

## **CHAPTER 2: Meeting Guest Expectations through Planning**

### **Testbank**

#### **True/False**

1. While a strong brand name is important to a business, it can be a disadvantage if it has negative associations in certain markets.

Ans: T

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Group and individual behaviors

Answer Location: The Brand Image

Difficulty Level: Medium

2. If any change is forecast, an organization should reinvent itself and learn new core competencies.

Ans: F

Learning Objective: LO 2.1.Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Reinventing the Industry

Difficulty Level: Easy

3. A design day is used to decide which day of the year to build for when determining the design capacity of an attraction or facility.

Ans: T

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: The Design Day

Difficulty Level: Easy

4. Yield management is an important capacity-planning concept for companies with non-perishable commodities.

Ans: F

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Yield Management

Difficulty Level: Easy

5. Successful managers must have two skills or qualities: management ability and a service orientation.

Ans: F

Learning Objective: LO 2.5 Describe the process to determine core competencies.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Core Competencies

Difficulty Level: Easy

6. The ability to imagine a future market opportunity that is currently unpopulated with competitors is called “Blue Ocean Strategy.”

Ans: T

Learning Objective: LO 2.6 Describe the importance of a mission and vision statement in focusing the strategic plan on the best way to fit core competencies with strategic premises.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: The Vision Statement

Difficulty Level: Easy

7. Some companies employing a low-price strategy still provide excellent customer service.

Ans: T

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: A Lower Price

Difficulty Level: Easy

8. When evaluating an organization's core competencies, customers must first be informed about the results of previous surveys.

Ans: F

Learning Objective: LO 2.5 Describe the process to determine core competencies.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Internal Assets

Difficulty Level: Medium

9. An excellent service strategy has three characteristics: quality, value, and service.

Ans: F

Learning Objective: LO 2.7 State the importance of including the key drivers of guest satisfaction in the planning process.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Service Strategy

Difficulty Level: Easy

10. Generation Z is comprised of those born in the year 1997 or later.

Ans: T

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Generation X, Generation Y or the Millennials, and the Next-Gens

Difficulty Level: Easy

11. The five key areas in which action plans should be established are Management, Sales, Capacity Utilization, Finance, and Marketing.

Ans: F

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Action Plans

Difficulty Level: Easy

12. Good plans attempt to bring rationality and stability to the organization's operations and efforts.

Ans: T

Learning Objective: LO 2.10 Recall that while plans are necessary, organizations must be ready and capable of change.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: The Uncertain Future

Difficulty Level: Medium

13. An excellent service strategy will emphasize providing value to guests above all; not far behind will be an emphasis on providing quality.

Ans: F

Learning Objective: LO 2.7 State the importance of including the key drivers of guest satisfaction in the planning process.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: 3 Generic Strategies

Difficulty Level: Medium

14. The organization's mission statement articulates the organization's purpose.

Ans: T

Learning Objective: LO 2.6 Describe the importance of a mission and vision statement in focusing the strategic plan on the best way to fit core competencies with strategic premises.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Vision and Mission Statements

Difficulty Level: Easy

15. The organization's mission statement will include, at a minimum, the following three elements: what the company does, who they do it for, and how they benefit society.

Ans: F

Learning Objective: LO 2.6 Describe the importance of a mission and vision statement in focusing the strategic plan on the best way to fit core competencies with strategic premises.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Mission Statements

Difficulty Level: Medium

16. Core values are not part of the mission statement.

Ans: F

Learning Objective: LO 2.6 Describe the importance of a mission and vision statement in focusing the strategic plan on the best way to fit core competencies with strategic premises.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Mission Statements

Difficulty Level: Easy

17. Because hospitality services are largely intangible, having a strong brand image is very important in the hospitality field.

Ans: T

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: The Brand Image

Difficulty Level: Easy

18. Differentiation means to scrap the old strategic plan and build a different one.

Ans: F

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: A Different Product



Difficulty Level: Medium

19. An example of finding a special niche would be to target a market by lowering the cost of the service product.

Ans: F

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: A Special Niche

Difficulty Level: Medium

20. Although strategic planning is traditionally viewed as a management prerogative, more hospitality organizations are including their employees in planning.

Ans: T

Learning Objective: LO 2.9 Recognize the value added to the planning process by including those affected by the plans.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Involving Employees in Planning

Difficulty Level: Medium

21. According to Michael Porter, three service strategies include a lower price, a differentiated product, and finding a market niche.

Ans: T

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Generic Strategies

Difficulty Level: Easy

22. Scenario planning and the Delphi technique are quantitative forecasting techniques.

Ans: F

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Knowledge

AACSB: Contexts of organizations in a global society

Answer Location: Assessing the Environment

Difficulty Level: Medium

23. The best of strategic plans may have to be changed, because the future is uncertain.

Ans: T

Learning Objective: LO 2.10 Recall that while plans are necessary, organizations must be ready and capable of change.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: The Uncertain Future

Difficulty Level: Easy

24. Three important factors that will influence future hospitality organizations are changing technology, the entry of Generation Y into the workforce, and changes in market segment definitions.

