

# Standardization vs customization essay sample

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Hospitality and tourism industry represent 5% of global Gross Domestic Product, it is also responsible for over 235 million jobs globally or one in every 12 jobs worldwide (UNWTO, 2013). Furthermore, it is the fourth largest export sector in the world (UNWTO, 2013). These facts prove that hospitality and tourism is a really large and promising industry. According to Cassee (1983), hospitality is ' a harmonious combination of tangible (products) and intangible (service) components; food and beverages, beds, ambience and environment, and attitude of the staff'. Hospitality industry's main segments are lodging operations and food and beverages operations.

In recent years, dining out in restaurants is an ubiquitous, important, and growing international phenomenon. In a survey held by Restaurants and Institutions magazine (2010), it was found that 98 percent of people surveyed ate out in America. They prefer to buy food outside because it's more effective, especially for busy people, they eat outside as they don't have any time to cook. Most of them prefer to have fast food, so nowadays, the quick-service restaurants/ fast food increasing in popularity. This is because quick-service restaurants provide a consistent product at a low price with fast service and strategic locations. It is usually related with international brand names, for example McDonald's, Subway, KFC, and Burger King.

McDonald's is the largest restaurant chain in the world, it has more than 30,000 branches around the world. McDonald's applies standardisation as its operating system, while Subway as McDonald's competitor in fast food industry prefer to use mass customisation. Subway is the largest sandwich restaurant chain in the world with more than 37,000 locations around the

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world. This essay will identify and analyse standardisation and its alternative, which is mass customisation, and also its application in real businesses.

### Standardisation

Standardisation is defined as 'to bring or test to a standard or uniform size, strength, format of construction, proportion of ingredients, or the like'

(Oxford Dictionary, 2011). In the context of hospitality industry,

standardisation is categorised into standardisation of outputs and

standardisation of processes/ inputs. Standardisation of outputs means that

the products are all the same, for example McDonald's' Big Mac in Malaysia

will be the same with McDonald's' Big Mac in Indonesia. The taste, the size,

and also the price would be similar. Standardisation of processes/ inputs

means that the recipe and the cooking process must be the same.

Standardised service industry has Standard Operating Procedures (SOPs), it

is defined as 'a set of written directions that document a monotonous or

repetitive action followed by an organization' (EPA, 2007). It means that the

services, use of recipes, menu, table layout, systems, and even the interior

design must be in accordance with Standard Operating Procedures.

McDonaldisation is 'the process by which the principles of the fast food

restaurants are coming to rule more and more sectors of American

civilisation as well as the rest of the world' (Ritzer, 1993). McDonaldisation is

an inevitable process that cover all institutions (including the impervious one such as religion) and regions of the world. It is transmitting the logic of mass

production to service context, distinguish the concepts of homogeneous

products, rigid technologies, standardised work procedures, deskilling

homogenisation of workers, mass labours, and homogenisation of

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consumption. In the restaurant industry, McDonaldisation has been adopted by many fast food restaurant in the world, such as Burger King, Wendy's, and Kentucky Fried Chicken.

Standardisation practice has four advantages. The first advantage of standardisation is efficiency, which is 'the finest way for getting from one point to another' (Ritzer, 2004). The modern family usually doesn't have any time to prepare their meals, for most of them, eating out, mainly in a fast food restaurant, is a far more efficient way of having their meals. It is because fast food restaurant delivers fast service, so the consumers can save their time and do other activities. For example, the drive-through windows in McDonald's is the newest improvement in fast food industry. It is one of the efforts to increase the efficiency of the dining experience. The family now can merely drive through, get its order fast, and eat it while driving to the next activity.

Predictability is the second advantage of standardisation practice, it is defined as 'the guarantee that products and services will be the same all the time and in all locations' (Ritzer, 2004). It means that people know what to expect when they go out and have their meals at restaurants that apply standardisation concept. The taste of the food, the logo, the decoration, and even the staffs' attitude will be the same in all locales, because the restaurants have their own standards for their raw materials, technologies, and preparation and serving techniques. For instance, if people go to another country and they don't like the food there, they will search for McDonald's because they have estimations that the food will be the same with McDonald's in their own countries. They have already predicted the taste of <https://assignbuster.com/standardization-vs-customization-essay-sample/>

the food and the price as well. They also have known that the staffs will welcome them with McDonald's' special greeting. This causes the number of customers increased because they prefer to know what to expect instead of getting surprises.

The process of standardisation also leads to calculability or quantity, it is the third advantage of standardisation. Calculability is ' an importance on the measureable aspects of products sold (portion size, cost) and service offered (the time it takes to get the product)' (McDonaldization, 2013). It means that valuation of outcomes centred on quantifiable rather than subjective standards. In other words, quantity over quality. In McDonald's, the staffs are judged by how fast they provide the service, not by the quality of their works. The customers are convinced that they can get large portion of food with low prices, but not a really good food. Moreover, standardisation operating system also benefits the customers by giving them value for money, because standardised restaurants have lower price than other restaurants.

