# "Omotenashi" Must Comprise Hospitality and Service

## The Importance of a Clinical Approach to Practice and Science in the Service Industry

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**Abstract.** The divergence of "scientific knowledge" and "practical knowledge" is suppressing productivity in the service industry. This is because science is lacking in the perspective viability that is demanded by practice. A concept of service must be created through a "clinical" approach done as fieldwork, with both science and practice using common terminology. By clinically redefining the three keywords of the service industry, "omotenashi," "hospitality," and "service," this paper elucidates the correlation between productivity and these concepts in order to bring science and practice closer together. The redefinition is, specifically, that "Hospitality" refers to the development characteristics that arise to meet the complex needs of customers, while "Service" refers to the accumulation of "hospitality" knowledge, as filtered and standardized by businesses. Additionally, "Omotenashi" refers to the added value of the experience that is expected by customers, and is a "story" that is created from a combination of "Hospitality" and "Service." What contribution can a redefinition of these three concepts make to productivity? The contribution to be made is toward an enhancement of productivity, made possible by a research approach that is both scientific and practical, and that incorporates diverse hypotheses in a manner that has been hitherto difficult to accomplish; this is to be achieved by clarifying the interrelation between the concepts.

**Keywords:** Omotenashi · Hospitality · Service · Clinical knowledge

## 1 Introduction

Today's service industry accounts for 70% of Japan's GDP (Fig. 1), and expectations for the pursuit of a viable science for improving service industry productivity have never been higher. Because of these expectations, practice and science must become closer to share their knowledge and become integrated.


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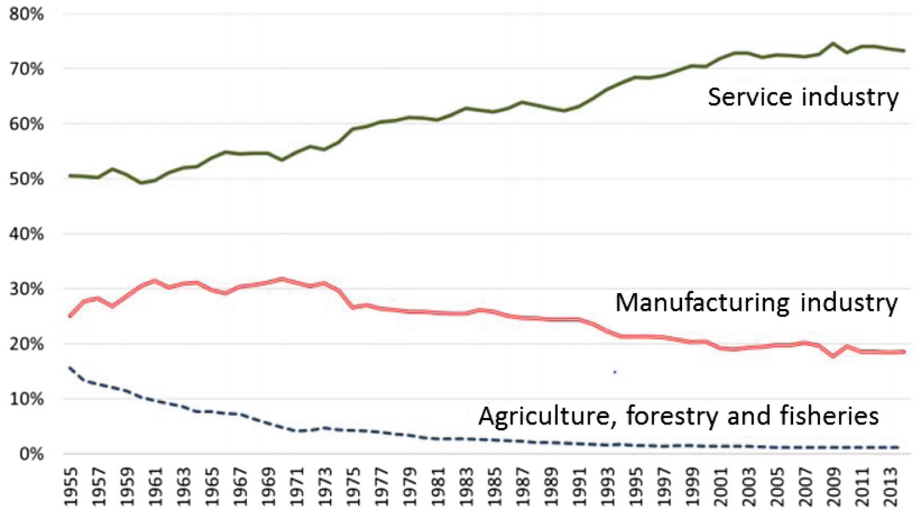


**Fig. 1.** Japanese industrial structure 1955-2014, National Accounts, Cabinet Office [1]

The decline in the share of the manufacturing industry and the growth of the non-manufacturing industry are global trends. The manufacturing industry share in the US, UK, and France has dropped to around 10%, and the service industry share in the emerging countries accounts for 50% to 70% [2] (Fig. 2). In Japan as well, it is considered that the service industry will be further developed in the future.

| | Manufacturing industry | | | Service industry | | |
|---|---|---|---|---|---|---|
| | 1980 | 2010 | Change | 1980 | 2010 | Change |
| U.S.A. | 19.2% | 11.7% | −7.5% | 68.7% | 79.9% | 11.3% |
| U.K. | 24.3% | 10.0% | −14.3% | 56.5% | 77.7% | 21.2% |
| Germany | 28.9% | 21.5% | −7.3% | 57.1% | 69.5% | 12.4% |
| France | 20.6% | 10.3% | −10.3% | 64.3% | 79.3% | 15.0% |
| Italy | 28.4% | 16.0% | −12.4% | 56.2% | 73.2% | 17.1% |
| Japan | 26.9% | 17.8% | −9.1% | 57.7% | 72.4% | 14.7% |

**Fig. 2.** Changes in the share of manufacturing and service industries in other countries, EUKLEMS data base [2]

It has been a long time since the low productivity of the Japanese service industry was pointed out (Fig. 3). However, in actuality, there are evident differences between practice and science as to the interpretation of "knowledge." Much "knowledge" accumulated in practice is tacit, and floats in the absence of interplay between scientific and practical knowledge, each of which allow the heterogeneous, independent existence of the other. However, practice must be explained scientifically. The sharing of "knowledge" requires a clear definition of terms. The three terms important to the

service industry, “omotenashi,” “hospitality,” and “service,” are not clearly defined by prior researchers so as to allow them to be understood by practitioners. Definitions of terms by scientists are difficult to understand for practitioners, and often given no sense of the clinical. At the same time, these three practitioners’ terms are, for scientists, “individual” and “tacit,” and feel very distant from the natural sciences. Based on prior studies, this paper provides practical a pragmatic examination of these three terms, redefining them scientifically in order to bring “scientific knowledge” and “practical knowledge” closer together.

