



**NATIONAL CHENG KUNG UNIVERSITY**  
**Institute of International Management**

**Service Operation Management**

**Midterm report**

**Service analysis of “The Edge”**

**Restaurant and Lounge bar**

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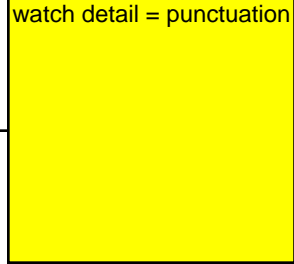
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## **I. Introduction**

Service industry is the booming industry in Taiwan .A government report pointed out that 59 percent of the labor forces are working in service industry in 2006, the service sector accounted for 73% of GDP(TETD, 2007). This indicates clearly that service industry plays a very important role in the economy of Taiwan. For our study, we have selected “The Edge” to know the service aspects of the restaurant and lounge bar.

### **1.1. Location of “The Edge”**

“The Edge” is basically a “Restaurant & Lounge Bar” located just opposite to the KuangFu Campus of National Cheng Kung University. The first floor of the building is occupied by 7-Eleven convenient stores, the second floor by another restaurant and “The Edge” occupies the 3<sup>rd</sup> floor of the building. The floors above”The Edge” are occupied by a music club and residential flats.

The customers can see the big name board of “The Edge” on the left corner of the building and in the entrance too, they do have the name board. When the customers enter the first floor of the building, they can find the elevator and just in front of the entrance of the elevator, they can find the basic information about “The Edge “such as, the exact floor in which “The Edge” is situated.

### **1.2. The Research Motivation and Objective**

The restaurant and bar industry is growing very fast in Taiwan. In March, the wholesale, retail, and bar and restaurant industries combined showed a 5.42% over March last year. The three industries showed a 6.87% on-year rise from March 2005, with earnings totaling NTD 2.67 trillion in Q1 2006. The wholesale industry showed a 7.21%

yearly increase in sales from March 2005, while the retail industry and bar and restaurant industries showed increases of 7.21% and 5.33% on last year, respectively (MOEA, 2006).

The restaurant and bar industry is absolutely a service based industry mainly focused on serving the customers and in winning their good will; a careful approach is needed in tailoring and satisfying customers to thrive well in business. It is a more sensitive mouth of customers to a certain extent determines the failure.

Make more comprehensive section on this

In this study, we used various data collection tools such as observation, service blue print and cycle of service to gather the related information from “The Edge” and after analysis, suitable inferences have been made and the failure points were found out and some suggestions based on the failure points were made to improve the service for better customer satisfaction and loyalty

## II. Basic service package

Most of the people go to restaurant for having delicious food. On the other hand, young people especially teenagers and middle aged people often visit to lounge bar, for drinking and relaxing. For this purpose several kinds of services are also provided to attract the customers such as providing different kind of food items, beverages and playing music in ambient environment. The Edge tries to attract their target market segment especially foreigners by selling beverages for cheap rates compared to other bars or pub in and around Tainan. In our study, we made an attempt to know the basic restaurant and lounge bar service as well as its supporting and facilitating services.

## 2.1. Core service

Core services are the main income generating services. However, definitely special attention should be paid to improve this service, special care should be taken from the author facilities.

Redefine as the benefit. May be Providing a fun location to socialize.

Avoid informal words.

The core service of "The Edge" is drinks. Even though "The Edge" is a restaurant providing snacks, burger, spaghetti, the main stuff they focus on is drinks. It is the main source of Edge's incomes. The customers are mainly foreigners (Westerners, Europeans and Latin Americans) more than Taiwanese and especially they go there for drinking, chatting with their friends and listen to music.

## 2.2. Facilitating services

### 2.2.1. Information

The Edge just opened three months ago and they have advertised in local newspaper as well as in local online bulletin named Tainan Bulletin. Most of the customers knew this place through friends as well as by referring the bulletin.

Add reference.

Before entering the restaurant and lounge, clients can see some information in front of the door such as opening time is from 9 p.m until they close, information using internet wireless, prohibition-not to take food or drink from outside and they do have a message and it seems remind the customers that at least they have to spend 70NT if they have entered the restaurant even though they are not intended to drink or eat.

### 2.2.2. Order taking

There is no such facility of prior reservation for reserving the table or ordering the food except for the special reservation like party and other anniversaries where customer can reserve via telephone or email.

### 2.2.3. Billing and payment

There is no formal billing system in the Edge, sometime the waitress provides bill after delivering the food or beverage or sometime she just goes to customers and tells the amount that customer has to pay. However the bill is just hand written and is not clear to the customers. Customer must have to pay the exact amount of the bill by cash (can not pay by credit card) immediately after delivery of food or drink, for example if they order 5 times, they must pay the cash 5 times too.

ok - note

## 2.3. Enhancing Supplementary services:

### 2.3.1. Consultation:

If there are new kinds of snacks or drinks provided in the menu, employees may recommend to the customers, for example "this is tasty, good and sweet, would you mind to taste it?", more often customers do not know what kind of foods, they want to order, employees should recommend kind of foods for them. Nevertheless, we don't see any action in the Edge.

Not clear. Don't use these types of abbreviations in formal writing.

### 2.3.2. Hospitality

The quality of the hospitality service offered by a restaurant, lounge or company can increase or decrease satisfaction with the core product. Customers are greeted by the

waitress there and cashier (Taiwanese)-she can speak English fluently and friendly, moreover, other one waitress can speak Spanish. She feels free to answer or help the customers. The interior decoration is good and attractive too. There is a separate place with sofa combat too, but the disadvantage is it is near the restroom. However, the restroom is clean and fresh comparing to other restaurants or other lounge. Customers can enjoy using wireless internet service while chatting with their friend, nevertheless “The Edge” is little dark; the environment appropriate of bar with dim lights which makes difficulty to see the laptop.

In front of the table, the big LCD shows the movies and music, it seems interesting and attractive, for few customers only because sometimes they do play Latin American music which is not the preference of Taiwanese customers.

### 2.3.2. Safekeeping


While visiting a service site, facility to store their personal belongings. In reality, certain provided as safe and convenient parking for their cars or scooters, coatrooms etc. Based on the fact, no parking of valuable, those factors may be the concern for some customers who will not prefer Edge.

Describe what is there at this stage. Who is their target market? Doesn't seem obvious that for the foreign customer segment that car parking will be an issue?

### 2.3.3. Exceptions

Well defined procedures make it easier for employees to respond promptly and effectively, unless employees will get surprise when customers ask for special assistance like vegetarian meals. The menu of the Edge doesn't have such kind of food for





vegetarians. A flexible approach is usually a good idea, because it reflects responsiveness to customer needs.

### **III. Augmented service offering**

As we mentioned in the previous part, the basic service package including the core service, facilitating services and supporting services and all of them are perceived in various ways. To understand about service process's ways, which differ from situation to situation, we depend on three basic elements: accessibility of the service, interaction with the service organization and customer participation. These elements are combined with three concepts of the basic package and formed an augmented service offering. However, these elements of the service offering should contribute the customers benefit.

#### **3.1. Accessibility of the service**

As we know, though a restaurant provide an excellent service package but there is no accessibility, that means the perception of customers is low or even may be damage the business. In the Edge, we found out the factors of the service offering which made customers feel whether it is easy or difficult to get access to the service or worthy for the money which they are paying for the service. There are some aspects of accessibilities we already found in The Edge.

##### *3.1.1. Site accessibility*

From the customer's point of view, we realized that The Edge is in the convenient location, near to National Cheng Kung University where there are lots of Westerners, Europeans and Latin Americans who generally visit that location. This place

is suitable taking into consideration, the target customers of the restaurant came to know about Edge through one of our friends who used to go there from Latin American country. In fact, they don't have any branch apart from this one. The opening time for every day is 21.00 p.m until they close. Monday is the weekly holiday. But when we interviewed one employee, she said that the time for closing depends on the number of customers they have on that day. If there is no one, maybe the boss closes the restaurant earlier than normal.