Ans: F

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Comprehension

AACSB: Contexts of organizations in a global society

Answer Location: Demographics

Difficulty Level: Medium

25. Some factors that will affect future hospitality organizations are predictable and simple, like estimating how many teenagers will be available for work in ten years.

Ans: T

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Knowledge

AACSB: Contexts of organizations in a global society

Answer Location: Managerial Implications of Generation Y in the Workforce

Difficulty Level: Easy

26. The organization draws conclusions about the future, uses the conclusions to make assumptions called strategic plans, and then bases its strategic premises on the strategic plans.

Ans: F

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Introduction

Difficulty Level: Medium

27. Today's forecasting tools are powerful enough to sufficiently replace managerial judgment.

Ans: F

Learning Objective: LO 2.3 Identify the key external and internal factors that must be examined for successful planning.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Lessons Learned

Difficulty Level: Medium

28. The internal assessment allows the organization to identify its opportunities and threats as part of a long-term planning process.

Ans: F

Learning Objective: LO 2.2 Explain how the elements of the organizational planning cycle result in the establishment of the hospitality organization's overall strategic plan and service strategy.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Looking Within

Difficulty Level: Medium

29. Qualitative forecasting tools use subjective information used to make projections.

Ans: T

Learning Objective: LO 2.3 Identify the key external and internal factors that must be examined for successful planning.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Forecasting

Difficulty Level: Easy

30. Past performance is always a great measure of future performance.

Ans: F

Learning Objective: LO 2.3 Identify the key external and internal factors that must be examined for successful planning.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Forecasting

Difficulty Level: Easy

31. Predicting the economic impact of a new technology on the hospitality industry is a fairly simple challenge for qualified researchers.

Ans: F

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Predicting the Competitive Environment

Difficulty Level: Medium

32. Hotel Roberto will be the highest guest rated, state-of-the-art, 5-star, boutique hotel in the Nashville area is an example of a mission statement.

Ans: F

Learning Objective: LO 2.6 Describe the importance of a mission and vision statement in focusing the strategic plan on the best way to fit core competencies with strategic premises.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Vision Statement

Difficulty Level: Medium

33. The final step in the service strategy is to figure out how the service delivery system makes the service product available to the guest.

Ans: T

Learning Objective: LO 2.7 State the importance of including the key drivers of guest satisfaction in the planning process.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Determining the Delivery-System Strategy

Difficulty Level: Easy

34. The management performance plan includes the idea that what gets managed gets measured and what gets measured gets done.

Ans: F

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Management Performance Plans

Difficulty Level: Medium

35. If turnover is seen as a potential issue in implementing a new service strategy, then a retention strategy to keep productive employees should also be implemented.

Ans: T

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Employee Hiring, Training, and Retention Plans



Difficulty Level: Medium

36. All action plans in the strategic planning process require funds. Therefore, a plan needs to be put in place to strategically use those funds.

Ans: F

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Financial Budget Plans

Difficulty Level: Medium

37. Managerial performance plans and marketing plans should be considered individually and as part of the entire strategic plan.

Ans: T

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Action Plans as an Integrated Whole

Difficulty Level: Easy

38. The very plans that make a company competitive under one set of circumstances can make it uncompetitive if the management does not pay attention and react to changes in the marketplace.

Ans: T

Learning Objective: LO 2.10 Recall that while plans are necessary, organizations must be ready and capable of change.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Uncertain Future

Difficulty Level: Easy

Multiple Choice

39. A strong brand promise

- a. reduces customer uncertainty
- b. encourages brand preference
- c. guarantees customer loyalty
- d. ensures quality service

Ans: C

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: The Brand Image

Difficulty Level: Easy

40. The mission statement articulates

- a. the organization's market position
- b. the organization's purpose and reason for existence
- c. the organization's hopes for the future
- d. the organization's five-year plan

Ans: B

Learning Objective: LO 2.6 Describe the importance of a mission and vision statement in focusing the strategic plan on the best way to fit core competencies with strategic premises.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Vision and Mission Statements

Difficulty Level: Easy

41. The vision statement articulates

- a. the organization's market position
- b. the organization's purpose and reason for existence
- c. the organization's hopes for the future
- d. the organization's five-year plan

Ans: C

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Vision and Mission Statements

Difficulty Level: Easy

42. An example of a low-cost forecasting technique is

- a. times series models
- b. scenario development
- c. econometric models
- d. multiple regression

Ans: B

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Exhibit 2-3

Difficulty Level: Easy

43. Building physical capacity based on selecting a lower percentile day will NOT have a negative impact on

- a. customer satisfaction

- b. revenue
- c. long-term attendance growth
- d. cost

Ans: D

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and Processes in Organizations

Answer Location: The Design Day

Difficulty Level: Medium

44. The \_\_\_\_\_ assessment leads to the generation of strategic premises about the future environment, while the \_\_\_\_\_ assessment leads to a redefinition or reaffirmation of organizational core competencies.