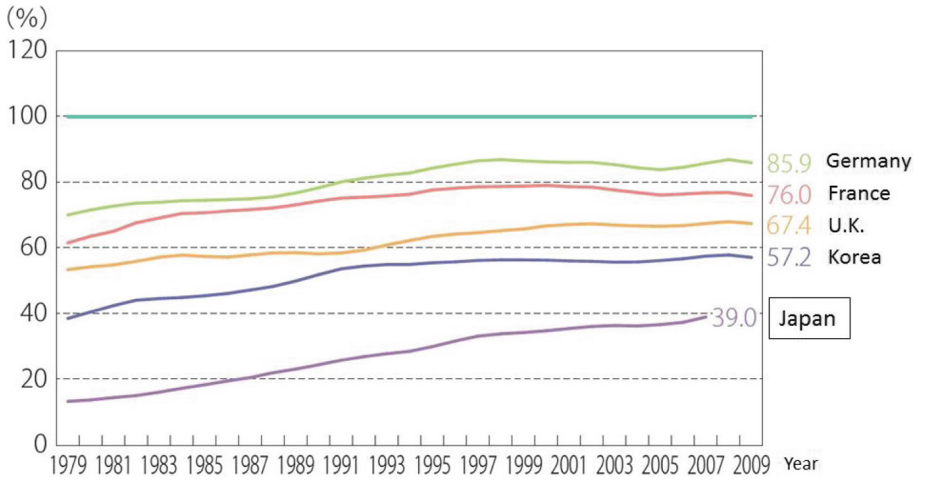


**Fig. 3.** Comparison of labor productivity in the non-manufacturing industry with the United States (2009), EUKLEMS data base 2008, 2009, 2012, GGDC data base, JIP data base 2012, Bureau of Economic Analysis [3]

The essence of the problem is the divergence between “scientific knowledge” and “practical knowledge,” with science lacking in the perspective of the viability demanded by practice. Correcting this divergence requires a “clinical knowledge” approach through fieldwork. Noting the source of the divergence between practice and science, Kobayashi [4] touched on the need for fieldwork, saying, “Practical research has individual, symbolic, and active characteristics. Its validity may be called into question in the universal, ethical, and objective perspective that is the standard for empirical science” [4]. Further, Kobayashi pointed out the problems of practitioners with an example from the world of civil engineering practice, with the thinking of Schön [5] as a foundation. “(1) Reflection in action as professionals is not enough. (2) There are few opportunities to acknowledge oneself as a technical master and reflect. (3) Reflecting practitioners cannot turn reflections into explicit knowledge.” Schön explained the need for systematization of “field knowledge”. In addition, Sawabe [6] focused on the mutually beneficial usefulness of research and practice through the clinical studies of Kaplan [7] and Nakamura [8], who emphasized field-work in managerial accounting research as a key concept. He noted, “Clinical

knowledge is created using both practical knowledge (that which practitioners are aware of) and scientific knowledge (that which observers accept), and is a framework that appropriately categorizes individual phenomena." Thus, this paper explains the three major terms of the service industry, "omotenashi," "hospitality," and "service," scientifically, and redefines them, presenting a practical background based on clinical processes. The following are expected from the analysis of these terms: (1) creation of a common understanding between practice and science; (2) formation of systematic, comprehensive management thinking at the frontlines of practice; and (3) responsiveness to rapid changes in the times and diverse customer preferences. In other words, by using common terms, "knowledge" will increasingly become explicit. With the creation of a service management methodology through linguistic characteristics, we can expect to achieve a co-existence of science and practice in our thinking.

There are no unified definitions for these three terms. Accordingly, this paper gives examples of this lack of unity and the diversity of interpretations in practice, in order to accurately present the status quo. Next, by comparing the research perspectives of two researchers, the author wishes to present a blended perspective with the author's practical experiences. At the same time, the paper will deepen the discussion by pointing out internal inconsistencies of prior researchers. For example, prior studies state that, while "omotenashi" has something to do with the definitions of "hospitality" and "service," those studies do not touch on the practical importance of "omotenashi". However, the importance of the word "omotenashi" in service design as the overall assessment of customer experiences (stories) must also be shown.

## 2 Expressions of the Concepts Inherent in the Three Major Terms

With a blended perspective with the author's practical experiences, the concept of "Omotenashi" is the overall assessment of customer experiences (contexts) made up of continuous touch points. In other words, omotenashi can be seen as service design into which individual experiential stories are woven. However, "Omotenashi" as a dairy term is generally translated as "hospitality" in English, and the two words are essentially synonymous, while "service" is understood as being superior, with greater substance and sincerity. However, in regard to "hospitality," prior researcher Yutaka Yamauchi focused on "hostility," as was pointed out by Derrida [9], in writing about service as a "struggle" [10]. Yamauchi did not make a linguistic distinction between "hospitality" and "service." On the other hand, sociologist Tetsuji Yamamoto asserted that "service" and "hospitality" are completely different. Yamamoto's definition relied on a theory of the state, viewing "service" as a tool for social structure, with a uniform existence in which the ethics of "society" rules and standards are at work. Yamamoto developed a theory of dualism, in which "hospitality" is juxtaposed with "service" as a world of subjective non-separation. This paper critiques prior studies, while striving to combine science and practice by redefining the aforementioned three terms, and clinically validating those terms from a new perspective. By showing the correlation between these three terms, the paper extracts the inherent concepts existing therein.

## 3 Prior Studies

The perspectives of prior researchers Yutaka Yamauchi (Professor, Kyoto University Graduate School of Business Administration) and Tetsuji Yamamoto (Former Visiting Professor, Tokyo University of the Arts), and from the service industry Malcolm Thompson (General Manager of The Peninsula Tokyo), regarding the three terms are presented below. (Thompson's opinions were selected by the author) [11].

### 3.1 The Two Perspectives of Yutaka Yamauchi: Issues with and Developments in "Hospitality"

**"Hospitality Is a Struggle".** Yamauchi [12] cited Derrida [9] in defining "hospitality" as a struggle. The Latin root of the word is hospes, which denotes a confrontation between two things. In other words, "hospes" is a combination of "hostis" and "pets" to form "hostilis" (the intent of hostile, unrecognized thing). In addition, Yamauchi notes, "What does the thesis mean that says service is a struggle? Service is the fusing of the beautiful, harmonious facade and the abyss of struggle." Service has two meanings, namely (1) a beautiful, harmonious facade and (2) the abyss of battle. In other words, he decidedly says that a genial response to a customer is a facade (a false front) [13], with the essence being a "battle." He continues, saying, "The essence of service is the abyss of struggle. A facade is configured so that one can withstand the abyss. Service has a portion that is a facade, with the essential aspect at a contrasting orientation. The beauty, solicitude, and satisfaction of the facade are important, and at the same time the deficiencies, contradictions and struggles are important. The harmonious facade is, in a sense, a story of something being done too well" (Yamauchi [12]).

