

APPLICATION OF TOTAL QUALITY MANAGEMENT IN FOOD AND BEVERAGE MANAGEMENT A CASE STUDY - ISTANBUL DIVAN HOTEL

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ÖZET

İnsanların yiyecek ve içecek sektörüne olan yoğun ilgisi sonucunda ortaya çıkan yiyecek/içecek yönetimi kavramı, turizm sektörü içerisinde önemli bir yer teşkil etmektedir. Yiyecek/içecek hizmetleri, emek yoğun yapısı nedeniyle sunumu güç bir turizm alt gurubudur. Yiyecek/içecek hizmetlerinin taşıdığı soyut nitelik, kalitenin sağlanmasında çeşitli zorluklara neden olur. Özellikle son yüzyılda kaliteye verilen önem, toplam kalite yönetimi gibi kavramların oluşmasına neden olmuştur. İşletmede çalışan en düşük seviyedeki işçiden, yöneticilere kadar tüm personelin aynı anlayış içerisinde kalitenin sürekliliğini sağlamak için hareket etmesi, toplam kalite yönetiminin dayandığı felsefedir. Yiyecek/içecek yönetiminde toplam kalitenin ne denli uygulanabildiğini ortaya çıkarmaya yönelik bu araştırma, ISO 9000 kalite belgesine sahip İstanbul Divan Otelinde yapılmış bir anket çalışmasını içermektedir. Amaç, yapı itibariyle zor bir yönetim şekli olan yiyecek/içecek yönetiminde; özellikle ülkemiz için oldukça yeni olan toplam kalite yönetiminin ne derece etkili ve faydalı olduğunu ortaya çıkarabilmektir.

ABSTRACT

The Food and Beverage concept, being a result of the intensive interest shown to catering, plays an important and leading role in tourism sector. Being labor-intensive, food and beverage services constitute a difficult sub-group of tourism. Being dependent on personal tastes, food and beverage services cause various difficulties in terms of quality management. Particularly in the recent century, importance attached to quality has led to emergence of concepts such as total quality management. The philosophy underlying total quality management is that all staff members of an enterprise from the lowest echelon of workers to the top managers should behave in the same approach and aim at sustainability of quality. This study is conducted for the purpose of determining the feasibility of total quality concept in food and beverage management and is based on a poll taken in the Istanbul Divan Hotel holding an ISO 9000 quality certificate. Its objective is to clarify to which extent total quality management, being a rather new concept for our country, may be effective and useful in food and beverage management which is by nature a difficult managerial task.

Until recently, people assumed quality merely to be a factor of preference while making a decision. However, today quality has become of vital importance especially in service industry. Due to customers' recognition, businesses have placed the concept of quality in their operation systems in the first place.

Quality is of great importance for tourism, which is a service industry. As service is superior in the products offered in tourism, the application of quality becomes harder. Moreover, ensuring the continuity of the achieved quality level is much more difficult. When F&B services are concerned, maintaining a certain quality in the product and keeping the same quality throughout the presentation of the product emerge as quality application difficulties in the operation of F&B services. When all these are taken into consideration, the unity of continuity concept and quality become inseparable.

In this study, the relation between F&B units, which have a vital place in the total profit, and total quality notion is questioned. These units have lost their attraction since the day they took place in hotels due to the fact that F&B businesses, which used to be units within accommodation units, have gradually been transformed into independent restaurants. Nevertheless, as a result of different marketing concepts, such as having different types of restaurants operate within the hotel as tenants or businesses, F&B units have started to recover their attraction.

Today F&B Management has become a major branch of profession. Merely in America, people eat 50 billion different courses outside their homes in commercial or institutional businesses. Yet, according to a research conducted by US Trade Ministry, the ratio of F&B businesses which manage to survive for more than five years to the general total is 10% and every year 1/3 go bankrupt or change hands. Moreover, as the businesses which have failed to continue to operate for some more time, the loss concerned is

beyond calculations.¹ The reasons why F&B businesses, though mentioned to be profitable, suffer loss vary from the incapability of the people in management, difficulty in finding qualified manpower, the rapid circulation of staff due to the difficulty of the job and working conditions to failures in maintaining the quality of production. (Fosters, 1992, pp.21-22)