- a. external; internal
- b. internal; external
- c. environmental; SWOT
- d. SWOT; environmental

Ans: A

Learning Objective: LO 2.2 Explain how the elements of the organizational planning cycle result in the establishment of the hospitality organization's overall strategic plan and service strategy.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Hospitality Planning Cycle

Difficulty Level: Medium

45. Generation Y consists of those born from

- a. 1977 to 1997
- b. 1997 to present
- c. 1985 to 2000
- d. 1942 to 1976

Ans: A

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Knowledge

AACSB: Contexts of organizations in a global society

Answer Location: Generations X, Y or the Millennials and the Next gens

Difficulty Level: Easy

46. Which hotel segment is most likely to employ a market niche strategy?

- a. economy
- b. luxury
- c. extended stay
- d. all suites

Ans: C

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: A Special Niche

Difficulty Level: Easy

47. Fast-food companies shifting to more ethically sourced ingredients such as cage-free eggs are an example of what strategy?

- a. low-price provider
- b. differentiation
- c. market niche
- d. competitive pricing

Ans: B

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: A Different Product

Difficulty Level: Medium

48. With popular rides based on trademarked characters and films, Disneyland uses which strategy?

- a. low-price provider
- b. differentiation
- c. market niche
- d. competitive pricing

Ans: B

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Combining Strategies

Difficulty Level: Medium

49. As a low-cost carrier known for outstanding service, Southwest Airlines uses which strategy?

- a. low-price provider
- b. combined low cost and high value
- c. market niche
- d. Brand Image

Ans: B

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations



Answer Location: Combining Strategies

Difficulty Level: Medium

50. Vegan restaurants are a good example of which strategy?

- a. low-price provider
- b. differentiation
- c. market-niche
- d. brand image

Ans: C

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Special niche

Difficulty Level: Easy

51. A company using a \_\_\_\_\_ strategy looks for ways to distinguish itself from its competitors.

- a. low-price provider
- b. differentiation
- c. market niche
- d. brand image

Ans: B

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Differentiated Product

Difficulty Level: Medium

52. A company using a \_\_\_\_\_ strategy seeks to be the first to move into a market segment to meet an unfulfilled customer need.

- a. low-price provider
- b. differentiation
- c. market niche
- d. both B and C

Ans: C

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: A Special Niche; the difference between niche and differentiation

Difficulty Level: Easy

53. Imitation by competitors is a downside of which strategy?

- a. low-price provider

- b. differentiation
- c. brand image
- d. high value

Ans: B

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Three Generic Strategies

Difficulty Level: Medium

54. Regardless of strategy, the best way to maintain success is

- a. provide better quality and value than your competitors
- b. invest in good marketing campaigns
- c. constantly innovate and look for new market niches
- d. hire and retain quality employees

Ans: A

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: 3 Generic Strategies

Difficulty Level: Medium

55. The Delphi technique is best used for

- a. scenario building
- b. focus groups
- c. brainstorming
- d. forecasting sales

Ans: C

Learning Objective: LO 2.3 Identify the key external and internal factors that must be examined for successful planning.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Forecasting

Difficulty Level: Easy

56. Successful yield management is best described as

- a. making sure that every room in the hotel is sold at full price or rack rate
- b. maximizing utilized restaurant food and minimizing wasted food
- c. managing the sale of capacity units to maximize their profitability
- d. ensuring value is more than cost

Ans: C

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Yield Management and Revenue Management

Difficulty Level: Medium

57. A core competency is

- a. the sum of all essential functions of an organization
- b. defined by a company's vision statement
- c. what gives the company an important difference in providing customer benefits and perceived value
- d. the financial strength of the company

Ans: C

Learning Objective: LO 2.3 Identify the key external and internal factors that must be examined for successful planning.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Core Competencies

Difficulty Level: Easy

58. A good example of a quantitative planning tool is

- a. scenario planning
- b. the Delphi technique
- c. brainstorming
- d. statistical forecasting

Ans: D

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Assessing the Environment

Difficulty Level: Easy

59. If an airline determines that food quality is not one of its core competencies, it should

- a. improve the quality until it becomes a core competency
- b. neglect food service in favor of focusing on other core competencies
- c. look to accent its financial strength
- d. it should sell its brand image

Ans: A

Learning Objective: LO 2.5 Describe the process to determine core competencies.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Core Competencies