However, there is another way to view Derrida's explanation of a "struggle." Tetsuji Yamamoto noted that "Hospitality should not be regarded as 'an enemy' or 'struggle,' but interpreted as a manifestation of reciprocity" [13]. This reciprocity can be placed into three categories, namely (1) the point of contact between advanced skills and historical, traditional cultural skills (skills); (2) the point of contact between environmental places and cultural history (concepts); and (3) the point of contact between private feelings and parallel beauty (subjects). These transform each other and are interrelated. Yamamoto proposes using this concept as a hospitality skill. There are some misgivings about Yamauchi's perspective; first is the obsession with the etymology of the word "struggle." This can be understood to a certain extent, though stating that the practice of service is a "story of something done too well and a harmonious facade" diverges from the essence of practice. The second misgiving is treating "service" and "hospitality" as synonyms. The title of Yamauchi's work is "'Tousou toshite no Service" (Service as a Struggle), though it starts with the root of the word "hospitality." If "service" and "hospitality" are synonymous, the interpretation of the single word "service" should be sufficient to show the context of all service industry phenomena. However, it is impossible to show every possible context with "service" alone. This is because contexts of practical service are thought to be interwoven with diversity and mutual subjectivity, interpretations of complex, subtle psychologies, and creative responses. Being careless with the explanations of words makes

one scientifically defenseless, and there is a fear of mistakenly recognizing the personal, unreplicable treatment symbolized by a Japanese inn proprietress as high-quality omotenashi, along with individual emotional episodes, and having these expanded and disseminated as examples of "omotenashi."

**The Service Design of Sushi Restaurants Is One of Fear.** Yamauchi [12] declared, "If service is understood as a struggle, the service design of sushi restaurants is strange. They are designed to be difficult to understand. The master of the restaurant has the option to make a menu, and can politely explain the menu, but does not do so. Such a design heightens nervousness in customers, and seems to be quite distant from user-centric or human-centric thinking to date. According to Donald Norman, a proponent of human-centric design, the discussion on emotional design has intensified this point. For example, roller coasters provide fear to customers, the value being that 'they can brag to others that they could deal with the fear' [15]. " However, given the practical experiences of the author, there are some doubts about this "world of the struggle." According to Ken'ichiro Nishi, the owner of the venerable Tokyo restaurant Kyoaji, "The reason menus in sushi restaurants don't have prices is that prices change according to market value, and the lack of menus (with prices) shows that everything is fresh, with nothing frozen. It's the mark of a good, well-regarded shop. Also, when market values fluctuate, we try to ascertain customer budgets and make sure what customers order fits within their usual budget. It's a sign that the customer can have peace of mind with the Japanese way of doing business." Thus, this is not a tool for arousing fear in customers, nor is it a design for showing one's self-control in conquering fear, as with riding on a roller coaster. This sort of approach from the world of science causes confusion among many practitioners. Certainly, the perspective of a "struggle" might apply to a limited number of customers, but there can be no escape from the business viability aspect. The deep "hostility" derived from Derrida is nothing more than the reciprocity of Yamamoto [14]. In other words, just as the term "market value" implies, value fluctuates as it is impacted by changes in the natural environment and demand and supply balances in the marketplace. However, the Japanese way of doing business, with the customer at the center of business, assumes that commerce occurs only when there are customers. Thus, knowing how much each customer will spend and as much as possible making a bill fit that budget is also "market value," and is part and parcel of commerce. Before spending or making money, the development and maintenance of "customers" takes priority. This is not a design for fear. Yamauchi's perspective does not display an understanding of the cultural capital peculiar to Japan in its method of commerce.

Hara [16] noted that the relationship between service providers and customers is one that co-creates value. "Those involved in a service jointly work to dialectically improve service literacy and co-create value, creating a foundation for value creation based on long-term relationships of trust". The fact that the root of Japan's way of commerce is in "developing and maintaining customers" (Baigan Ishida) cannot be overlooked: "Even if one supposes that selfishness is good for business, one can never allow harm to others (customers) no matter how much profit may result" [17].

### 3.2 The Assertions of Tetsuji Yamamoto

**Tetsuji Yamamoto's Perspectives on "Hospitality" and "Service".** Yamamoto explained the significance of "hospitality" through a theory of the state: "The essence of social design is a space homogeneous and uniform with the national state space. In other words, this is a design of homogeneous space, with service being a norm and rule in the structure of 'society [18]'," Yamamoto thought of "hospitality" as an ever-changing response to all types of parties, synonymous with the "hospitality" and "service" of the aforementioned Yamauchi, though Yamamoto understood these two things as two completely different poles.

**Tetsuji Yamamoto's Perspective in Relation to the Definitions of "Service" and "Hospitality".** Yamamoto [19] declared, "Service and hospitality are mixed up, not just in Japan, but globally." "Service is doing the same thing for everyone. By contrast, hospitality is doing things differently depending on the other party. Hospitality has no norms or rules." "The 20th century was a century of service. The 21st century is an era of hospitality." He polarized the two, asserting that "service" was something of the past, while "hospitality" was of the future.
In addition, Yamamoto [20] asserted that "hospitality" is erased in a "service" society, and pointed out five problems.

(1) There is no differentiation between single relationships and co-relationships.
(2) "Hospitality" does not function in society.
(3) Product objectification makes "hospitality" unrecognizable.
(4) The theoretical thinking of subjective separation makes "hospitality" unrecognizable.
(5) Human agency makes individual logic unrecognizable.

A careful reading of these practical viewpoints means that the problem of (1) is the confusion of personal response and fixed services packaged for group treatment; (2) can be interpreted to mean self-existent "hospitality" cannot thrive in a world (or society) bound by structured rules and regulations; (3) shows the state of products and services subjectively provided as ready-made goods (objects), with no room to insert the customer's volition. This is understood in Goods Dominant Logic. (4) can be understood to mean that, in logical thinking where "agents" and "objects" are separate, the mutual subjectivity of service providers (co-creation logic) is not put to use. (5) means that "hospitality" is not service providers responding with their will, but using customer will or the will (or capital) of place [21]. However, this viewpoint is not a practical one in terms of viability. There is no viable strategy for "hospitality." In this logic, the provision of "hospitality" vanishes through the characteristics of "service" (IHIP characteristics). In actuality, is it not "hospitality" (with development characteristics), rather than the provision of high cost services for reduction, that shifts one-off special treatments to "services" (with standardized characteristics), and strategizing the accumulation of services to support viability? Here is seen the divergence between practice and science.