single site

useful

3.1.2. Exterior and interior of restaurant

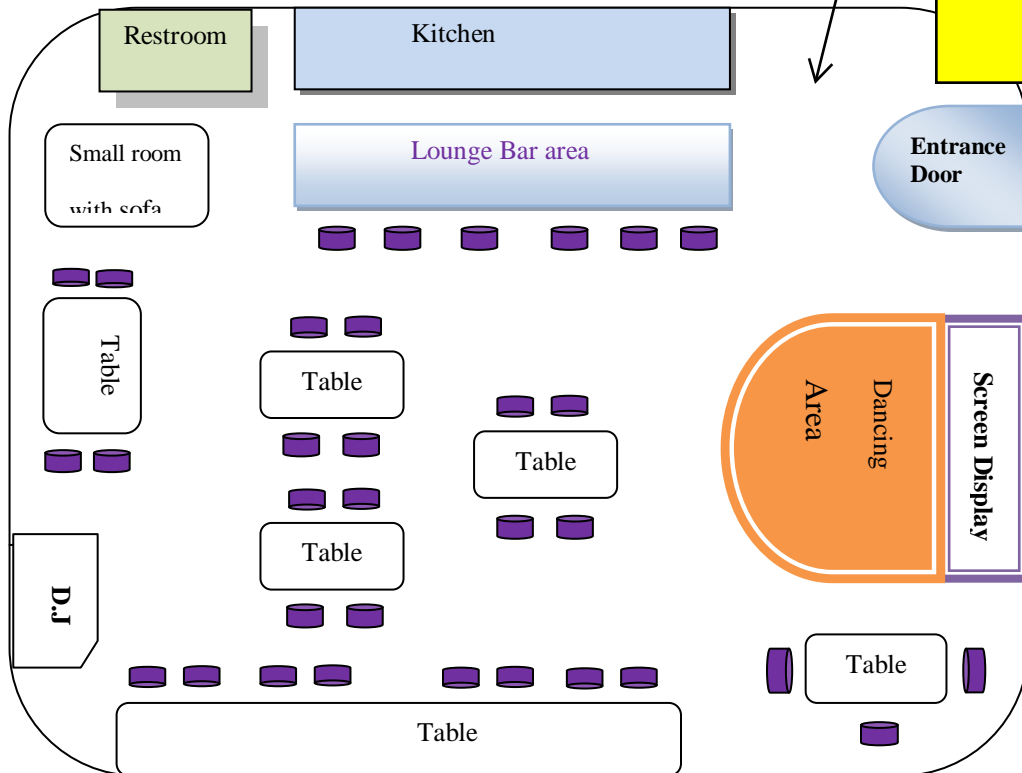


Figure 1- Layout of "The Edge"

With the small area and the narrow stair case to go up, The Edge seemed to be an unattractive place, especially for those who like the open space. However, inside the restaurant the decoration and facility is quite good. Customer will feel comfortable with the modern facility as well as clean chairs, sofas and tables. There are some kinds of table arrangement where the groups can choose based on their numbers. Even individual customers can select their own option where they can sit separately. There is no separate waiting area in this restaurant and it probably brings customers inconvenient feelings especially in weekends where lot of customers generally goes to Edge.

### 3.1.3. Frontline personnel's contribution to accessibility.

In this part, we explain about frontline personnel's accessibility in order to mention the facts about the Edge. After interviewing, we came to know that there are total number of employees here is boss-cum-DJ, cook, waitress, and cashier. When the Edge has a full house there are no enough employees to serve the customers well.

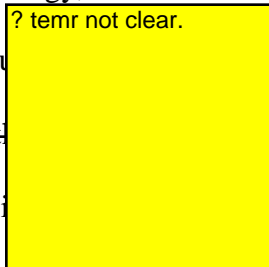
Key service issues.  
Comment using service language e.g., lack of service scripts and standards.  
Scripts for staff would create consistency.

The minimum waiting time about ten minutes or more. That is reasonable time in normal restaurant or bar, but actually when we went there, we found there are few people inside, and it is not the rush hour (10 p.m) and thus 10 minutes seems to be a little bit long. Their billing procedure and collection of payment is not in a professional manner at all. For the customers who go for the first time, there is nobody to guide them to find a comfortable place. Customer had to do it by themselves by roaming inside the Edge.

### 3.2. Interaction with the service organization

We are interested in this interactive communication through 3 categories: the staff's behavior, physical technology system and customer's interaction. Generally speaking, the only waitress in The Edge was polite, friendly both in the way she behaved and her gesture was positive. They not only have foreign customers but also Taiwanese customers and we realized that she can speak English, Spanish and not fluent in Chinese.

About the information technology, technical resources system of this restaurant is acceptable. Customers can use the system there. But actually, all customers go to the bar, restaurant with the system, drinking or chatting. There is rarely some one who wants to use the system in the loud place like this. For those people maybe a Wi-Fi Coffee supply chain is better.



The interactive communication among customers maybe low because the target customer of this restaurant and bar-lounge focuses on foreigners. Although considerable number of foreign customers visits there, still they can focus on local customers that will be an added advantage for the business.

### 3.3. Customer participation

For customers who have been in The Edge at least once, they are not knowledgeable enough about its services. Because like us, we are still confused about what kind of service they provide? Like a restaurant we can order some food for the dinner or at least the dessert but in The Edge the menu we found some spaghetti and snacks only. Like in a lounge bar, normally there is no facility to dance but there is a small podium for dancing.

The basic service package and service offering always have a close relationship and influence on each other. To improve core service and facilitating service, to add a new supporting service they should improve the accessibility, interaction and customer participation aspects of their service. And if the Edge analyses these factors and improve their service, it may have competitive advantages, have more loyal customers and become a successful restaurant cum lounge bar.

#### **IV. Service blueprint of the Edge: three-act performances**

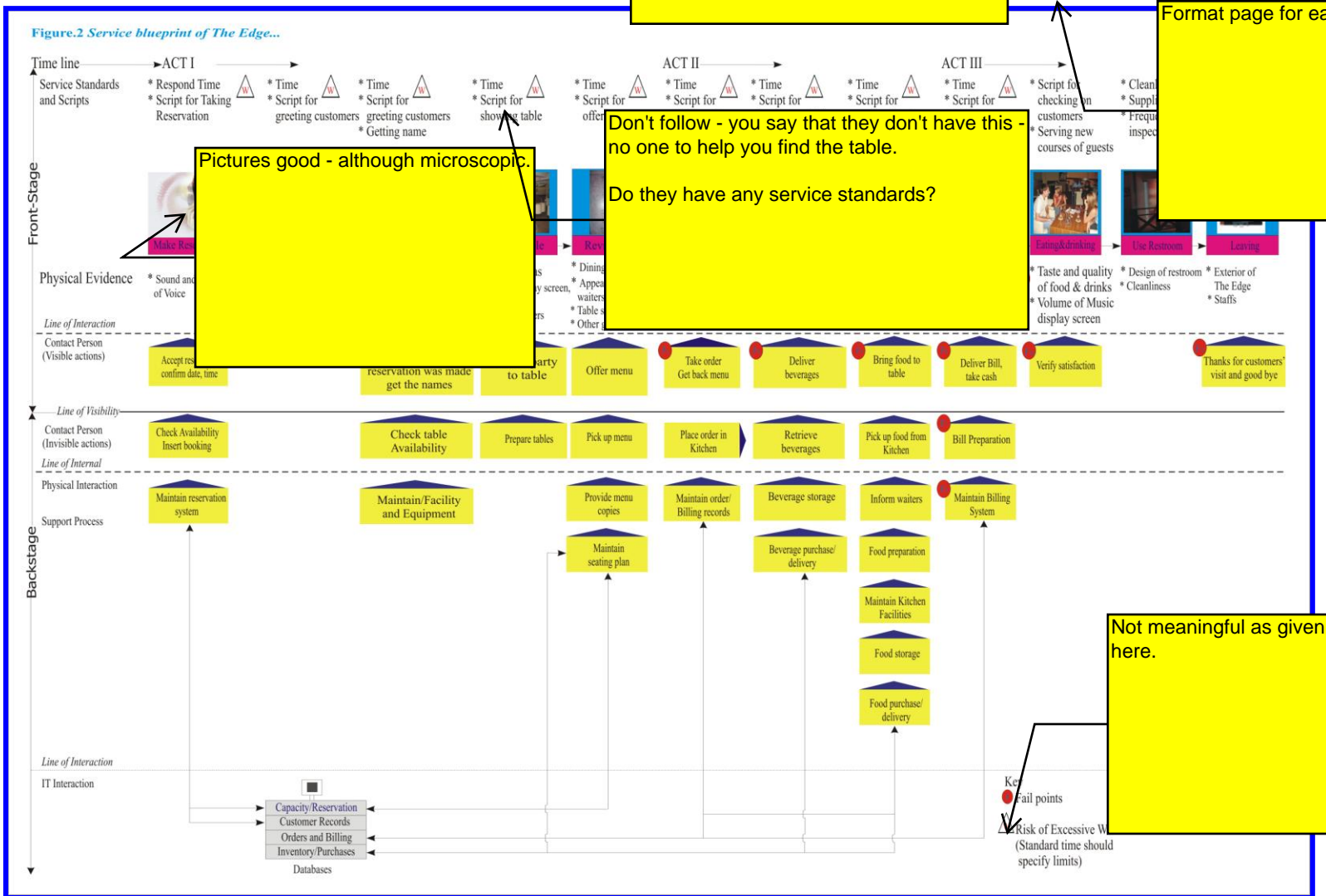
Lovelock, Wirtz, Tat Keh, and Lu (2005) mentioned that service blueprints clarify the interactions between customers and employees and how they are supported by additional activities and systems backstage. From the illustration of blueprinting, we can find out the potential failure points during processing the service. And by knowing those points, managers will be able to design or redesign the process to avoid those failures that happen. Points at which customers have to wait, standards of each activity are also described in the blueprint.

