ASSIGNMENT MEMORANDUM

SUBJECT : ADVANCED MARKETING RESEARCH: THEORY 4 (AMRT401)
ASSIGNMENT : 2ND SEMESTER 2011

Case: Ramada Demonstrates its Personal Best™

Abstract: This case describes syndicated research in the hospitality industry that revealed trends in customer satisfaction and Ramada's proprietary research leading to the development of the Personal Best™ employee hiring, training and motivation program.


- Used with Chapter 5, students can build the management-research question hierarchy.
- Used with Appendix A, students can develop an internal proposal for the study designed.
- Used with Chapter 6, students can build the research process model up through data collection. This is also a perfect case to use to discuss multi-stage studies, as well as qualitative studies vs. quantitative ones.
- Used with Chapter 14, students can discuss the place of non-probability sampling in business research.
- Used with Chapter 11, students can discuss the types of data being collected as well as reliability and validity issues.
- Used with Chapters 7, 9 and 13, students could discuss how an interview script might have been used, rather than the less formal method Ramada selected.
- Used with Chapters 5 and 7, students can discuss the types of exploratory and qualitative research used, as well as the use of syndicated D.K. Shifflet research and the data necessary to identify the service problem surfing in other mid-tier hotels that had not yet affected Ramada.
- Used with Chapter 9, students can discuss the appropriate communication methods, and why the personal, face-to-face interview was selected.
Discussion questions

1.1 Build the management-research question hierarchy for Ramada (30 marks)

This question gets the student in the habit of formulating the management-research question hierarchy (Chapter 5) as the beginning step of a research project.

- **Management dilemma**: Customers frequenting mid-tier hotels noted declining service levels. RFS needed to prevent this industry trend in declining service among mid-tier hotels from influencing Ramada customers’ perceived and actual service level.

- **Management questions**: What programs in hiring, training, and motivation might RFS develop and implement chain-wide that would prevent declining service among Ramada’s customers?

- **Research question**: What characteristics are indicative of workers capable of delivering exceptional customer service? Which employee characteristics should be used in hiring Ramada workers? Which approaches to training are exceptional-service firms using? Which of these can be adapted to Ramada’s franchisees? What employee motivational programs can sustain exceptional customer service?

- **Investigative questions**: Students should be able to use their personal experience to help them identify some of the following as investigative questions: What skills and characteristics are present in Ramada’s current superior customer service personnel? What training approaches are used by RFS franchisees? Which should be retained or serve as models? Which should be discarded or modified? What do current employees consider ‘exceptional’ or ‘superior’ customer service? To what degree do they feel they personally are responsible for superior customer service? What motivation programs have been used by franchisees with what success? How do employees view motivation programs? Within such programs, what do they like and dislike about the structure, duration, and rewards?

2.1 Application of the research process model

a. Data exploration techniques

- First they used the case-study design to delve into the successful practices of Disney, Southwest Airlines, and TGI Friday. Each such study revealed special processes and features of these processes that these exceptional-service companies had developed. Students may want to discuss why Disney, a seeming competitor, would be willing to participate in such a study. An obvious answer is that Disney theme parks depend on a variety of hotel partners to provide services to Disney visitors, as well as the fact that Disney does not compete directly with Ramada in the mid-tier segment of the industry. But a less obvious answer might be that they didn’t need Disney’s cooperation to study it as a best-practice model. It is from this best-practice exploration via expert interviews that Ramada identified the three areas of possible change.
• RFS also subscribed to Shifflet’s study of customer perceptions’ of hospitality service. Students could classify the Shifflet study and hypothesise about how RFS discovered that it wasn’t experiencing the downward trend of the industry, but rather a stable trend in perceived customer service.

• RFS also conferred with American Hotel and Motel Education Institute for additional information on hiring and motivation practices being used in the industry. (15)

b. **Steps/phases in the research process:** Clearly, the management-research question hierarchy is fully integrated with the exploratory research described above. The management dilemma would have led Ramada to review its own service scores from prior Shifflet studies. This in turn led to the question of what others in the hospitality industry were doing to deliver exceptional service that RFS might also do. This led to the exploratory study of three super-stars in hospitality service. Finally, the discovery of a three-pronged approach to exceptional service led to the research questions’ focus on hiring, training, and employee motivation programs. (6)

c. **Research process decisions:** RFS is a management company that serves the various 900 Ramada franchisees. As a result, any major programs must be authorised by the franchisees themselves, as the financing for such programs comes from them. So a proposal designed to convince franchisees of the necessity of research, and of the necessity of following through on research-revealed program initiatives, would have been a major step in the research process. (5)

d. **Sampling methodology:** Due to the lack of structure afforded by the party-like atmosphere of the research, students may have trouble describing the sampling plan. This is a perfect case for discussing the value of a census vs. a sample. It is also a good case for discussing probability vs. non-probability sampling techniques.

A multi-stage design is used in the RFS project. After their exploration phase, RFS outsourced research to Predictive Index, to identify characteristics used in the hiring and training of self-motivated workers. Then they used 24 of their own staffers to visit 900 franchised properties in a six-month period, where they did a series of formal and informal interviews with managers and employees, respectively. While interviewers drafted a detailed report of observations, as well as recorded suggestions and attitudes of employees, RFS did not use a structured interview instrument. This is an opportunity to discuss structured vs. unstructured response strategies. (8)

e. **Research design and data collection:** The primary data collection portion of the RFS study took six months. Data preparation and analysis took almost as long. This is a good time to discuss coding of interview data, especially when an unstructured instrument is used. Coding in this instance would be like coding thousands of free-response questions. Students may suggest that RFS may have summarised data and refined the interviewing process within the 6-month collection process. This assumption can lead to a discussion of the error issues associated with studies that take a long time,
including study instruments that can experience significant modifications over time.

f. **Role of owners/managers:** Their annual franchisee meeting afforded RFS the opportunity to present the information from the research and make the recommendation of the *Personal Best™* program. An important part of this study is the recognition by RFS of the need to track results of their new program. This is an opportunity to discuss the idea that every new program or program modification introduced by a business or organisation has repercussions or results that make excellent data for tracking or monitoring research.


g. **Party-like atmosphere:** This has the potential for a very interesting discussion of the science of research vs. the need for participant motivation. If we can’t get selected respondents to participate, or give us their full cooperation when they do, it doesn’t bode well for the success of the research process. As long as the interviewers are well trained, the more festive atmosphere may have the effect of reducing employee anxiety of sharing their ideas – and often criticism – with the corporate office. The party-like environment could also have indicated the importance that management placed on the employees’ participation, making them more open about sharing their ideas.

1.3 The research results are reflected in the hiring (characteristics of self-motivated employees discovered by Predictive Index used as hiring screens), training (use of interactive CDs, humorous approach, and flexibility of self-paced learning), and motivation (numerous every-day-experience prizes, shorter timeframe to earn rewards) programs known as Ramada’s *Personal Best™*.