### 3.3 "Hospitality" in Practice that Matches the Times

In the world of practice, what must be avoided above all else is continuing to provide fixed, unchanging services to customers. This is a starting point for service philosophy. Customer preferences and experience values change with trends and advances in the world. The reality is that there is no such thing as a customer with unchanging preferences. Preferences change not only due to changes in the external environment, but also due to visitation patterns. Customers visit businesses individually, as families, as unmarried couples, as married couples, as organizations, and so forth, and responses must be changed for each of these cases. The same expressions of service must not be used. Individuals must be provided service focusing on individual preferences and experience, while services to families will change based on age, gender, occasion and season. For unmarried couples, services will change by occasion and season, with considerations for age, age gaps between women and men, and women's preferences. Services for married couples must consider age and the preferences of the wife, with discernment of the occasion, season, and health. Organizations require responses that reference organization standpoints, composition, purpose, season, age makeup, visit frequency, and past issues. People not involved in services may think that these types of varying services are ideal but unrealistic. However, reality is the constant pursuit of the ideal. No one thought that convenience stores would ever sell oden hotpot or coffee, or would steal market share from specialty shops. Steady progress over time is the reality of the world. Responding to changes in the external environment is not limited to advances in AI; these are environmental responses exemplified by the responses to VUCA (Volatility, Uncertainty, Complexity, and Ambiguity), and to the LGBT and other constituencies. Accordingly, Yamamoto's response to changes in "hospitality" is an effective theory even in practice, though a shift from "hospitality" to "service" is a condition for realizing viability.

### 3.4 Differences Between Prior Research and Practice

Yamamoto does not recognize the significance of "service" as a structuralistic, uniform norm, and defines "hospitality" as more evolved, placing it in opposition to "service." The "hospitality" that Yamamoto noted as a concept has importance in the world of practice as well, and enables strategic service design. However, Yamamoto's definition of "hospitality" is difficult to use in practice. The problem is that at times only its logical nature is prioritized, with viability being left behind. With the hurdle of viability, we must attempt to establish a logic to augment practice. I wish to reinforce the fact that "service" has not been redefined.

### 3.5 Interpreting Malcolm Thompson

As a practitioner working in the management of a foreign-financed hotel chain rather than as a researcher, how does Malcolm Thompson view the difference between "service" and "hospitality"? Thompson integrates the two. He states, "'Service' is the grease that turns the gears of "hospitality, and allows for smooth operations. 'Hospitality' cannot be discussed as something merely intuitive and intangible. 'Service' is

almost tangible. Thus, skills and techniques are required. From the perspective of the customer, 'hospitality' refers to the overall experience of a customer. It is the sense and impressions one feels. 'Service' is the grease required to keep those experiences turning without hesitating" [22]. "Hospitality is the sense that customers feel through an overall experience, and "omotenashi" refers to individual services to customers that create "hospitality." In other words, it is service with a "personal touch." Although this can be understood as a definition of the implementation of hospitality, it is lacking as a strategic discourse or service design. As a definition, it is something intuitive, tending to the practical. "Hospitality" is a blanket term for individual experiences, and cannot be visualized. However, "service" can be visualized. It exists as a phenomenon that can appeal to customers; but what is lacking in the world of practice is analytical thinking in business to make knowledge explicit. Creating explicit knowledge and systematization after reflections is important.

### 3.6 Interpreting in the World of Service Practitioners

The lack of analytical thinking in business to make knowledge explicit can be pointed out by analyzing the results of questionnaire conducted by the author on executives of other foreign-affiliated hotels, Japanese hotels and some service companies. The following is an excerpt of the answers [23].

> "Omotenashi is a heart that carefully considers the other person. Japan's unique mind and provided at the discretion of the individual. Hospitality is providing added value in every aspect. Service is offering added value by humans, limited to software. One element of hospitality."
> Hirohide Abe, vice president-revenue, Asia Pacific of the Hyatt Hotels & Resorts

> "Omotenashi is the same as Hospitality. Hospitality is beyond "service", employees read customer requests, take the customer's standpoint, proceed proactively and respond to customer requests. Service means customer service according to the manual."
> Hirohisa Fujimoto, seniror director of development, Japan & Micronesia at HILTON WORLDWIDE

> "Omotenashi is proactively responding to customer requests and needs. Hospitality is, for example, talking to entertain customers. Not necessarily provided in return for consideration. Service is obtained at a price"
> Daisuke Yoshihara, director of corporate planning office of the Place Hotel Tokyo

> "Omotenashi and hospitality are the mental things that people treat, and service refers to the specific acts of omotenashi and hospitality."
> Dadao Kikuchi, chairman of the Royal Holdings Co., Ltd.

> "Omotenashi is a concept based on a Japanese cultural background and hospitality and service are concept based on a western cultural background. Omotenashi is the same as hospitality. Hospitality is an act to improve the quality of service. Proactively providing what is expected. The word "service" includes the meaning that the service recipient is in a higher position and the service provider is in a lower position.
> Koji Takabayashi managing director of Horwath HTL (Consulting Firm)

"In the medical field, "service" is a medical practice, and "hospitality" means promptly performing necessary treatment for a patient after obtaining consent from the patient. "Hospitality" refers to the patient's mental support and giving priority to saving the patient's life over the patient's "satisfaction". There is no word "omotenashi" in the medical field. A similar term is "patient response". It refers to using "sama" when calling the patient's name (calling the patient's name with a title), and striving to reduce pain during treatment as much as possible." Ryoichi Nagata, Representative Chairman, President & CEO of Shin Nippon Biomedical Laboratories, LTD.

The above comments can be summarized as follows (Table 1). The charts plotted according to the characteristics are shown below (Fig. 4).