A service blueprint can be read in a variety of ways, depending on the purpose of service designs and it is a kind of picture or map of the service processes that accurately displays the service system so that the different people associated with providing it understand and deal with it objectively regardless of their roles or their individual points of view (Valarie A Zeithaml, Mary Jo Bitner, & Dwayne D Gremler, 2006).

In order to illustrate the service blueprint of a high-contact, people processing service like in the Edge, our group went to the Edge and observed the service and also interviewed with customers over there. Based on our group's observation, in this section

of our project, we describe the main steps of the service operation process in the Edge through the blueprinting as well as by describing what we found over there. The description will be included the experiences from the customers or the “front-stage”, and the activities of the employees or the “back-stage” of the Edge. Actually, the Edge provides more than one core services like drinks, snacks, foods, dancing etc. However, this project just limits to the basic service that is drinks and food.

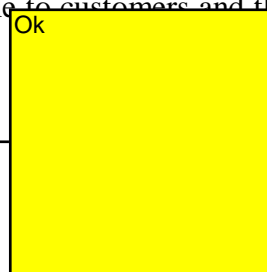
Figure - 2 shows us the most basic service operation process in the Edge. This should come out in your statement of objectives.



Reading from top to bottom, the key components of the blueprinting in this report are:

- Service standard and scripts for each activity in the front-stage
- Physical evidence for all steps in the front-stage
- Customers' actions
- Line of interaction
- Front-stage actions by customer contact personnel
- Line of visibility
- Back-stage actions by customer contact personnel
- Support processes involving other service personnel
- Support processes involving information technology (Christopher Lovelock *et al.*, 2005)

If we look at the blueprint from the left to the right, we can easily see the sequences of actions described step by step from the moment when the customers make reservation, get into the Edge until they leave. Grove, Fisk, and Joby (2000) showed that service performance could be related with the theater of which the role of actors, audience, setting, and performance create the customer's service experience, just as at a theater play. The play of the Edge restaurant and Lounge bar can be divided into three "acts". The stage in this case includes exterior and interior part of the restaurant. Line of visibility remarks the front-stage that is visible to customers and the back-stage of which activities can not be seen by customers.



#### 4.1. Make reservation

We went to observe several customers over there.

Introduce sections what are these about? what is their purpose? don't forget service specific language e.g., scripts.

Bits and pieces of method again.

reservation. However, we

weekend. what they

several making

from them, that if customers want to hold a party they should make reservation some

days in advance. And the steps that the restaurant

Good job. -- this describes the service script well.

make a

reservation in the Edge are described as follows:

- Stop all things that she/he is doing
- Greet the caller by saying "hello"

Edge".

This makes the caller be sure that he dialed the right number.

- Ask the caller's name, services desired, time, date and other details
- Check and confirm with the caller the space, table availability at the same time record all those information to the reservation book.
- Maintain the reservation system by writing down all customers' details clearly in the reservation book. This aims at making it easier for all employees understand.

#### 4.2. Enter the Edge

When we arrived at the building where the Edge is located, our group could not find the parking area when observing this restaurant. Also while observing, most of the customers have to park their cars, motorbikes in front of the 7-11 convenient store and they go up to the Edge by elevator.

There is neither waiting area nor reception area existing in the bar. In general, the hostess welcomes customers in front of Lounge bar area, next to the entrance door.



### 4.3. Give name to hostess

- When the customers open the door and go into the restaurant, one hostess comes up, greets, asks if any reservation was made
- If the reservation was made, customers show their names; the hostess gets the names, checks the reservation book and tables available, if customers do not make reservation in advance, the hostess also checks the tables available.
- In case customers need to wait for someone, they can sit on the lumbar chairs at the Lounge bar area.

### 4.4. Go to table

After finishing this procedure in the “Lounge bar area”, customers are led to the table. In fact, some customers choose their own favorable table by themselves. Eleven out of thirteen customers who were interviewed said that they want to sit in the tables in front of the display screen.

Suggestion for improvement - more customization desired.

Before escorting customers to the tables, employees in the restaurant clean chairs and tables to assure that they are all clean and neat.

### 4.5. Review menu

After customers sitting down, one waiter comes and provides customers with menu that he already prepared.

Customers take the menu from the waiter; review the menu, asks the waiter to explain something about the items in the menu if there is any thing unclear.

The waiter explains, and customers continue reading menu while the waiter waiting for the order made by customers.

#### **4.6. Place order**

In this step, customers decide what they want including drinks and food

- The waiter writes down on the small notebook already in his hand
- The waiter asks customers whether they need some thing more
- Customers reply “no, thanks, that is enough”
- The waiter asks customers to wait a moment
- The waiter leaves the table and place the order in the Kitchen

#### **4.7. Beverage service**

During waiting for the food, customers will be served beverages.

If customers order some drinks like beer, wine the waiter will bring it to customers at this moment. However, in some cases customers do not want to order any beverage, the waiter will provide them drinking water with ice.

Before beverages are given to customers, there are also many smaller steps at the “backs-stage” like: beverages purchasing, beverage storage, then the waiter comes in to retrieve, and deliver it to customers.

#### **4.8. Receive food**

After placing order in the kitchen, the cook of the Edge prepares food based on that order. The cook informs the waiter when he finishes cooking.

The waiter picks up the food from kitchen and brings food to table for customers who are waiting for food.

#### **4.9. Pay the bill**

The waiter will ask the customers to pay after placing food on the table

The waiter shows the price and the total amount

Customers pay for the bill, the waiter gives change back to customers if necessary

No receipt was given to customers

#### **4.10. Eating and drinking**

In this step, customers can freely enjoy the food and drinks

Music is played; a big screen was displaying a film

The Edge's staffs are checking whether customers need something more, and preparing to serve new courses of clients

#### **4.11. Use restroom**

Customers want to use restroom; they go to ask one of the staffs the way to go there

The staff shows customers the location of the restroom

Customers feel satisfied with the cleanliness of the restroom after using it.

#### **4.12. Leaving**

Customers stand up and prepare to leave

The employees thank for customers' visit, and give name card of the Edge to customers inviting them to visit again Edge.

Employees say "goodbye, see you again" to customers

Customers leave the Edge.

## V. The cycle of service: “The Edge”-restaurant and Lounge

### Bar

Albrecht and Zemke (1985) suggested ‘Cycle of service’ as a means of moving away from the perspective of the service provider to that of customers. The Cycle of Service can be used for this purpose.

The power behind the Cycle of Service is the way it helps us to see things that are unique from the customer's point of view. The more we can observe, understand, and experience the same things as a customer, the better we can refine or improve the existing service.

We've decided to go to “Edge” restaurant and lounge bar to know the moments of truth (including positive and negative) and to know the failure points. The following 10 steps will explain the Cycle of Service from beginning to end.

1. Customers are welcomed after they open the Edge’s door. (-)
2. Customers are led to tables. (-)
3. Customers were provided the menu to review.
4. Customers place order. (-)
5. Beverages or drinking water are served. (-)
6. Customers receive food. (-)
7. Customers pay the bill; no receipt is given. (-)
8. Customers enjoy music, food and drinks during chatting with friends. (+)
9. Use restroom. (+)
10. Customers left and the staff did not greet the customers. (-)

Useful - detail could be added

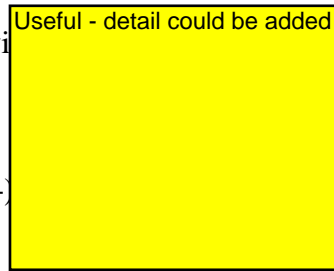


Figure -3 below shows the ten steps of customer's moment of truth in the Edge- a fairly common experience that most of us have.

