ASSIGNMENT 6

Introduction to Hospitality Industry

In no more than 1000 words each, explain and 2-4 references:

- Select a hotel, restaurant, resort or other hospitality business and answer the following questions:

1. Identify and explain the main characteristics of hospitality products, providing practical examples from your selected business.

2. How does the intangibility of hospitality services influence customer expectations and purchasing decisions?

1. Identify and explain the main characteristics of hospitality products, providing practical examples from your selected business.

Main Characteristics of Hospitality Products: Radisson Collection Hotel, Berlin

Hospitality products are the goods, services and experiences offered by businesses to satisfy customers' needs and expectations. Unlike physical products, hospitality products mainly consist of services and experiences that customers cannot always see or touch before purchasing them.

For this assignment, I have selected Radisson Collection Hotel, Berlin, Germany, a luxury hotel offering accommodation, food and beverage services, guest facilities and hospitality experiences.

The main characteristics of hospitality products include intangibility, inseparability; perish ability, variability and lack of ownership. These characteristics influence how hotels manage their services and maintain customer satisfaction.

Main Characteristics of Hospitality Products

1. Intangibility

Intangibility means that hospitality services cannot be physically touched, tested or examined before customers purchase them. Guests usually make decisions based on photographs, online reviews, recommendations, brand reputation and service descriptions.

Practical example:

At Radisson Collection Hotel, Berlin, guests book rooms based on photographs, room descriptions and online reviews. Before arriving, they cannot physically experience the comfort of the bed, the friendliness of employees or the quality of room service.

Therefore, the hotel must maintain a positive reputation, attractive presentation and professional customer service to build trust and encourage bookings.

2. Inseparability

Inseparability means that hospitality services are produced and consumed at the same time. Customers and employees often participate together in delivering the service.

Practical example:

When a guest checks into Radisson Collection Hotel, the receptionist provides the service directly to the customer. The guest's experience depends on the receptionist's communication skills, professionalism and attitude.

Similarly, restaurant services involve interaction between kitchen staff, waiters and guests. Good employee performance helps create a positive customer experience.

3. Perish ability

Perish ability means that hospitality products cannot be stored or saved for future sale. If a hotel room remains empty for one night, the opportunity to earn revenue from that room is permanently lost.

Practical example:

If Radisson Collection Hotel has 100 rooms available but sells only 80 rooms on a particular night, the remaining 20 rooms represent lost revenue opportunities. The hotel cannot sell those unused rooms for the previous night later.

To reduce this problem, the hotel can use promotional offers, seasonal discounts, advance bookings and revenue management strategies to increase occupancy.

4. Variability (Heterogeneity)

Variability means that the quality of hospitality services can differ depending on the employees, time, location and circumstances. Unlike manufactured products, services are not always identical.

Practical example:

At Radisson Collection Hotel, Berlin, guests may receive different service experiences depending on the staff member serving them. One receptionist may provide a quick and friendly check-in, while another may take longer to complete the process.

Similarly, housekeeping quality may vary depending on workload and staff performance. To maintain consistent quality, the hotel should provide employee training, follow standard operating procedures, conduct regular inspections and collect guest feedback.

5. Lack of Ownership

Lack of ownership means that customers pay for the temporary use of a hospitality product or service rather than owning it permanently.

Practical example:

When a guest books a room at Radisson Collection Hotel, Berlin, they pay for the right to use the room for a specific period. They do not own the bed, furniture, swimming pool or other hotel facilities.

After checkout, the room becomes available for another guest. This means the customer purchases an experience and temporary access rather than permanent ownership.

6. Combination of Tangible and Intangible Products

Hospitality businesses offer a combination of physical products and intangible services. Both are important in creating customer satisfaction.

Practical example: At Radisson Collection Hotel, Berlin:

* Tangible products include guest rooms, beds, furniture, food, swimming pools and hotel facilities.

* Intangible products include customer service, hospitality, relaxation, comfort and memorable experiences.

The hotel combines these elements to provide guests with a complete hospitality experience. Radisson Collection Hotel, Berlin.

Conclusion

In conclusion, hospitality products are different from ordinary manufactured products because they focus on services, experiences and customer satisfaction. The main characteristics include intangibility, inseparability; perish ability, variability, lack of ownership and the combination of tangible and intangible products.

Radisson Collection Hotel, Berlin demonstrates these characteristics through its accommodation, restaurants, wellness facilities and customer services. Understanding these characteristics helps hospitality businesses improve service quality, manage customer expectations, increase guest satisfaction and build customer loyalty.

References

1. Cornell University, School of Hotel Administration. (2013). Marketing Fundamentals for the Hospitality Industry: Characteristics of Services. eCornell. Read reference.