**Table 1.** Interpretation of three keywords by Japanese service providers

| | |
|---|---|
| Omotenashi | It is a translation of "hospitality" and "omotenashi" and "hospitality" are essentially synonymous |
| Hospitality | It is a sincere response with a more fulfilling "service", and it is a matter of considering customer comfort regardless of the price |
| Service | It is a tool that realizes comfort, and is a standardized response provided by consideration |

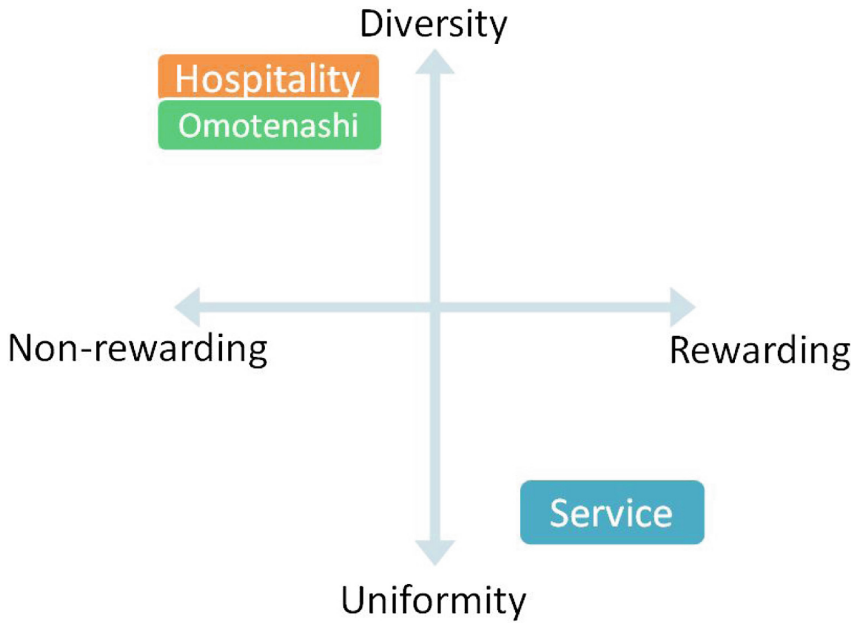


**Fig. 4.** Characteristics of the three keywords interpreted by Japanese service providers

The interpretation of the three keywords in the Japanese service industry is that "omotenashi" and "hospitality" are synonyms, and "hospitality" is a treatment that does

not require a return, whereas "service" is a customer service according to consideration. As for the relationship between "hospitality" and "service", it can be said that "hospitality" is what enhanced "service". However, the recognition that "omotenashi" and "hospitality" do not require consideration may lead to denial of business as a company. Then, it becomes impossible to solve the low productivity problem facing the current Japanese service industry.

If the quality of "service" is enhanced by "omotenashi" and "hospitality", "omotenashi" and "hospitality" should rather be regarded as a source of added value. And it is essential to have a scientific approach to how these three elements relate to each other and provide new value to customers.

Cornell University School of Hotel Administration also conducted a survey of the service industry about the meaning of "hospitality" and "service". The following responses were obtained (excerpt) [24]:

> "Hospitality is welcoming a person into your environment, such as your hotel or restaurant, our home, or even your office, and making them fell warm and secure and that they will be cared for. Service is placing yourself at the disposition of others, anticipating their reasonable needs and freely offering the meeting of these needs, with integrity and caring, to the best of your ability."
> John Sharpe, former president and CEO of the Four Seasons Hotels and Resorts

> "Hospitality: The ability to make people feel comfortable in their surroundings and to connect with them in a genuine and personable manner. Being courteous and smiling are among the hallmarks of hospitality, as is being genuinely concerned for your guest's experience and thinking one step ahead of them at all times.
> Service: The ability to engage with guests in a discreet, professional, and warm manner, to take advantage of each moment one has with a guest, to interact with them as individuals, and to put the guest before all else."
> Shane O'Flaherty, president and CEO, Forbes Travel Guide

> "Hospitality: We strive to consistently deliver a Bloomingdale's experience that is both personal and engaging. We want our customers to feel a sense of community, where fashion and style are always made easy to navigate. Service: Relationships are the cornerstone of our model. Customers are looking for great merchandise but many times will return because of great service. Our associates are expected to build their business through loyal clients who will reward personalized care."
> Tony Spring, president and chief operating officer, Bloomingdale's

> "When I think of hospitality, I think of providing warm, caring, genuine service. I think we need to take care of our guests in a thoughtful, caring way as if we were welcoming them into our homes. If ever we come across as aloof, I think we have failed as a hotel. When I think of Service, I think of going above and beyond the expectations of our guests."
> Maria Razumich-Zec, general manager, regional vice president, USA East Coast, The Peninsula (Chicago)

> "My view is that service comes from thinking of the head. Hospitality comes from that plus intuition of the gut and emotions from the heart."
> Ted Teng, president and CEO, Leading Hotels of the World

> "Hospitality: Graciousness. Service: Respect"
> Randy Morton, president and CEO, Bellagio Resorts/Las Vegas

> "Understanding the distinction between service and hospitality has been at the foundation of our success. Service is the technical delivery of product—or how well you do your job. Hospitality is how the delivery of that product makes its recipient feel—or who you are while you do your job. Service is a monologue—we decide how we want to do things and set our own standards for service. Hospitality, on the other hand, is a dialogue. To be on a guest's side requires listening to that person with every sense, and following up with a thoughtful, gracious, appropriate response. It takes both great service and great hospitality to rise to the top."
> Danny Meyer, owner, Union Square Hospitality Group

> "Hospitality is showing others you are on their side. It builds relationship, has a warm feeling, offers flexibility, understanding and comes from the heart. Service is the technical procedure of doing our work. It is the transaction; has trained/industry knowledge; is systematized, competent, and comes from the intellect. Service defines what we do and hospitality personalizes how we do it. Success results from the integration of Service and Hospitality. Here is the Success Formula: Integrity = Service ^ (Hospitality)
> I = S (to be H degree)
> H is exponential thus very powerful!"
> Chick Evans, owner, Maxie's Supper Club and Oyster Bar (Ithaca, NY)

Michael D. Johnson, former Dean, Cornell University School of Hotel Administration quotes on "hospitality" and "service" as follows:

> "Hospitality is foremost the application of the golden rule or treating others as you would expect to be treated yourself. While largely universal, every country and culture has its own unique expectations as to how to provide a friendly, welcoming and generous treatment of visitors, which is the essence of hospitality."
> "Ultimately, service is the ability to deliver a great customer experience either as a solutions are new to the world, just new to the company providing them; otherwise, customers would provide the service them-selves. An outstanding service provider allows customers to trade off money for time or time for money" [24].

These interpretations represent the actual situation in the field of services, and there are some common points in the interpretation of each person, but the definitions are rather vague and not scientific.