For F&B services, menus are the tangible forms of the intangible service concept. The content of the menu should be designed in such a way that it should impress the customers just like an unforgettable speech composed of words chosen with great care. When the content is put to one side, menu designers know that the menus should primarily be designed in such a way that it draws the attention of the customers. Therefore, by using different colors, symbols and certain fonts and styles, the customers are given the chance to go through the menu easily. What is more, pictures of some dishes are printed in the menu in order to engage attention. In short, a menu is the list of what a restaurant wants to sell. (Bowen, 1999, pp.1-2)

The values, which are taken as criteria in menu designing are as follows: (Morrison, 1998, p.2)

- Pre-production cost of the foods which are planned to put on the menu,
- Manpower cost for the food types put on the menu,
- Qualified manpower requirement to produce the kinds on the menu,
- Appropriateness of the kinds for production,
- Demand of the customers for the kinds on the menu,
- Giving place to the kinds which are predicted to be demanded by the customers on the menu.

The one and only profit source of F&B businesses is the total sale of food and beverages. However, it is not the same in hotels. The income from F&B services form the total revenue with room sales and other incomes. Again in hotel businesses, cost of F&B services is of a value of 25-45% in total business costs. Today, while businesses are undergoing a period of bitter competition, showing indifference to these costs and avoidance of forming a certain plan would mean going bankrupt for the business concerned. (Postlewaite, 1998, p.1)

According to White Paper published in 1995, capacity control, security, assets and shareholders' equity, technology and an overall new concept of a management are the factors affecting change. The impact of this change on tourism is inevitable. Instead of making higher profits such as standard room sales, increasing sales in low-profit margins have been aimed. Another important way of increasing the profit margin apart from increasing the sales is decreasing the costs and this could only be realized by performing a good F&B cost control program. (Burgess, 1998, pp. 24 – 29)

The meaning that one can draw from the term "service quality" is pretty plain indeed: service quality is the point where the service performed meets or exceeds the expectations of the customers. (Woods, King, 1996, p.93) When service quality is mentioned the first thing that comes to mind is that only top-quality or similar restaurants should bear this concept, which is quite a fallacy. Service quality could surely be attributed to fast food restaurants as each restaurant type has peculiar customer groups and expectations. Thus, while meeting those expectations every business should offer the best service in the challenging market which it has been competing.

One of the techniques used in order to acquire and maintain the service quality is the SERVEQUAL Model. (Augustyn, Ho, 1998, pp.71 – 75) The fundamental point on which this

model is based is the gaps between what the business has performed as service by taking the expectations of the customers into account and the service that is expected and confronted by the customers.

Gap 1-The Gap between the Customers' Expectations and Administration's Expectations of Customers

Gap 2-The Gap between Administration's Expectations of Customers and Service Quality Characteristics.

Gap 3: The Gap between Service Quality Characteristics and the Presentation of the Service.

Gap 4: The Gap between Presentation of the Service and the Communication with the Customers.

Gap 5: The Gap between the Service Expected and Obtained.

The criteria taken into consideration by the consumer while evaluating the service quality, i.e. the factors named as service quality identifiers are as follows: (Kahraman, 1996, pp.181 – 183) reliability, responsibility consciousness, competence, accessibility, hospitality, communication, understanding, getting informed, quality of the tangible data.

Another point that should not be ignored while discussing the customers' expectations is that quality is a relative concept. (Yaşaroğlu, 2000, p.7) For instance, the expectations of a customer accommodating in a holiday district would completely be different from the expectations of one on a business trip.

In 1997, a research on total quality management was conducted by American Hotel and Motel Association in the USA in 230 member hotels. The hotels evaluated were categorized into three: small-scaled hotels (with a room number of max.150), medium-scaled hotels (with a room number of 150-300) and large-scaled hotels (with

a room number of 300-more). In the studies conveyed so as to check if the total quality management was successfully carried out, it was seen that small and medium scaled hotels were in straits while applying this management model. It was observed that the less the scale of the hotel, the less the motivation in duty assignment, education and development, awards and the equipments and techniques used were. Using the advantages of being a member of a chain-hotel, large-scaled hotels could easily maintain the standards mentioned above. Again, as well-off customers are very selective, the rivalry among large-scaled hotels makes these hotels apply total quality management. (Breiter, Bloomquist, 1998, pp.26 – 33) And maintaining service quality in tourism is important from two aspects: efficient operation and the creation of real customers. (Lockwood, Baker, Ghillyer, 1996, pp. 5 – 7)