2. Reynolds, D. (2020). Hospitality Management: An Introduction. Wiley. Read reference.

3. Radisson Hotel Group. (2026). Radisson Collection Hotel, Berlin. Official hotel website. Visit hotel website.

4. George, R. (2021). Marketing Tourism and Hospitality: Concepts and Cases. Springer. Read reference.

2. How Does the Intangibility of Hospitality Services Influence Customer Expectations and Purchasing Decisions?

Selected Business: Radisson Collection Hotel, Berlin, Germany

Intangibility is one of the most important characteristics of hospitality services. It means that customers cannot physically touch, test or examine a service before purchasing it. Unlike buying a mobile phone or a piece of clothing, booking a hotel room involves purchasing an experience that the customer can only fully evaluate after using the service.

The intangibility of hospitality services influences customer expectations, purchasing decisions, trust, perceived quality and customer satisfaction.

1. Influence on Customer Expectations

Since customers cannot experience hotel services before booking, they develop expectations using different sources of information.

a) Online reviews and ratings: Customers often read online reviews on platforms such as Google, TripAdvisor and Booking.com before choosing a hotel. Positive reviews create expectations of good service, cleanliness, comfort and professional staff.

For example, a guest booking Radisson Collection Hotel, Berlin, may expect luxury accommodation, friendly employees and high-quality services based on previous guests' reviews.

b) Hotel images and descriptions: Photographs, videos and website descriptions help customers imagine the experience they will receive.

For example, pictures of hotel rooms, restaurants, interior design and facilities may create expectations of luxury and comfort. If the actual experience does not match the photographs, customers may feel disappointed.

c) Brand reputation: A recognized hotel brand creates confidence among customers. Guests may expect consistent service quality, professional management and high standards because of the hotel's reputation.

d) Personal recommendations: Recommendations from friends, family members and colleagues also influence expectations. Customers often trust personal experiences when selecting accommodation.

2. Influence on Purchasing Decisions: Intangibility can make customers feel uncertain because they cannot guarantee the quality of a hotel service before experiencing it. Therefore, customers consider several factors before making a reservation.

a) Perceived risk: Customers may worry about wasting money if the hotel does not meet their expectations.

For example, a guest paying a premium price for a luxury room at Radisson Collection Hotel may expect excellent cleanliness, comfort and customer service. If the hotel has negative reviews, the guest may choose another hotel to reduce the risk.

b) Price and value for money: Customers compare hotel prices with the facilities and services offered. A higher price can create expectations of better quality, luxury and personalised attention.

For example, customers booking a luxury hotel expect the room quality, dining experience and customer service to justify the price.

c) Brand image and reputation: A well-known hotel brand can influence purchasing decisions because customers may associate it with reliability and consistent service standards.

For example, customers familiar with Radisson hotels may feel more confident booking Radisson Collection Hotel in Berlin.

d) Online reviews and ratings: Positive customer feedback encourages potential guests to make reservations, while negative comments about cleanliness, staff behaviour or service quality may discourage them.

e) Promotional offers and guarantees: Special offers, flexible cancellation policies and clear booking conditions can encourage customers to book because they reduce financial risk and uncertainty.

Research also indicates that hotel reputation and perceived price influence customers' perceived risks when purchasing hotel services.

3. How Can the Hotel Reduce the Negative Effects of Intangibility?

Radisson Collection Hotel, Berlin can reduce customer uncertainty through the following methods:

* Provide high-quality photographs and videos of rooms, restaurants and facilities.

* Maintain positive customer reviews and respond professionally to complaints.

* Provide accurate descriptions of room facilities, prices and services.

* Train employees to deliver friendly, professional and consistent customer service.

* Offer transparent booking conditions and suitable cancellation policies.

* Maintain high standards of cleanliness, safety and guest satisfaction.

These strategies help customers develop realistic expectations and feel confident about their purchasing decisions.

Conclusion: In conclusion, the intangibility of hospitality services has a significant influence on customer expectations and purchasing decisions. Since customers cannot physically experience a hotel service before booking, they depend on online reviews, photographs, brand reputation, recommendations and pricing to evaluate its quality.

Radisson Collection Hotel, Berlin can attract more customers by providing transparent information, maintaining positive reviews, offering professional customer service and ensuring that the actual guest experience matches the promises made during booking.

Therefore, managing customer expectations and reducing perceived risks are essential for building trust, increasing bookings and achieving long-term customer loyalty.

References

1. Laroche, M., McDougall, G. H. G., Bergeron, J., & Yang, Z. (2004). Exploring how intangibility affects perceived risk. Journal of Service Research, 6(4), 373–389. https://doi.org/10.1177/1094670503262955

2. Ye, Q. (2014). How risky are services? An empirical investigation on the antecedents and consequences of perceived risk for hotel service. International Journal of Hospitality Management, 37, 171–179. https://doi.org/10.1016/j.ijhm.2013.11.008

3. Radisson Hotel Group. (2026). Radisson Collection Hotel, Berlin – Rooms and services. Official hotel website

4. Mitchell, V-W., & Greatorex, M. (1993). Risk perception and reduction in the purchase of consumer services. The Service Industries Journal, 13(4), 179–200. https://doi.org/10.1080/02642069300000068