This fits with Kobayashi [4] assertion that "Reflective practitioners in the action cannot make their reflections explicit knowledge." This is where the problem of divergence between scientific knowledge and practical knowledge becomes clear.

## 4 Redefining and Filtering "Omotenatshi," "Hospitality," and "Service"

As we have discussed to this point, there are no clear definitions of these three words, either in the world of service practice, or in academia. In practice, theoretical arguments are looked down on and avoided, while scientific knowledge for its part diverges from the real world. Thus, the author adds his practical experiences as "clinical knowledge" connecting practical and scientific knowledge, to define these three words as follows:

Omotenashi (the overall assessment of customer experience) = Hospitality (development characteristics) + service (standardization characteristics).

In other words, "omotenashi" is an amalgamation of the "hospitality" that is normally researched and developed, and the standardized, generalized "service" generated from portions of hospitality. "Hospitality" is conceptual and fluid, with a liquidity that conforms to the desires of the other party. It seeks out new needs based on the age, orientation, physical condition, lifestyle, and experience value of the customer, and experimentally provides product services. If we liken it to an automobile, "hospitality" is a prototype that strives for various potentials. It gains solidity as standardized services only by recognizing as effective the filters of the three aspects of viability, namely (1) cost-effectiveness, (2) marketing, and (3) competition. Again likening it to an automobile, "service" is a platform. Not only the aforementioned Yamamoto, but any recipient of services has a negative impression of the cold, uniform responses of "by-the-book" services, though in actuality doing things by the book, or standardizing and generalizing is important for viability. The problem is that the book is never revised afterward. The example Yamamoto notes of a menu of a restaurant in a storied hotel going unchanged over decades is "service" that compromises customer attractions. However, always accepting customer needs and continually standardizing those elements that are operable simply as standard "services" inevitably increases the volume of services. By doing so, firms can pursue customer satisfaction with an increased value of customer experience, and in addition can realize differentiation and added value versus competitors through always improving service levels (Fig. 5). Maintaining customers and developing new customers through the development of attractive "hospitality" enables an expansion of both customer quality (via complex consumption behavior by improving lifestyle through increased experience value) and quantity (via the application of customer engagement theory).

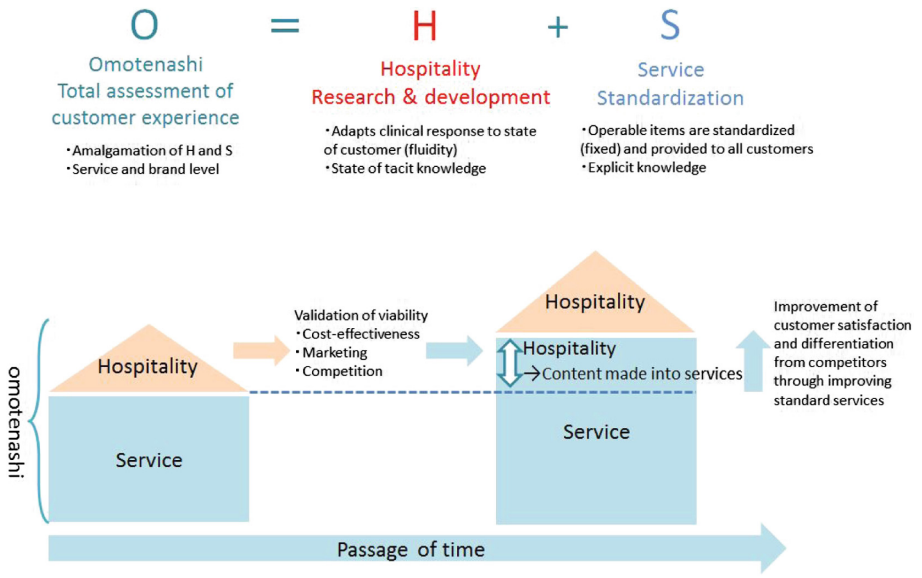


**Fig. 5.** Chart of redefining three keywords

Adopting Yamauchi's [25] perspective that the products and systems that service design targets are entirely different from service per se, and accepting the viewpoint of that adapting, on an as-is basis, the discussion on service design to services is difficult, I have attempted to form "clinical knowledge" through a careful reading of prior studies and considering my practical experiences. In other words, as was noted by Yamamoto [19], though "service" and "hospitality" are different, "service" is not therefore repudiated. Cornell University accepts that the two are interrelated, and the validity of the view that these two differing concepts co-exist should be noted.

"Hospitality and Service are both distinct and interrelated. Hospitality is like strategy, whereas service is its tactics. I believe that they both are integral to every business, and they are fundamental to our industry" [26].

### 4.1 The Merits of Redefinition

"Hospitality" is the R&D-driven, experimental area of responding to customer needs, while "Service" extracts and formalizes the discovered practices into a commercially feasible form. The biggest merit of redefining these two areas as parts of "Omotenashi" is that it enables businesses to ensure commercial viability while addressing the problem of low labor productivity. Because it becomes feasible to realize a rise in customer numbers and expenditures by responding to customers' needs carefully and proposing a new sense of value that meets the rise in customer satisfaction continuously. When the individual definitions of the three concepts "Hospitality", "Service" and "Omotenashi" are clarified, their respective characteristics and relationships become clear and their interconnectedness can be seen. As an example, let us assume that a customer requests the provision of a service that is not provided in the existing service program. The service provider has two options in these cases: either refuse to provide the service as it is not in the program, or to try to satisfy the customer's wishes even though the request is out-of-scope. The latter case involves the experimental provision of a new customer service and falls under the heading of "Hospitality." This is equivalent to R&D in manufacturing. If the customer is satisfied, and the new service passes through the filter of being verified for commercial feasibility, the company standardizes the response as a "Service." It is then added to the business' service manual. The service value is improved for customers whose wishes are fulfilled, and a contextual "story" is born from successive customer contacts (interactions between customers and service providers). In this way, clarifying the interrelation between the three concepts makes it possible to gain a scientific understanding of practice, from the perspective of key concepts such as strategy setting, customer creation and customer lifetime value. Furthermore, this makes it possible to secure competitive advantage by promoting the development of new services.