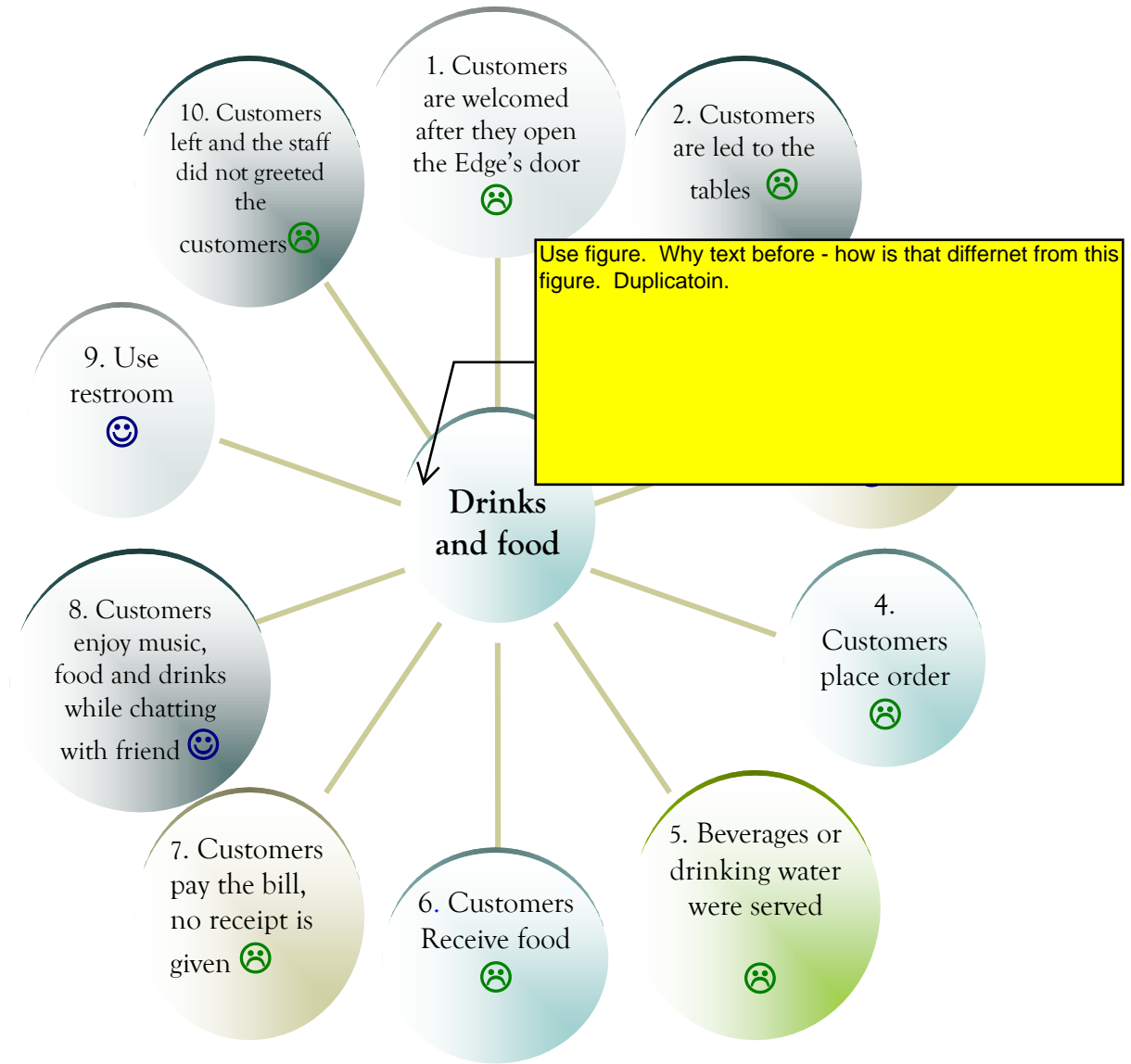


Figure 3- Cycle of service in "The Edge"

## **VI. Failure points**

Based on the service process described in the blueprint and in cycle of service, along with our observations and interviews with the Edge's customers, several failure points found can be divided as follow:

### **6.1. Failure points from blueprint and cycle of service**

F<sub>1</sub>: When the customers enter the Edge, usually there is no warm greeting from the staffs and the owner

F<sub>2</sub>: Customers are not led to the table; customers find the table by themselves

F<sub>3</sub>: During the peak time customers have to wait for a long time until the staffs come to take the order and put in the kitchen

F<sub>4</sub>: Customers have to wait a couple of time for the beverage to be served. And sometimes they are provided the wrong kind of beverage that they do not order. No tray is used to deliver beverages

F<sub>5</sub>: Also during peak time, customers have to wait a couple of time for the food to be served. And sometimes they are given the wrong food items that they do not order. The waiter does not use tray to deliver food

F<sub>6</sub>: After giving food to customers, the waiter asks the customers to pay for the food and drinks, but no credit card is accepted

F<sub>7</sub>: No bill is prepared to show the customers, the waiter just tells the customers how much they have to pay. No bill is issued

F<sub>8</sub>: Cashier machine, and billing system is not working, no receipt is given to customers

F<sub>9</sub>: Taste and quality of the food is just acceptable, it is not worth the high price. Volume of the music is too loud, and only Latin music is played, some customers are not familiar, or do not like this.

F<sub>10</sub>: The staffs and the owner do not want to verify the level of customer satisfaction

F<sub>11</sub>: When customers are leaving, the staffs do not say “thank you, see you later”

## 6.2. Failure points from observation

Good heading here but where, then, did the other parts come from?

F<sub>12</sub>: All employees are not wearing

F<sub>13</sub>: No waiting area, no reception  
is relatively narrow.

F<sub>14</sub>: The name “the Edge: restaurant and lounge bar” makes customers confused that customers can eat until full, but the food is too expensive and food items are not various enough to meet the customers’ expectation.

F<sub>15</sub>: On the name board “open: 9pm until we close”, that may make people confused about the time to be close.

F<sub>16</sub>: There is also dancing area in the Edge, but there is no separation between dancing area and dining area. If customers want to dance, they must move tables, and disturb other customers who do not go there for dancing; (they may go there just for friend’s talk).

## VII. Suggestions

Service standard and scripts	Recommendation
<p>There is no failure point in this category, but customers have to wait in most of the steps, especially, during peak time</p>	<ul style="list-style-type: none"> <li>More employees should be hired, especially during the weekend</li> </ul>
<p>Phy</p>	
<p>F<sub>9</sub>. Taste and quality of food and display screen of music,</p>	<ul style="list-style-type: none"> <li>The taste and quality of food meet the customers' expectations</li> <li>Provide training program</li> <li>Lower the volume of music</li> <li>Provide other staff</li> </ul>
<p><b>Contact person –visibility</b></p>	
<p>F<sub>1</sub>: Greeting customers, ask if reservation was made</p>	<ul style="list-style-type: none"> <li>Employees should smile</li> <li>Provide training and attitudes</li> </ul>
<p>F<sub>2</sub>. Show customers to table</p>	<ul style="list-style-type: none"> <li>The Edge should have a receptionist to welcome customers and lead them to table</li> </ul>
<p>F<sub>3</sub>. Take order</p>	<ul style="list-style-type: none"> <li>When the customers are making orders, the waiter should wait next to the table, so the customers can ask the waiter to recommend something that they are not clear</li> <li>Even during the peak time, the waiter still has to wait until the customers make the final decision</li> </ul>



	<ul style="list-style-type: none"> <li>■ The waiter should take the order right after the customers finish ordering so they do not have to wait too long</li> </ul>	<p>You say this happens?</p>
F4. Deliver beverages	<ul style="list-style-type: none"> <li>■ The waiter should take the order after he/she places the order</li> <li>■ Use the tray to deliver the drinks</li> <li>■ Give drinking water with any beverage</li> </ul>	<p>Try to group suggestions. Much of what you are talking about is delays and peak time. "A significant number of service problems can be traced back to the low level of staffing. We would recommend they increase staffing at peak times. This would potentially solve the following problems: &lt;list&gt;</p>
F5. Bring food to customers	<ul style="list-style-type: none"> <li>■ Bring food to customers after the cook finishes cooking</li> <li>■ Provide customer service</li> <li>■ Use the trays to deliver the food</li> </ul>	<p>after the cook wait too long</p>
F6. Deliver bill	<ul style="list-style-type: none"> <li>■ Payment should be asked after the meal, before customers leave</li> <li>■ Bill should be shown to all customers, so the customers can know clearly what they ordered, and the total amount</li> </ul>	
F10. Verify satisfaction	<ul style="list-style-type: none"> <li>■ Employees should care more about customers, and expectations.</li> <li>■ The Edge should have a program to ensure customer satisfaction</li> </ul>	<p>Repetition</p>
F11. Thanks for customers' visit and good bye	<ul style="list-style-type: none"> <li>■ Employees should be more friendly and improve their attitude and skills</li> <li>■ Training program should be provided</li> </ul>	
<b>Contact person – invisible actions</b>		
F7: Bill preparation	<ul style="list-style-type: none"> <li>■ The billing process should be improved, so all the customers will be provided bills</li> </ul>	
<b>Support process</b>		

F <sub>8</sub> . Maintain billing system	<ul style="list-style-type: none"> <li>■ Cashier machine and billing system should be maintained frequently to avoid the problem in billing and issuing receipts to customers</li> </ul>
<b>From observation</b>	
F <sub>12</sub> . Employees are not wearing uniform	<ul style="list-style-type: none"> <li>■ Try to provide uniform to employees, that is the basic standard of a restaurant</li> </ul>
F <sub>13</sub> . No waiting area, no reception area, no parking area, the way to go in the Edge is relatively narrow. No safekeeping of valuables.	<ul style="list-style-type: none"> <li>■ They should provide some alternatives; redesign the space to make the way to get in wider.</li> </ul>
F <sub>14</sub> . The name “the Edge: restaurant and lounge bar” makes customers confused that customers can eat until full, but the food is too expensive and food items are not various enough to meet the customers’ expectation.	<ul style="list-style-type: none"> <li>■ Redesign the name to make it match with the core service.</li> </ul>
F <sub>15</sub> . On the name board “open: 9pm until we close”, that may make people confused about the time to be close	<ul style="list-style-type: none"> <li>■ Redesign the timetable</li> </ul>
F <sub>16</sub> . There is also dancing area in the Edge, but there is no separation between dancing area and dining area. If customers want to dance, they must move tables, and disturb other customers who do not go there for dancing; (they may go there just for friend’s talk).	<ul style="list-style-type: none"> <li>■ Redesign the space to separate dining area and dancing area.</li> </ul>

## VIII. Conclusions and managerial implication

We all know that high contact, people p... end to be the most demanding in terms of facilitating and enhanci... edge's management should think about many issues including im... s and competition strategy.