F&B services have some specific structural problems. The fact that foods and beverages need to be consumed in short amounts of time leads to some drawbacks. As a matter of course being the last producer, the business, i.e. the F&B unit of a restaurant or a hotel, would like to obtain the ingredients in the most appropriate form so that the customers' satisfaction can be met. At this crucial stage, the reality faced is that in order to be able to maintain total quality in F&B, the companies, which supply F&B businesses with the necessary ingredients, should be attentive to quality. (Dale, Beardsell, 1999, pp.190 – 201)

Qualities that are needed to maintain total quality in F&B management can be listed as follows: (Baker, Fesenmaier, 1997, p.15)

- 1- Tangibles
- 2- Reliability
- 3- Responsibility
- 4- Confidence
- 5- Empathy

Customers' satisfaction is the basic principle in realizing the maintenance of total quality. Beyond what the businesses have offered, the opinions of customers before and after the service are of great importance, too. As time goes by, an increase in the number of customers demanding the same service from the same business indicates that the techniques that are used are fruitful. In other words, the relation between the customers and service producer can be shown as:

Expectation(s) → satisfaction → total service quality (Oyewole, 1999, p. 67)

While maintaining customers' satisfaction, one has to pay attention and even brought into action is the determination of the attitudes of the customers (consumers) as customers can sometimes apply various sanctions in order to make changes in the content of the service offered. (Zeithaml, Hubbert, Faranda, 1997, p.193)

Marketers are the managers of the total demand and demand is a kind of behavior. Marketers try to guess, determine and if possible, manipulate the demand to rise in advance by interpreting consumer behaviors. When F&B service is concerned, a big part of the costumers are in different pursuit. The factors that influence the consumers at the stage of buying food products in order to satisfy their daily needs are the price of the product, appropriateness and seek of disparity. (Kujala, 1994, p.5)

An understanding aiming at the evaluation on the efficiency of the service according to the feedback gathered from the customers is prevalent. However, as the service is personal and sacred, the estimation of how efficient and high-quality the service is determined according to customer opinion. It is possible to define the maintenance of customers' satisfaction mathematically instead of common verbal explanations: (Ünlüönen, Yüksel, 1996, pp. 107 – 108)

Satisfaction = Service Perceived - Service Expected

Another point, which is generally prone to error in the maintenance of customers' satisfaction, is concerning the renewal of a product. Businesses do not consider their old customers in their portfolio important with the desire to draw new customers by making continual renewals. However, winning new customers cost much more than maintaining the customers at hand. What's more, when certain changes are made in the product or service in order to draw new customers, the customers who were pleased with the former form of them may lean towards some other businesses.

In Kano model the necessary quality to maintain customers' satisfaction is categorized into three: (Bergmann, Klefjö, 1994, p.282) fundamental needs, expectations and exciting experiences. One of the strains that businesses face rise when customers feel dissatisfied upon asking for impossible services and being declined and relate this to their acquaintances. Or when the staff tries to meet these impossible demands desperately, the ones that the staff fails to deal with gets dissatisfied. Sometimes in order to meet those impossible demands the staff may even stand up to the administration with challenges that would lead to the disruption of business goals and loss. It is not always the customer who is right. What the famous poet and playwright William Shakespeare says in one of his works with a different aim is very appropriate for this case: "Give every man thy ear, but few thy voice" (Jandt, 1995, pp. 7 – 9) i.e. "Listen what the others say but do not let them hear what you say." (Hamlet:I:iii)

Customers' satisfaction is a fact that is necessary for permanence, i.e. survival of businesses. Especially in fields like tourism where profitability is dependent on the loyalty of

customers it is very important to maintain customers' satisfaction. Researches show that, expenses made to draw new customers are fivefold the expenses made to keep current customers. (Pizam, Ellis, 1998, p. 326)

Case Study

The hotel where our research was done named Divan Hotel – Istanbul. The hotel has been serving tourism industry in Turkey for more than 40 years. The Divan hotel is known in Turkey because of the quality of F&B products they produce in their pastry shops as well, named the same as the hotel. It is holding ISO 9001 Quality Standards and Skal International for the quality of F&B facilities has awarded it.