As can be seen from the concept of "simultaneity" (or indivisibility), one of the so-called characteristics of service, the provision and utilization of services occur simultaneously as part of the relationship between customer and service provider. This is where improvisation becomes the key to service. However, in common practice until now, improvisation has only been possible in special cases and can only be provided by a very limited number of skilled staff. There are also many cases where the response is limited to a specific customer and does not make business sense.

However, by redefining, service providers can educate their staff to systematically give them a better understanding of the importance of "Hospitality" brought by the improvisation. Additionally, achieving excellence in improvisation adds new value to existing services and enhances competitiveness, while "Omotenashi" helps to create a comprehensive customer experience (or "story") and leave the customer with a positive final impression. Furthermore, it can be shown scientifically that continuous customer contact can bring about added value ("context") in customer service.

If, as Tetsuji Yamamoto argues, manual-driven "service" is unnecessary and only "hospitality" that is tailored to each customer is needed, then it becomes essential to completely adapt to the different needs of individual customers when providing customer service. It is both unreasonable and physically impossible to provide 100 different responses to 100 individual customers. In addition, in cases when the customer's needs are outside the scope of what can be met by the provider, the provider must accept this and provide a response to the customer.

In this case, basing the response on the redefinition of O = H + S would provide satisfaction to both the customers and the business. In other words, when responding to the needs of 100 different customers, it is important to first identify the needs that are common across all 100 individuals and standardize these needs as "services." Standardization means that the service provided is not unique and will be available to all as a completely standard product. This is efficient because it enables the creation of a system that can deal with thousands of customers by readying things such as personnel allocation and mechanization in advance. Once this is in place, some elements of "Hospitality" that are not included in the base "Service" can be provided to individual customers. Redefining "O = H + S" in this way enables the provision of considerate "Omotenashi" in a stable and sustainable system.

"Service" in this redefinition grows in scope as time passes and customer satisfaction increases. For example, if a hotel's room rate includes board, cleaning and a laundry charge of sheets but most of the customers also request shoe-shining, the hotel can incorporate this into its standard Services. Having "Services" that can increase in scope in this way reflects well on the quality of the hotel, and is a good demonstration of brand power. By adding shoe-shining to the range of available services, the hotel is able to add value to the room price, which will ensure profitability and offer a competitive advantage. It is also an effective marketing strategy: rethinking the policy on shoe-shine services reinforces the hotel's authenticity and will appeal to lifestyle- and fashion-conscious markets. It can be argued that widening the provision of "Services" benefits all stakeholders. Given the relationship between "Service" and "Hospitality," any opportunity to keep updating "Services" should be taken. Services that do not change with the times and adapt to customer needs will soon become commoditized and lose competitiveness.

The argument against applying the three concepts in the business world is that the actual content of customer service is personal and not strategic. When interpreting the expression "Omotenashi = Hospitality = Care rather than service," Omotenashi can become an ad-lib by the service provider, or becomes a situation in which the customer gets exactly what they want, as they had many times in the past, which in turn leads to repeated responses and the customer getting bored. Furthermore, the idea that "hospitality = an action which does not demand a return" can make business viability difficult.

As an example, consider a hotel lounge in which drinks are provided free-of-charge. What kind of approach is appropriate when a customer wants an item that cannot be provided for free, unlike the coffee, tea and soft drinks on offer? If a business decides that "Omotenashi = heartfelt service," it should provide the customer with what they want. Regardless of the cost, it should provide even beer or wine in line with the customer's wishes. On the other hand, if the business takes a manual-based approach and refuses to provide anything other than those which can be provided at low cost, this will naturally lead to customer dissatisfaction.

The best response for both customers and the hotel is for the hotel to identify the items for which there is a high customer need and include them on the free item menu. The added cost of widening the scope of the service can be written off as a cost of marketing or incorporated systematically into the room rate. In this way, "O = H + S" meets the needs of various customers and creates Services from those elements that are viable in terms of cost-effectiveness, that provide marketing benefits, or that help to differentiate a business from its competitors. This gives rise to a chain of operational flows and creates the ability to balance providing a fine-tuned response to every customer, reflecting the added-value in compensation, and improvement of the corporate brand.

## 5 Application of These Terms at a Luxury Resort Hotel

Given the redefinition of the three terms in Sect. 4, let us introduce an implemented example of customer service. The hotel in this example is a luxury hotel that is surrounded by nature amidst the mountains near Lake Toya, in Hokkaido's central southeast region, with the closest airport, the New Chitose Airport, located 130 km away. It can accommodate approximately four hundred guests, and the hotel's thirteen restaurants make it a world-class resort. After opening as a large-scale hotel during Japan's bubble economy era, it went bankrupt in 1997 and was brought back to life again in 2000. In 2008 it became famous as the main location for the Hokkaido Toyako Summit, and it was allowed entry into the international luxury hotel consortium Leading Hotels of the World ("LHW"). In addition, the 2012 Michelin Guide Special Hokkaido Edition gave the hotel the highest rating of 5 pavilions in its accommodations division, and three restaurants within the hotel received three, two and one stars, respectively, for a total of six stars. It was thus recognized as an internationally first-class resort hotel.

The hotel did not enjoy such circumstances from the outset. In its first iteration it opened in 1993, later going bankrupt in 1997, and in that period it was a members-only hotel. It reopened with rebranding by new management as a normal hotel in 2002. This reopening was accompanied by a complete change in concept. At the time of this reopening, the economy was in the middle of an unprecedented recession, and the hotel worked hard to gain customers in a nonexistent high-end market.

The greatest effort made by the hotel was to reflect the marketing strategy to create and maintain customers in the service of the hotel. In doing so, it focused on the conceptual characteristic of liquidity, or conforming to customer demands, just like a liquid [27]. Based on customer age, orientation, health, lifestyle experience values, etc., the hotel explored new needs, and experimentally provided products and services for them.

### 5.1 Implementation of "from Birth to 100" Marketing

Specifically, it made lists of the new facilities, services, and human resources that would be required as it imagined the needs of customers of all ages, from birth to 100, or based on information obtained through customer interactions. For example, the needs of a baby are inextricably tied to the needs of a pregnant woman, or the needs of a newborn child. What type of menu of should be provided to a pregnant woman, and how should those meals be provided? What should be done about milk for newborns or those that are being weaned from milk? The list goes on. Hotels generally tend to focus their products on services around the primary customer demographic of those in their 30s to 50s and 60s. However, responding to the needs of all possible customers is important for marketing strategy, and is where a linguistic understanding of "hospitality" augments ideas. For example, in this hotel, children are called "child customers," and viewed as a reserve army of future primary customers. The hotel thus experimented with providing to all sorts of needs, validating viability through responses, effectiveness for other customers, marketing impact, and cost effectiveness. Products and services that passed that process became standard "services" of the hotel, and were provided to all customers.