Difficulty Level: Hard

60. Forecasting techniques are based on the idea that

- a. the future is related to the past (Assessing the Environment; Quantitative Forecasting Tools)
- b. the future can be predicted accurately
- c. a good guess about the future is better than no guess at all
- d. experts with the right tools can know the future with near certainty

Ans: A

Learning Objective: LO 2.3 Identify the key external and internal factors that must be examined for successful planning.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Forecasting

Difficulty Level: Medium

61. The design-day concept is based on the idea that

- a. the organization has to decide how much quality to have available
- b. guest demand is uncertain
- c. one day is better than another
- d. guest demand is predictable

Ans: B

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Design Day

Difficulty Level: Easy

62. According to Leonard Berry, the most important component of an excellent service strategy is a commitment to

- a. Service
- b. Quality
- c. Value
- d. Achievement

Ans: B

Learning Objective: LO 2.7 State the importance of including the key drivers of guest satisfaction in the planning process.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Developing the Service Strategy

Difficulty Level: Easy

63. When assessing future hospitality work, which statement is the most likely or accurate?

- a. The next generation resembles the current generation in work ethic.
- b. The next generation will be more psychologically motivated than the current generation.



- c. The next generation of employees will be more diverse than the current generation.
- d. Baby boomers will have minimal effect on the available workforce.

Ans: C

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Comprehension

AACSB: Contexts of organizations in a global society

Answer Location: Generation Y in the Workforce

Difficulty Level: Medium

64. Regarding the chapter's strategic planning model, strategic premises are developed on the basis of

- a. an environmental assessment
- b. an internal audit
- c. the organization's most comprehensive vision
- d. key performance indicators

Ans: A

Learning Objective: LO 2.1 Distinguish between the three generic strategies for positioning products and services.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Strategic Premises

Difficulty Level: Easy

65. Regarding the chapter's strategic planning model, the internal audit seeks to identify

- a. the important competitors in the marketplace
- b. the organization's core competencies
- c. key drivers of the accounting department
- d. ambient conditions.

Ans: B

Learning Objective: LO 2.5 Describe the process to determine core competencies.

Cognitive Domain: Knowledge

AACSB: Systems and processes in organizations

Answer Location: Internal assets

Difficulty Level: Easy

66. A key driver is

- a. a major force in the competitive environment
- b. what differentiates a company from its competitors
- c. something valued by a guest that drives guest satisfaction
- d. the same as a core competency

Ans: C

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Determining the Service Product Strategy

Difficulty Level: Hard

67. Which of the following is an example of an action based on an internal assessment?

- a. A restaurant adds smoothies to its menu after reading a report that Generation Z consumers appreciate freshness and customizability in menus.
- b. A restaurant decides to open earlier on weekends after receiving many calls from customers trying to make brunch reservations.
- c. A restaurant signs up with a third-party delivery service to compete with other restaurants on the service.
- d. A restaurant decides to sign on and use UBER because all the competitors are increasing their revenue this way and there is no insurance cost to the restaurant.

Ans: B

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Analysis

AACSB: Systems and processes in organizations

Answer Location: Looking Within

Difficulty Level: Hard

68. Which three supplier types should be examined in an environmental forecast?

- a. land, labor, and capital
- b. resources, labor, and capital
- c. raw materials, finances, and entrepreneurship
- d. equity, assets, and perishables

Ans: B

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Comprehension

AACSB: Contexts of organizations in a global society

Answer Location: Changes in Other Relevant Groups

Difficulty Level: Medium

69. If the Hyatt Corporation were to take a stand on terrorism and institute a corporate-wide policy implementing security bag check-in at all hotels and deactivation of all side door key entry after hours; they would be responding based on

- a. a terrorism threat
- b. environmental assessment
- c. internal evaluation
- d. political event

Ans: B

Learning Objective: LO 2.2 Explain how the elements of the organizational planning cycle result in the establishment of the hospitality organization's overall strategic plan and service strategy.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: Looking Around

Difficulty Level: Medium

70. Which of the following issues is LEAST important in managing labor?

- a. Discipline
- b. Staffing
- c. Training and Development
- d. Motivation

Ans: A

Learning Objective: LO 2.4 Recognize the quantitative and qualitative tools used for forecasting in the hospitality environment—external and internal.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: The Labor Market

Difficulty Level: Medium

71. In a design day capacity for an amusement park, when the capacity is \_\_\_\_\_, the

quality of the experience is \_\_\_\_\_.

- a. met; at a high
- b. exceeded; diluted
- c. empty; high
- d. met; increased

Ans: B

Learning Objective: LO 2.8 Describe a planning model, showing how components are tied together and action plans are developed.

Cognitive Domain: Comprehension

AACSB: Systems and processes in organizations

Answer Location: The Design Day

Difficulty Level: Medium