The questionnaires were applied to both international and local visitors, between March and May 2004. Due to the fact that local visitors are visiting Divan Hotel as daily visitors, not for a stay, only for F & B facilities, we had to create two different questionnaires.

In the evaluation process of the questionnaire SPSS 10.0 statistics program was used. Total number of visitors who answered the questionnaire was 105 for local and 51 for international. Here there are some results only to compare and show the importance of total quality management in F&B facilities. As well as, how important F&B services could be for an accommodation unit and how it could effect customer satisfaction.

In both questionnaires we had a question to understand the reasons of re-stay for both local and international visitors. Since not all of the local visitors are accommodating in the hotel to obtain F & B services, only the ones who were accommodating answered Turkish questionnaire. Results are shown in the Table 1 below.

Table 4 : The Evaluation Of F & B Units By International Visitors

	Taste of the Food		Service Quality		Menu Variety		Price		Serving Timing		Staff		Food Presentation	
	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.	Freq.	Perc.
Not Answered	1	2	1	2	1	2	1	2	1	2	1	2	1	2
Very Bad	0	0	2	4	0	0	0	0	2	4	2	4	0	0
Bad	2	4	0	0	3	6	3	6	3	6	1	2	2	4
Intermediate	10	20	6	12	11	22	21	42	5	10	2	4	7	14
Good	23	45	17	33	26	51	20	39	22	43	20	39	22	43
Very Good	15	29	25	49	10	19	6	11	18	35	25	49	19	37
Total	51	100	51	100	51	100	51	100	51	100	51	100	51	100

As it has shown in Table 3 and Table 4, the Evaluation of F&B units and services based on different variables, results of both local and international visitors are almost the same. The elements like, Service Timing, Staff, Menu Variety were evaluated as very good and good by both local and international visitors. It is surprising to see that 48% of international visitors think that price level is intermediate and bad. If you consider the fact that foreign currencies are

dominant values against Turkish Lira and trading power of them are definitely more, this result may sound as surprising. But we should consider that Divan Hotel is one of the best hotels in Istanbul and this fact is highly recognized by the local visitors. They know that they will pay more but they will get more as well. Such an intelligence, like, to buy quality cheaper definitely does not exist, especially in any subdivisions of service industry, like F&B Management.

Table 5 : F&B Facilities Satisfaction Level Of Local Visitors

	Frequency	Percentage
Exceeding My Expectations	25	23,8
As I Expected	77	73,3
Under My Expectations	3	2,9
Total	105	100

Table 6 : F&B Facilities Satisfaction Level of International Visitors

	Frequency	Percentage
Exceeding My Expectations	11	21
As I Expected	39	78
Under My Expectations	1	2
Total	51	100

As it is shown in the Table 5 and Table 6, both local and international customers are satisfied with the F&B Services of the hotel (97,1% of local, 98% of international visitors). We can clearly say that 23,8% of local and 21% of international visitors are more than satisfied about F&B Services. As in Kano Model we explained earlier, they were happy to gain more than they expected. The level of unsatisfied visitors is tolerable (2,9% of local, 2% of international visitors) if you think how hard process is customer satisfaction overall.

Loyal customers are the key factor in every subdivision of service industry, including F&B Management. Providing a continuous quality process and have loyal customers are definitely better for a firm in long run, instead of searching for new ones. To manage this, a successful application of total quality management is essential. On the other hand the main aim is to guarantee customers' satisfaction in any circumstances. To make this real, all the expenses that a firm does can be considered as an investment, an investment for both regular and potential customers.

In summary, F&B Management needs a continuous production quality. A customer should be satisfied every single time he or she visits the firm. To obtain this kind of satisfaction guarantee in F&B Management, application of total quality management is a 'must'. By the help of its philosophic meaning, total quality management has turned an essential part of modern F&B Management of today. Divan Hotel – Istanbul is one of the rare examples that you can see where this intelligence is applied successfully.

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