until after you experience it," Bowen explains.

## STRATEGIC RESEARCH

Over the years, Bowen has forged a strong reputation as a leader in hospitality education. Having gained extensive experience of working in the hospitality industry before entering academia, his research career was firmly established in Las Vegas, where he was based from 1993 until 2003. As well as lecturing on the niche area of casino marketing and management at the University of Nevada, Las Vegas, he acted as a consultant for casino owners, developing cost effective slot clubs, delivering training seminars in casino marketing, evaluating customer satisfaction and loyalty, and conducting internal marketing studies to increase employee satisfaction and reduce employee turnover. He also conducted focus groups with casino customers on the topic of player perceptions of slot machines and player segmentation. The results of this research have been presented as evidence in hearings of the Nevada Gaming Commission.

In 1998, Bowen co-authored an article in *Cornell Hospitality Quarterly* based on his groundbreaking research into customer satisfaction and retention in the luxury hotel sector using guest interviews and survey feedback. Entitled



*Hospitality businesses are entirely dependent on an intangible product: customer loyalty*

'Loyalty: a strategic commitment', this seminal work has since been extensively cited by other researchers. Building on this achievement, Bowen has also explored hospitality marketing and service delivery systems that deliver customer satisfaction in greater depth; in total, his work in these areas has been cited more than 6,000 times.

In addition to his consulting, teaching and research activities, Bowen has acted as an expert advisor to a large array of industry participants and universities. In 2013, he co-authored the definitive textbook for students of marketing, *Marketing for Hospitality and Tourism*, which was first published in English and has since been translated into nine languages.

#### A PRACTICAL AND THEORETICAL BALANCE

From devising scenarios for student case studies and simulations or advising hotel, restaurant or casino owners on how to attract repeat business, Bowen's work first and foremost addresses the practicalities of real-world situations in an industry where the burden of unfilled rooms, tables or seats can lead to business failure: "My hands-on experience enables me to have empathy for owners and also to develop cost-effective solutions," he states. "I focus on the 'so what?' question."

In his empirical research into customer loyalty and satisfaction, Bowen's approach is based on ensuring that participant businesses' proprietary data is protected and that the collection process is streamlined to serve both theoretical and practical purposes, with minimal disruption to normal operations. The hope is that this will bring benefits to business owners while creating a sound knowledge base for analytical extrapolation and modelling.

#### FUTURE TRENDS

Bowen is currently examining the use of social media with the aim of improving understanding of the ways in which customers use these platforms, so that hospitality managers will be able to leverage them more effectively. For example, he has found that a Facebook page or a YouTube video can be an effective means of reducing marketing expenditure, while also getting strong marketing messages out on a global scale.

In addition to social media, another significant force that will shape the future of the hospitality industry is the transition from sector dominance of the Baby Boomers to Millennials (Generation Y), in business travel: "Millennials' consumer behaviour is very different. It will create both challenges and opportunities for researchers," Bowen muses.

Indeed, as Millennials are highly adept at using multiple social media devices and mobile applications, and are also keen to explore and adopt new technologies, it is vital that hospitality industry managers achieve equivalent proficiency and flexibility. This will enable them to engage with the new generation of customers and deliver outstanding service.

Going forwards, Bowen foresees that applications for mobile devices will also become a priority for the industry – for example, by enabling customers to check in to a hotel using their phone. However, automation raises significant issues for hospitality managers who wish to actively manage face-to-face relationships with their customers and deliver personalized service: "As technology replaces people, how does the hotel create customer-employee interaction?" Bowen asks. Along with other experts, he anticipates that the hotel front desk function will soon disappear and that, in response, the standard hotel staffing configuration will change. For instance, it could be that the loss of a check-in desk would result in a requirement for additional concierge staff to greet arriving guests.

#### SKILLS SHORTFALL

At present, identifying, training and retaining talented managers for the hospitality industry is problematic. As the requirement for additional managers grows substantially in line with the projected surge in numbers of travellers, the recruitment of skilled staff is a pressing need for the hospitality industry worldwide. This is especially true for resorts, luxury hotels and premium venues which require skilled individuals with advanced management training and education to manage these operations. The online delivery and international provision of university courses in hospitality marketing and management are essential for providing wider access to advanced training; alongside an increased emphasis on the global aspects of the industry, they represent examples of Bowen's contributions to the hospitality education sector.

Importantly, the principles of customer relationship management in the hospitality industry can be applied equally successfully to other service industries. For example, Bowen sees clear links with industries such as healthcare, where there is an increasing dependency on government reimbursement for hospital services based on patient satisfaction. Ultimately, with training in hospitality providing a foundation for management in a diverse range of industries, it is anticipated that Bowen's research and teaching will have wider and more far-reaching applications in the future.

#### HOSPITALITY MANAGEMENT AND RESEARCH

##### RESEARCH INTERESTS

- Customer Satisfaction
- Customer Loyalty
- Social Media
- Design of Service Delivery Systems
- Casino Player Behaviour

##### KEY COLLABORATORS

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**DR JOHN BOWEN** has been recognized as one of the five most influential professors in hospitality management. An article in the *Cornell*

*Hospitality Quarterly* listed him as one of the most influential people on hospitality marketing during the decade of the 1990s. He holds a BS in Hotel Administration from Cornell University, an MS and MBA from Corpus Christi State University and a PhD in Marketing from Texas A&M University.

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