Let us look at a specific case at an example hotel. One winter day, a family with a 92-year-old father visited the hotel. The father's daughter said that this would probably be her last trip with her father, so she was determined to make arrangements to take him to restaurants where he could eat his favorite foods and to take care of his physical health. The hotel also focused its efforts on supporting the daughter.

They provided hot water bottles so that he would not get cold at night, and laid warm rugs to make sure that he didn't catch a cold when he moved on a wheelchair in the lobby during the day. These provisions were listed in their "0–100 Marketing" list as items to be arranged for 90-year-old customers. Then, on the second day of their stay, the elderly customer asked to go out on the ski slopes outside the hotel.

The family tried to discourage him as they were worried that he might get injured or catch a cold. However, the customer insisted to experience the beautiful snow-bound vistas of Hokkaido for himself. In response, the hotel suggested that they use the "igloo" that had been built on the slopes to enable him to enjoy the refreshing air and scenery while staying warm and safe. In addition, they installed a charcoal brazier in the hut, so that he could enjoy locally-caught grilled shishamo [a type of fish] with hot rice wine. This could help the family enjoy the trip by all the family members and create memorable moments at Hokkaido. The elder customer said he would very much like to visit us again on the day of check out. It was no longer his last trip.

As a result of this family's case, the hotel has updated its "0–100 Marketing List" to offer a winter outdoor menu for older customers. They did so because they determined that being over-protective towards the elderly and restricting their behavior did not necessarily lead to customer satisfaction. By embracing the customer's needs and rejecting preconceptions, they determined that there is a high possibility that these provisions would be applicable to other elderly customers, turning "Hospitality" into a "Service." In other words, this hotel's unique level of service for the elderly improved.

### 5.2 Creating a Small-Course Menu at a French Restaurant

Let us look at another specific case at an example hotel. One customer in the late 70s could not enjoy all the courses of a meal due to the excess of food provided by a Michelin 3-star restaurant in the hotel. Hearing that, the hotel made a special course with small portions per plate, and allowed customers to choose that when making reservations. The hotel has been able to realize a structure that responds to customer needs without placing a burden on the provision of services. Thus, R&D-like "hospitality" is standardized into "services" through the three filters of viability. "Hospitality" that began as a prototype ended up as a "service" throughout the hotel.

In most hotels and restaurants, if a customer requests less food, the natural response is to provide a smaller portion size (Hospitality). Adding a new course to the menu (thereby making it a Service), as the hotel in this example did, is much rarer. If a customer who has orders small portions in advance when they make their reservation, the restaurant will prepare a small-portion course menu just for that customer. A thorough response that treats each customer as an individual is standard.

The reason for making the small-portion menu at the hotel into a "Service" instead of offering it on a case-by-case basis was not just to provide an option for the elderly but also for those who, despite being careful about their health as they get older, still want to enjoy delicious food, and because there were many female customers who wanted to avoid the heaviness of traditional French food.

Turning the menu into a "Service" enabled the restaurant to efficiently cater to more needs and, at the same time had operational merit, in that it eliminated the conflict between the cooks and the waiters that sometimes arises as a result of differing goals and opinions. As an example, waiters will try to respond quickly and considerately to customer needs and, if there are customers with small appetites, will offer them a smaller portion size. However, cooks have less direct contact with the customer and may feel put out by having to fulfil irregular orders. Furthermore, if a customer leaves food uneaten because the portion size is too large, the worry such that there might be a problem with the quality of dishes can be a source of stress and concern.

By making the specially adapted menu, which was initially irregular, into a Service, customers can order it in advance when they make a reservation and the chef knows how many customers will order it when they prepare the small portion menu on the previous day. This resolves unnecessary conflict and helps to reduce food wastage.

## 6 Conclusion

"Hospitality" is undoubtedly effective as a starting point for "services" that will increase and maintain customers. The measures known as "hospitality" that are used for improving customer satisfaction are similar to the research and development done in the manufacturing industry. I have defined as "services" those elements that have been standardized and accumulated due to their validity in the three filters of viability, namely cost-effectiveness, marketing, and competition. The significance of clearly defining terms is in the systematizing of the communication of wills, including those of scientists. For example, instead of using the general phrase "sincere service," when

service providers speak of "hospitality," they can turn to a "vector of awareness" throughout an entire company in regard to the evolution of skills for our time, or the orientations, cultures, and diversity of customers, through a common understanding of the "efforts and attempts to develop new skills." The redefinition of terms can generate innovation in thinking. On the frontlines of service practice, the techniques of practice are given priority, and "knowledge" lags. Accordingly, defining terms enables the sharing of "knowledge" as well as productivity around that "knowledge." Nonaka [28] pointed out that "quality of work, such as autonomy and creativity, are important, as is the productivity of knowledge with value." By putting the practice of service into set terms, we become more acquainted with scientific knowledge; and by proactively associating, marketing education and other fields, the discussion on service which has been clarified by prior research can make tacit knowledge explicit. Sawabe [3] noted that, "The recursive structure of theory and practice as a basis for an intelligent perspective on combining scientific knowledge and technical knowledge must be made part of academic practice."

The benefit to taking a clinical approach is that it provides a common language between practice and science. This allows practice to incorporate science and use it to improve management quality. However, there is currently very little collaboration between industry and academia in Japan. Why, when the need for industrial-academic cooperation is so apparent, is it difficult to express in concrete actions? It can be argued that this is due to the absence of linguistic tools that enable mutual understanding and allow us to meet each other halfway. While individualized management practices are unsustainable and make raising productivity difficult, scientific knowledge that cannot be applied in practice misses the opportunity to contribute to society.

As long as techniques in the practice of service are not made explicit, we cannot expect AI or other technologies to be beneficial for us. A redefinition and implementation of terms is critical for combining AI and practice, and for improving productivity thereby.

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