Conclusions first. Then recommendations i.e., your section above would be last.

The location of the Edge next to the University where there are many young customers is an advantage, but it is a challenge, too. There are also many small restaurants, convenient stores, bars and pubs near the place. So, in order to improve the performance, the Edge should enhance the supplementary elements to enable the customers to use the core product more effectively.

The Edge should conduct the small survey to verify the customers' idea and feedback and based on the results of that survey, build up a strategy to improve the business performance.

Product-policy: management should distinguish clearly what the core service is and what are the standard packages accompanying the core.

Pricing policy: management should reduce the price (at least 25% of current price) for food items.

Confused why more recommendation s here?

Developing effectiveness: the Edge should c... through internet, newspapers and so on. Employees performance. Time schedule and interior as well as exterior decoration facilities should be redesigned to make it suitable with the services.

Briefly, restaurant and lounge bar being the very sensitive service based industry, always effort should be directed to take care in all sort of services right from the core service, facilitating service and supporting service. Each and every aspect should be taken into consideration while serving the customers. The service blue print as well as the cycle of service provided a clear picture about the positive and negative moments of service, which helps in knowing the lacuna of service where further refinement of service can be done to improve the business as well as to gain the confidence of customers for the successful business of “The Edge”.

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**NATIONAL CHENG KUNG UNIVERSITY**  
**Institute of International Management**

**Service Operation Management**

**Midterm report**

**Service analysis of “The Edge”**

**Restaurant and Lounge bar**

**Advisor: Prof. Dr. James Stanworth**

**Prepared by: RELIANCE**

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## **I. Introduction**

Service industry is the booming industry in Taiwan .A government report pointed out that 59 percent of the labor forces are working in service industry in 2006, the service sector accounted for 73% of GDP(TETD, 2007). This indicates clearly that service industry plays a very important role in the economy of Taiwan. For our study, we have selected “The Edge” to know the service aspects of the restaurant and lounge bar.

### **1.1. Location of “The Edge”**

“The Edge” is basically a “Restaurant & Lounge Bar” located just opposite to the KuangFu Campus of National Cheng Kung University. The first floor of the building is occupied by 7-Eleven convenient stores, the second floor by another restaurant and “The Edge” occupies the 3<sup>rd</sup> floor of the building. The floors above”The Edge” are occupied by a music club and residential flats.

The customers can see the big name board of “The Edge” on the left corner of the building and in the entrance too, they do have the name board. When the customers enter the first floor of the building, they can find the elevator and just in front of the entrance of the elevator, they can find the basic information about “The Edge “such as, the exact floor in which “The Edge” is situated.

### **1.2. The Research Motivation and Objective**

The restaurant and bar industry is growing very fast in Taiwan. In March, the wholesale, retail, and bar and restaurant industries combined showed a 5.42% over March last year. The three industries showed a 6.87% on-year rise from March 2005, with earnings totaling NTD 2.67 trillion in Q1 2006. The wholesale industry showed a 7.21%

yearly increase in sales from March 2005, while the retail industry and bar and restaurant industries showed increases of 7.21% and 5.33% on last year, respectively (MOEA, 2006).

The restaurant and bar industry is absolutely a service based industry mainly focused on serving the customers and in winning their good will; a careful approach is needed in tailoring and satisfying the service needs of the customers to thrive well in business. It is a more sensitive industry too and the word of mouth of customers to a certain extent determines the fate of the concern.

In this study, we used various data collection tools such as observation, service blue print and cycle of service to gather the related information from “The Edge” and after analysis, suitable inferences have been made and the failure points were found out and some suggestions based on the failure points were made to improve the service for better customer satisfaction and loyalty

## **II. Basic service package**

Most of the people go to restaurant for having delicious food. On the other hand, young people especially teenagers and middle aged people often visit to lounge bar, for drinking and relaxing. For this purpose several kinds of services are also provided to attract the customers such as providing different kind of food items, beverages and playing music in ambient environment. The Edge tries to attract their target market segment especially foreigners by selling beverages for cheap rates compared to other bars or pub in and around Tainan. In our study, we made an attempt to know the basic restaurant and lounge bar service as well as its supporting and facilitating services.

## **2.1. Core service**

Core services are the main income generating services. However, definitely special attention should be paid to improve this service. To improve this service, special care should be taken from the authorities end in having trained employees and other facilities.

The core service of “The Edge” is drinks. Even though “The Edge” is also a restaurant providing snacks, burger, spaghetti, the main stuff they focus on is beverage sales and it is the main source of Edge’s incomes. The customers are mainly foreigners (Westerners, Europeans and Latin Americans) more than Taiwanese and especially they go there for drinking, chatting with their friends and listen to music.

## **2.2. Facilitating services**

### *2.2.1. Information*

The Edge just opened three months ago and they have advertised through local newspaper as well as in local online bulletin named Tainan Bulletin. Most of the customers knew this place through friends as well as by referring the bulletin.

Before entering the restaurant and lounge, clients can see some information in front of the door such as opening time is from 9 p.m until they close, information using internet wireless, prohibition-not to take food or drink from outside and they do have a message and it seems remind the customers that at least they have to spend 70NT if they have entered the restaurant even thought they are not intended to drink or eat.

### *2.2.2. Order taking*

There is no such facility of prior reservation for reserving the table or ordering the food except for the special reservation like party and other anniversaries where customer can reserve via telephone or email.

### *2.2.3. Billing and payment*

There is no formal billing system in the Edge, sometime the waitress provides bill after delivering the food or beverage or sometime she just goes to customers and tells the amount that customer has to pay. However the bill is just hand written and is not clear to the customers. Customer must have to pay the exact amount of the bill by cash (can not pay by credit card) immediately after delivery of food or drink, for example if they order 5 times, they must pay the cash 5 times too.

## **2.3. Enhancing Supplementary services:**

### *2.3.1. Consultation:*

If there are new kinds of snacks or drinks provided in the menu, employees may recommend to the customers, for instance “this kind of food is tasty, good and sweet, would you mind to taste it?”, moreover if customer hesitate or do not know what kind of foods, they want to order, employees should recommend some kind of foods for them. Nevertheless, we don't see any action in the Edge.

### *2.3.2. Hospitality*

The quality of the hospitality service offered by a restaurant, lounge or company can increase or decrease satisfaction with the core product. Customers are greeted by the

waitress there and cashier (Taiwanese)-she can speak English fluently and friendly, moreover, other one waitress can speak Spanish. She feels free to answer or help the customers. The interior decoration is good and attractive too. There is a separate place with sofa combat too, but the disadvantage is it is near the restroom. However, the restroom is clean and fresh comparing to other restaurants or other lounge. Customers can enjoy using wireless internet service while chatting with their friend, nevertheless “The Edge” is little dark; the environment appropriate of bar with dim lights which makes difficulty to see the laptop.

In front of the table, the big LCD shows the movies and music, it seems interesting and attractive, for few customers only because sometimes they do play Latin American music which is not the preference of Taiwanese customers.

### *2.3.2. Safekeeping*

While visiting a service site, customers often want the facility to store their personal belongings. In reality, certain safekeeping services are provided as safe and convenient parking for their cars or scooters, or safekeeping of valuable, coatrooms etc.

Based on the fact, no parking area for cars, and safekeeping of valuable, those factors may be the concern for some customers who will not prefer Edge.

### *2.3.3. Exceptions*

Well defined procedures make it easier for employees to respond promptly and effectively, unless employees will get surprise when customers ask for special assistance like vegetarian meals. The menu of the Edge doesn't have such kind of food for

vegetarians. A flexible approach to exception is generally a good idea, because it reflects responsiveness to customer needs.

### **III. Augmented service offering**

As we mentioned in the previous part, the basic service package including the core service, facilitating services and supporting services and all of them are perceived in various ways. To understand about service process's ways, which differ from situation to situation, we depend on three basic elements: accessibility of the service, interaction with the service organization and customer participation. These elements are combined with three concepts of the basic package and formed an augmented service offering. However, these elements of the service offering should contribute the customers benefit.

#### **3.1. Accessibility of the service**

As we know, though a restaurant provide an excellent service package but there is no accessibility, that means the perception of customers is low or even may be damage the business. In the Edge, we found out the factors of the service offering which made customers feel whether it is easy or difficult to get access to the service or worthy for the money which they are paying for the service. There are some aspects of accessibilities we already found in The Edge.

