**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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

1. 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

* 1. reduces customer uncertainty
  2. encourages brand preference
  3. guarantees customer loyalty
  4. 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

1. customer satisfaction
2. revenue
3. long-term attendance growth
4. 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

1. 1977 to 1997
2. 1997 to present
3. 1985 to 2000
4. 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 Millenniums 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?

1. low-price provider
2. differentiation
3. brand image
4. 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 that 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?

1. land, labor, and capital
2. resources, labor, and capital
3. raw materials, finances, and entrepreneurship
4. 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?

* 1. Discipline
  2. Staffing
  3. Training and Development
  4. 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