##### *3.1.1. Site accessibility*

From the customer's point of view, we realized that The Edge is in the convenient location, near to National Cheng Kung University where there are lots of Westerners, Europeans and Latin Americans who generally visit that location. This place

is suitable taking into consideration, the target customers of the restaurant. However, we came to know about Edge through one of our friends who used to go there. She also hails from Latin American country. In fact, they don't have any branch apart from this one. The opening time for every day is 21.00 p.m until they close. Monday is the weekly holiday. But when we interviewed one employee, she said that the time for closing depends on the number of customers they have on that day. If there is no one, maybe the boss closes the restaurant earlier than normal.

### 3.1.2. Exterior and interior of restaurant

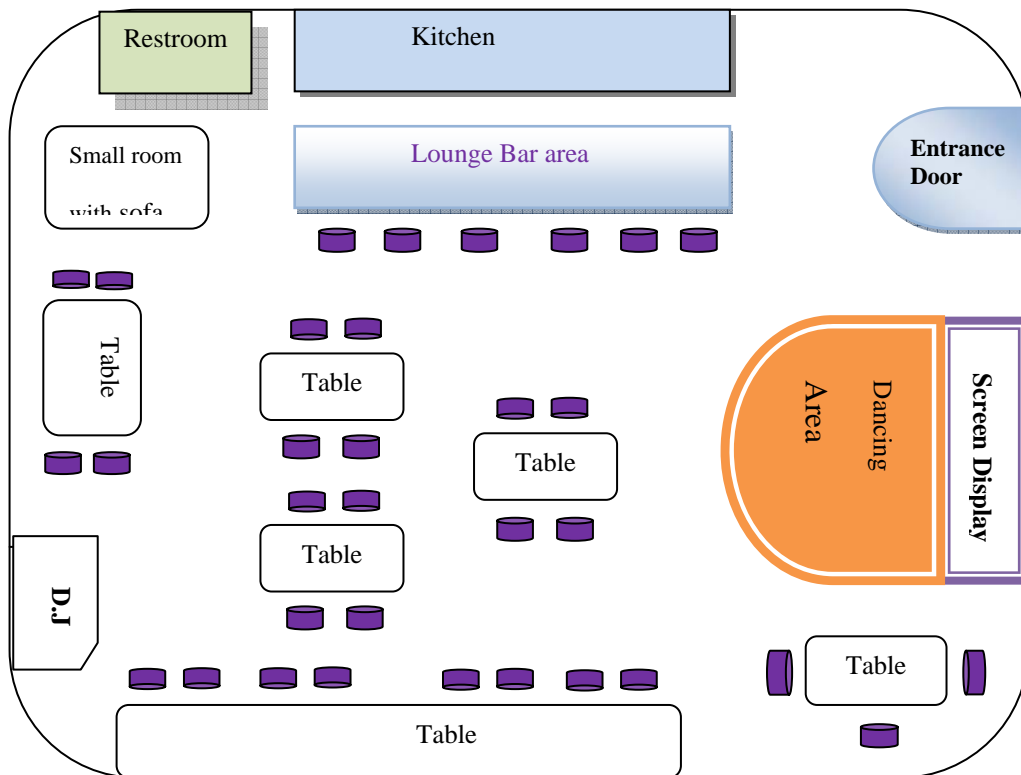


Figure 1- Layout of "The Edge"

With the small area and the narrow stair case to go up, The Edge seemed to be an unattractive place, especially for those who like the open space. However, inside the restaurant the decoration and facility is quite good. Customer will feel comfortable with the modern facility as well as clean chairs, sofas and tables. There are some kinds of table arrangement where the groups can choose based on their numbers. Even individual customers can select their own option where they can sit separately. There is no separate waiting area in this restaurant and it probably brings customers inconvenient feelings especially in weekends where lot of customers generally goes to Edge.

### *3.1.3. Frontline personnel's contribution to accessibility.*

In this part, we explain about frontline personnel's accessibility in order to mention the facts about the Edge. After interviewing, we came to know that there are total number of employees here is 4, including the boss-cum-DJ, cook, waitress, and cashier. When the Edge has a full house of customers; there are no enough employees to serve the customers well.

The minimum waiting time after ordering is about ten minutes or more. That is reasonable time in normal restaurant or bar, but actually when we went there, we found there are few people inside, and it is not the rush hour (10 p.m) and thus 10 minutes seems to be a little bit long. Their billing procedure and collection of payment is not in a professional manner at all. For the customers who go for the first time, there is nobody to guide them to find a comfortable place. Customer had to do it by themselves by roaming inside the Edge.



### **3.2. Interaction with the service organization**

We are interested in this interactive communication through 3 categories: the staff's behavior, physical technology system and customer's interaction. Generally speaking, the only waitress in The Edge was polite, friendly both in the way she behaved and her gesture was positive. They not only have foreign customers but also Taiwanese customers and we realized that she can speak English, Spanish and not fluent in Chinese.

About the information technology, technical resources system of this restaurant is acceptable. Customers can use wireless facility there. But actually, all customers go to the bar, restaurant with the purpose of relaxing, drinking or chatting. There is rarely some one who wants to use internet for working in the loud place like this. For those people maybe a Wi-Fi Coffee supply chain is better.

The interactive communication among customers maybe low because the target customer of this restaurant and bar-lounge focuses on foreigners. Although considerable number of foreign customers visits there, still they can focus on local customers that will be an added advantage for the business.

### **3.3. Customer participation**

For customers who have been in The Edge at least once, they are not knowledgeable enough about its services. Because like us, we are still confused about what kind of service they provide? Like a restaurant we can order some food for the dinner or at least the dessert but in The Edge the menu we found some spaghetti and snacks only. Like in a lounge bar, normally there is no facility to dance but there is a small podium for dancing.

The basic service package and service offering always have a close relationship and influence on each other. To improve core service and facilitating service, to add a new supporting service they should improve the accessibility, interaction and customer participation aspects of their service. And if the Edge analyses these factors and improve their service, it may have competitive advantages, have more loyal customers and become a successful restaurant cum lounge bar.

#### **IV. Service blueprint of the Edge: three-act performances**

Lovelock, Wirtz, Tat Keh, and Lu (2005) mentioned that service blueprints clarify the interactions between customers and employees and how they are supported by additional activities and systems backstage. From the illustration of blueprinting, we can find out the potential failure points during processing the service. And by knowing those points, managers will be able to design or redesign the process to avoid those failures that happen. Points at which customers have to wait, standards of each activity are also described in the blueprint.

A service blueprint can be read in a variety of ways, depending on the purpose of service designs and it is a kind of picture or map of the service processes that accurately displays the service system so that the different people associated with providing it understand and deal with it objectively regardless of their roles or their individual points of view (Valarie A Zeithaml, Mary Jo Bitner, & Dwayne D Gremler, 2006).

In order to illustrate the service blueprint of a high-contact, people processing service like in the Edge, our group went to the Edge and observed the service and also interviewed with customers over there. Based on our group's observation, in this section

of our project, we describe the main steps of the service operation process in the Edge through the blueprinting as well as by describing what we found over there. The description will be included the experiences from the customers or the “front-stage”, and the activities of the employees or the “back-stage” of the Edge. Actually, the Edge provides more than one core services like drinks, snacks, foods, dancing etc. However, this project just limits to the basic service that is drinks and food.

Figure - 2 shows us the most basic steps of the Edge’s service.

Reading from top to bottom, the key components of the blueprinting in this report are:

- Service standard and scripts for each activity in the front-stage
- Physical evidence for all steps in the front-stage
- Customers’ actions
- Line of interaction
- Front-stage actions by customer contact personnel
- Line of visibility
- Back-stage actions by customer contact personnel
- Support processes involving other service personnel
- Support processed involving information technology (Christopher Lovelock *et al.*, 2005)

If we look at the blueprint from the left to the right, we can easily see the sequences of actions described step by step from the moment when the customers make reservation, get into the Edge until they leave. Grove, Fisk, and Joby (2000) showed that service performance could be related with the theater of which the role of actors,

audience, setting, and performance create the customer's service experience, just as at a theater play. The play of the Edge restaurant and Lounge bar can be divided into three "acts". The stage in this case includes exterior and interior part of the restaurant. Line of visibility remarks the front-stage that is visible to customers and the back-stage of which activities can not be seen by customers.

#### **4.1. Make reservation**

We went to observe the Edge during weekend. We also interviewed with several customers over there. Most of them said that they went to the Edge without making reservation. However, we talked with the owner and one of the employees; we have heard from them, that if customers want to hold a party they should make reservation some days in advance. And the steps that the receptionist has to do when customers make a reservation in the Edge are described as follows:

- Stop all things that she/he is doing when hearing the phone rings
- Greet the caller by saying "hello" and then the restaurant's name "The Edge".  
This makes the caller be sure that he dialed the right number.
- Ask the caller's name, services desired, time, date and other details
- Check and confirm with the caller the space, table availability at the same time record all those information to the reservation book.
- Maintain the reservation system by writing down all customers' details clearly in the reservation book. This aims at making it easier for all employees understand.

## **4.2. Enter the Edge**

When we arrived at the building where the Edge is located, our group could not find the parking area when observing this restaurant. Also while observing, most of the customers have to park their cars, motorbikes in front of the 7-11 convenient store and they go up to the Edge by elevator.

There is neither waiting area nor reception area existing in the bar. In general, the hostess welcomes customers in front of Lounge bar area, next to the entrance door.

## **4.3. Give name to hostess**

- When the customers open the door and go into the restaurant, one hostess comes up, greets, asks if any reservation was made
- If the reservation was made, customers show their names; the hostess gets the names, checks the reservation book and tables available, if customers do not make reservation in advance, the hostess also checks the tables available.
- In case customers need to wait for someone, they can sit on the lumbar chairs at the Lounge bar area.

## **4.4. Go to table**

After finishing this procedure in the so-called “reception area”, customers are led to the table. In fact, some customers want to choose their own favorable table by themselves. Eleven out of thirteen customers those we interviewed said that they want to sit in the tables in front of the display screen.

Before escorting customers to the tables, employees in the restaurant clean chairs and tables to assure that they are all clean and neat.

#### **4.5. Review menu**

After customers sitting down, one waiter comes and provides customers with menu that he already prepared.

Customers take the menu from the waiter; review the menu, asks the waiter to explain something about the items in the menu if there is any thing unclear.

The waiter explains, and customers continue reading menu while the waiter waiting for the order made by customers.

#### **4.6. Place order**

In this step, customers decide what they want including drinks and food

- The waiter writes down on the small notebook already in his hand
- The waiter asks customers whether they need some thing more
- Customers reply “no, thanks, that is enough”
- The waiter asks customers to wait a moment
- The waiter leaves the table and place the order in the Kitchen

#### **4.7. Beverage service**

During waiting for the food, customers will be served beverages.

If customers order some drinks like beer, wine the waiter will bring it to customers at this moment. However, in some cases customers do not want to order any beverage, the waiter will provide them drinking water with ice.

Before beverages are given to customers, there are also many smaller steps at the “backs-stage” like: beverages purchasing, beverage storage, then the waiter comes in to retrieve, and deliver it to customers.

#### **4.8. Receive food**

After placing order in the kitchen, the cook of the Edge prepares food based on that order. The cook informs the waiter when he finishes cooking.

The waiter picks up the food from kitchen and brings food to table for customers who are waiting for food.

#### **4.9. Pay the bill**

The waiter will ask the customers to pay after placing food on the table

The waiter shows the price and the total amount

Customers pay for the bill, the waiter gives change back to customers if necessary

No receipt was given to customers

#### **4.10. Eating and drinking**

In this step, customers can freely enjoy the food and drinks

Music is played; a big screen was displaying a film

The Edge's staffs are checking whether customers need something more, and preparing to serve new courses of clients

#### **4.11. Use restroom**

Customers want to use restroom; they go to ask one of the staffs the way to go there

The staff shows customers the location of the restroom

Customers feel satisfied with the cleanliness of the restroom after using it.

#### **4.12. Leaving**

Customers stand up and prepare to leave

The employees thank for customers' visit, and give name card of the Edge to customers inviting them to visit again Edge.

Employees say "goodbye, see you again" to customers

Customers leave the Edge.



## V. The cycle of service: “The Edge”-restaurant and Lounge

### Bar

Albrecht and Zemke (1985) suggested ‘Cycle of service’ as a means of moving away from the perspective of the service provider to that of customers. The Cycle of Service can be used for this purpose.

The power behind the Cycle of Service is the way it helps us to see things that are unique from the customer's point of view. The more we can observe, understand, and experience the same things as a customer, the better we can refine or improve the existing service.

We've decided to go to “Edge” restaurant and lounge bar to know the moments of truth (including positive and negative) and to know the failure points. The following 10 steps will explain the Cycle of Service from beginning to end.

1. Customers are welcomed after they open the Edge’s door. (-)
2. Customers are led to tables. (-)
3. Customers were provided the menu to review menu. (+)
4. Customers place order. (-)
5. Beverages or drinking water are served. (-)
6. Customers receive food. (-)
7. Customers pay the bill; no receipt is given. (-)
- 8 Customers enjoy music, food and drinks during chatting with friends. (+)
9. Use restroom. (+)
10. Customers left and the staff did not greet the customers. (-)

Figure -3 below shows the ten steps of customer's moment of truth in the Edge- a fairly common experience that most of us have.



Figure 3- Cycle of service in "The Edge"

## **VI. Failure points**

Based on the service process described in the blueprint and in cycle of service, along with our observations and interviews with the Edge's customers, several failure points found can be divided as follow:

### **6.1. Failure points from blueprint and cycle of service**

F<sub>1</sub>: When the customers enter the Edge, usually there is no warm greeting from the staffs and the owner

F<sub>2</sub>: Customers are not led to the table; customers find the table by themselves

F<sub>3</sub>: During the peak time customers have to wait for a long time until the staffs come to take the order and put in the kitchen

F<sub>4</sub>: Customers have to wait a couple of time for the beverage to be served. And sometimes they are provided the wrong kind of beverage that they do not order. No tray is used to deliver beverages

F<sub>5</sub>: Also during peak time, customers have to wait a couple of time for the food to be served. And sometimes they are given the wrong food items that they do not order. The waiter does not use tray to deliver food

F<sub>6</sub>: After giving food to customers, the waiter asks the customers to pay for the food and drinks, but no credit card is accepted

F<sub>7</sub>: No bill is prepared to show the customers, the waiter just tells the customers how much they have to pay. No bill is issued

F<sub>8</sub>: Cashier machine, and billing system is not working, no receipt is given to customers

F<sub>9</sub>: Taste and quality of the food is just acceptable, it is not worth the high price. Volume of the music is too loud, and only Latin music is played, some customers are not familiar, or do not like this.

F<sub>10</sub>: The staffs and the owner do not want to verify the level of customer satisfaction

F<sub>11</sub>: When customers are leaving, the staffs do not say “thank you, see you later”

## **6.2. Failure points from observation**

F<sub>12</sub>: All employees are not wearing uniform.

F<sub>13</sub>: No waiting area, no reception area, no parking area, the way to go in the Edge is relatively narrow.

F<sub>14</sub>: The name “the Edge: restaurant and lounge bar” makes customers confused that customers can eat until full, but the food is too expensive and food items are not various enough to meet the customers’ expectation.

F<sub>15</sub>: On the name board “open: 9pm until we close”, that may make people confused about the time to be close.

F<sub>16</sub>: There is also dancing area in the Edge, but there is no separation between dancing area and dining area. If customers want to dance, they must move tables, and disturb other customers who do not go there for dancing; (they may go there just for friend’s talk).

## VII. Suggestions

Service standard and scripts	Recommendation
There is no failure point in this category, but customers have to wait in most of the steps, especially, during peak time	<ul style="list-style-type: none"> <li>■ More employees should be hired, especially during the weekend</li> </ul>
<b>Physical evidence</b>	
F <sub>9</sub> . Taste and quality of food and drinks; volume of music, display screen	<ul style="list-style-type: none"> <li>■ The taste and quality of food should be improved to meet the customers' expectations</li> <li>■ Provide training program, or hire skillful cooks</li> <li>■ Lower the volume of music when customers eating</li> <li>■ Provide other styles of music beside Latin music.</li> </ul>
<b>Contact person –visibility</b>	
F <sub>1</sub> : Greeting customers, ask if reservation was made	<ul style="list-style-type: none"> <li>■ Employees should be more hospitable, more friendly</li> <li>■ Provide training program for employees about skills and attitudes</li> </ul>
F <sub>2</sub> . Show customers to table	<ul style="list-style-type: none"> <li>■ The Edge should arrange at least one doorman, or one receptionist to welcome customers and lead them to table</li> </ul>
F <sub>3</sub> . Take order	<ul style="list-style-type: none"> <li>■ When the customers are making orders, the waiter should wait next to the table, so the customers can ask the waiter to recommend something that they are not clear</li> <li>■ Even during the peak time, the waiter still has to wait until the customers make the final decision</li> </ul>

	<ul style="list-style-type: none"> <li>■ The waiter should take the order to put in the kitchen right after the customers finish it, so that customers do not have to wait too long</li> </ul>
F4. Deliver beverages	<ul style="list-style-type: none"> <li>■ The waiter should bring beverages to customers right after he/she places the order in the kitchen</li> <li>■ Use the tray to deliver beverage</li> <li>■ Give drinking water to customers if they do not order any beverage</li> </ul>
F5. Bring food to customers	<ul style="list-style-type: none"> <li>■ Bring food to customers immediately after the cook finishes cooking. Do not let customers wait too long</li> <li>■ Provide customers with tissues, too</li> <li>■ Use the trays to deliver food</li> </ul>
F6. Deliver bill	<ul style="list-style-type: none"> <li>■ Payment should be asked after the meal, before customers leave</li> <li>■ Bill should be shown to all customers, so the customers can know clearly what they ordered, and the total amount</li> </ul>
F10. Verify satisfaction	<ul style="list-style-type: none"> <li>■ Employees should care more about the attitude of the customers, and expectations.</li> <li>■ The Edge should have a program to measure customers satisfaction</li> </ul>
F11. Thanks for customers' visit and good bye	<ul style="list-style-type: none"> <li>■ Employees should be more friendly, they should improve their attitude and skills to serve customers</li> <li>■ Training program should be provided</li> </ul>
<b>Contact person – invisible actions</b>	
F7: Bill preparation	<ul style="list-style-type: none"> <li>■ The billing process should be improved, so all the customers will be provided bills</li> </ul>
<b>Support process</b>	

F <sub>8</sub> . Maintain billing system	<ul style="list-style-type: none"> <li>■ Cashier machine and billing system should be maintained frequently to avoid the problem in billing and issuing receipts to customers</li> </ul>
<b>From observation</b>	
F <sub>12</sub> . Employees are not wearing uniform	<ul style="list-style-type: none"> <li>■ Try to provide uniform to employees, that is the basic standard of a restaurant</li> </ul>
F <sub>13</sub> . No waiting area, no reception area, no parking area, the way to go in the Edge is relatively narrow. No safekeeping of valuables.	<ul style="list-style-type: none"> <li>■ They should provide some alternatives; redesign the space to make the way to get in wider.</li> </ul>
F <sub>14</sub> . The name “the Edge: restaurant and lounge bar” makes customers confused that customers can eat until full, but the food is too expensive and food items are not various enough to meet the customers’ expectation.	<ul style="list-style-type: none"> <li>■ Redesign the name to make it match with the core service.</li> </ul>
F <sub>15</sub> . On the name board “open: 9pm until we close”, that may make people confused about the time to be close	<ul style="list-style-type: none"> <li>■ Redesign the timetable</li> </ul>
F <sub>16</sub> . There is also dancing area in the Edge, but there is no separation between dancing area and dining area. If customers want to dance, they must move tables, and disturb other customers who do not go there for dancing; (they may go there just for friend’s talk).	<ul style="list-style-type: none"> <li>■ Redesign the space to separate dining area and dancing area.</li> </ul>

## **VIII. Conclusions and managerial implication**

We all know that high contact, people processing services tend to be the most demanding in terms of facilitating and enhancing elements. The Edge's management should think about many issues including improving its services and competition strategy.

The location of the Edge next to the University where there are many young customers is an advantage, but it is a challenge, too. There are also many small restaurants, convenient stores, bars and pubs near the place. So, in order to improve the performance, the Edge should enhance the supplementary elements to enable the customers to use the core product more effectively.

The Edge should conduct the small survey to verify the customers' idea and feedback and based on the results of that survey, build up a strategy to improve the business performance.

Product-policy: management should distinguish clearly what the core service is and what are the standard packages accompanying the core.

Pricing policy: management should reduce the price (at least 25% of current price) for food items.

Developing effectiveness: the Edge should conduct more promotion activities through internet, newspapers and so on. Employees must be trained to improve the performance. Time schedule and interior as well as exterior decoration facilities should be redesigned to make it suitable with the services.



Briefly, restaurant and lounge bar being the very sensitive service based industry, always effort should be directed to take care in all sort of services right from the core service, facilitating service and supporting service. Each and every aspect should be taken into consideration while serving the customers. The service blue print as well as the cycle of service provided a clear picture about the positive and negative moments of service, which helps in knowing the lacuna of service where further refinement of service can be done to improve the business as well as to gain the confidence of customers for the successful business of “The Edge”.

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**PRESENTATION FEEDBACK: “THE EDGE” RESTAURANT & BAR**

**GROUP:** RELIANCE

A	B	C	D
Are ideas presented connected with the aim of the presentation?	Are the ideas presented clear supported with evidence and logical argument?	Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)	Overall impression (is it a group presentation etc.?)
40%	30%	20%	10%

Comments			
<ul style="list-style-type: none"><li>• Poor slides with no pictures</li><li>• Not focus analysis too broad</li><li>• Not clear summary</li></ul>			
Grade: 80%			

- Poor slides with no pictures
- Not focus analysis too broad
- Not clear summary

Grade: 80%

*Voltes 5 For Reliance*

<b>PRESENTATION FEEDBACK</b>			
<b>GROUP:</b>	<b>RELIANCE</b>		
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
Are ideas presented connected with the aim of the presentation?	Are the ideas presented clearly supported with evidence and logical argument?	Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)	Overall impression (is it a group presentation etc.?)
40%	30%	20%	10%
35 %	25 %	17 %	8 %
<p>Comments</p> <p>Good points for not clear point of positioning itself.</p> <p>Last speaker has good eye connection with audiences.</p>			
Grade:85%			

<b>PROJECT FEEDBACK</b>	
<b>GROUP:</b>	<b>RELIANCE</b>

<i>Good</i>	<i>Good</i>	<i>Good</i>	<i>Good</i>	<i>weak</i>	
<b><u>Good</u></b>	<b><u>Good</u></b>	<b><u>Weak</u></b>	<b><u>Weak</u></b>	<b><u>Weak</u></b>	<b><u>Weak</u></b>

<p><b><u>Comments on the presentation</u></b>                  Follow the slides, get better control of your time.</p> <p><b><u>Other comments</u></b></p> <ul style="list-style-type: none"> <li>• .</li> </ul> <p><b><u>Comments on the report</u></b></p> <ul style="list-style-type: none"> <li>•</li> </ul>
Grade: 83

<b>PRESENTATION FEEDBACK</b>			
<b>GROUP:</b>	<b>VOLETS -</b>		
<b>A</b> Are ideas presented connected with the aim of the presentation?  40%	<b>B</b> Are the ideas presented clearly supported with evidence and logical argument?  30%	<b>C</b> Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)  20%	<b>D</b> Overall impression (is it a group presentation etc.?)  10%
38	27	19	9
Comments: 1.) Good for zoom in the graphic 2.) Shuttle bus service – if the station have some shops like in the airport, will this be a big concern that shuttle bus only comes hourly.			
Grade: 93			

All your group members have to evaluate all group presentations.

<b>PRESENTATION FEEDBACK</b>			
<b>GROUP:</b>	<b>KAOHSIUNG-RELIANCE</b>		
A	B	C	D
Are ideas presented connected with the aim of the presentation?	Are the ideas presented clearly supported with evidence and logical argument?	Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)	Overall impression (is it a group presentation etc.?)
40%	30%	20%	10%
32	24	18	7
<p>Comments</p> <ul style="list-style-type: none"> <li>-clearly laid out</li> <li>- covered positive and negative</li> <li>- moving along nicely</li> <li>- Good observations</li> <li>- Good time management</li> <li>- music is good:What does that mean? According to whom?</li> <li>- can't see the Blueprint clearly</li> <li>- Garresh should try not to look so authoritative as the groups leader</li> <li>- good time management (15 mins)</li> </ul>			
Grade: 81			

<b>PRESENTATION FEEDBACK</b>			
<b>GROUP:</b>	<b>OHIO → FOR MRJ</b>		
A	B	C	D
Are ideas presented connected with the aim of the presentation?	Are the ideas presented clear supported with evidence and logical argument?	Is it easy to follow & to understand? (Are the slides clear and easy to follow e.g. use of new pictures, words, graphs)	Overall impression (is it a group presentation etc.?)
40%	30%	20%	10%
35	25	17	5
Comments <ul style="list-style-type: none"> <li>• Clearly explanation.</li> <li>• It is interesting case and point out the key parts.</li> <li>• It is a just-in-time project.</li> <li>• Some members have less time than others.</li> </ul>			
Grade: 82%			



<b>PROJECT FEEDBACK</b>	
<b>GROUP:</b>	<b>RELIANCE</b>

<i>Johnson</i>	<i>Sophia</i>	<i>Girish</i>	<i>Ngan</i>	<i>Dao</i>	<i>Odno</i>
<u>Good</u>	<u>Good</u>	<u>Good</u>	<u>Good</u>	<u>Good</u>	<u>Good</u>

**Comments on the presentation**

- Good opening (Girish) – slides clear and good introduction (much sharper Johnson).
- Ngan – your part is clear. I follow what you are saying. But it doesn't connect sharply and clearly with your project. So it is using time that you could spend on the other more important parts.
- Odno – you are a little quiet – your part is important. Start with an introduction – “I'm going to talk about the cycle of service...”
- Girish – others note – small joke & connection to the audience. But avoid, “they are a bit choosy” – this alienates groups in the audience
- Note – fail points – should be a summary of the cycle of service – detail has come from COS then this next part should be a summary – “In summary from the COS we have learned...”

**Comments on the report**

- A good report the takes the analysis through to findings and recommendations. However sections on method/objectives would sharpen this as would a greater level of analysis. Think to on how to integrate service specific terminology e.g., scripts standards. Good result that offers useful insights for performance improvements.
- Suggestions – how prioritized? Here you need to think about the severity of the failure points i.e., if they relate to core or facilitating then these demand more attention and first attention. Try to group the points and target root causes.

Grade: 89%