The last advantage of standardisation is control, which is the authority that the industry has to make not only workers, but also the customers to do whatthe management needs. For example, McDonald's prefers to use technology in producing the meals. It increases the control over the staffs ensuring that customers are getting what they exactly want any time they order. McDonald's also controls the customers through the lines, limited menus, limited choices, the absence of waitress and waitresses, unlimited and uncomfortable seats, and the drive-through windows. All of these strategies will benefit the organisation, because the amount of the <https://assignbuster.com/standardization-vs-customization-essay-sample/>

customers will increase. For instance, unlimited and uncomfortable seats make the customers prefer to take away their meals instead of eat there. Many customers leaving means more customers coming.

Besides the advantages, standardisation concept also has disadvantages. The first one is dehumanisation of employees (Ritzer, 2011). Nowadays, McDonald's uses more nonhuman technologies for preparing the food. The workers in McDonald's do not have to have high skills in giving the service, they just have to follow the steps or the procedures of McDonald's. The employees have no room to exercise their own decisions or skills, it makes them more robotic. This causes the staffs get bored easily, so the organisation has to find new employees to replace them who has given up their job, and of course the organisations has to pay more because training fee for new employees is expensive. As a standardised fast food restaurant, McDonald's can handle this problem really well, it gives reward for the best employee every month. The employee of the month can get some advantages from McDonald's. Therefore, the staffs will try to give their best service to get this award and will not get bored easily.

The second disadvantage of standardisation operating system is less choice for customers. Customers can not be considered as a homogeneous market anymore. As the result of globalization, people need and want differences, including various choice of meals. People will prefer to eat at restaurants which have various menus, because they will be bored to eat the same menus every day. It causes the depreciation of number of customers. The last disadvantage of standardisation is customers can't customise their own food. Customers have their own desires, may be some of them do not like <https://assignbuster.com/standardization-vs-customization-essay-sample/>

vegetables while the others like them. Nevertheless, they can't modify their food at standardised restaurants, for example, customers can't order burgers without tomatoes at McDonald's because McDonald's has its own standard for the food. If customers can't get what they exactly want, they will feel dissatisfied and probably will not go back to the restaurants.

### Mass Customisation

In this globalisation era, customers want and can afford the difference, they are willing to pay more for what they want and need, so price is less of a consideration. Standardisation operating system becomes less effective nowadays, so some people try to find the alternatives of standardisation, such as customisation and mass customisation. Mass customisation has been developed since the late 1980s. The concept of mass customisation is first defined as 'the capability of an organisation to provide products or services at cheaper costs that meet personal needs' (Davis, 1989). It is enabled by technologies such as computerisation, internet, product modularisation, and lean production. It indicates the final stage in market division where every customer can have exactly what they want. Subway is one of the restaurants that apply mass customisation operating system. Just like standardisation, mass customisation also has its own advantages and disadvantages.

The first advantage of mass customisation is tailored products (Piller, 2004). Mass customised restaurants usually have various menus, and the customers can customise their own food so that it will meet their desires. For example, at Subway, the customers can choose the flavour of the sauce for their sandwiches, and they also can order sandwiches without vegetable.

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The customers have their own desire and taste, so when the restaurants can satisfy their desires, they will be loyal to the restaurants. Moreover, by applying mass customisation, the organisation becomes more competitive, because it is able to adapt to all environments and adjust with the time better than standardised organisation.

Reduced financial risk is the second advantage of mass customisation practice (Low, 2013). Mass customisation concept adopts “ build to order” strategies, it means that the products are only manufactured when customers’ orders are received. There will be huge funds to be gained by eliminating inventories of unsold goods, goods in process and raw ingredients, as nothing is produced until an order is received. Therefore, the organisation’s profit improves and financial risk is reduced. For instance, Subway’s staffs will only make sandwiches when the customers have ordered.

The disadvantage of mass customisation is higher price of the products (Low, 2013). This is because mass customised restaurant, such as Subway, sells healthier food than standardised restaurant, such as McDonald’s.

Consequently, Subway has to pay more to buy fresh vegetables, meats, and also additional ingredients, like the sauce, to produce the sandwiches. Its expenses will be higher than McDonald’s, so the cost of sales of the food will be higher too.

Another disadvantage of mass customisation practice is time consumption (Low, 2013). Restaurant that apply mass customisation concept needs more time to prepare the foods. Unlike McDonald’s, Subway needs time to prepare



the sandwiches, because Subway only produces the sandwiches when the order has been received. Furthermore, Subway doesn't use nonhuman technology to prepare the food, so the process will take more time. Many busy people think that it is not efficient to wait so long for the food, they can do another activities instead of waiting for the food.

Unpredictable is the last disadvantage of mass customisation (Low, 2013). It is difficult to get exactly the same taste of the food every time. The staffs can't repeat the same process as they did before, thus sometimes the customers can feel dissatisfied with the food or the services. It will be hard to get their trust again then. For instance, if people order their food at Subway and they don't feel satisfied with the sandwich or the service, they won't come back anymore. They don't want to spend their money on something that can't meet their desires.

## Conclusion

In conclusion, both standardisation and mass customisation have their own advantages and disadvantages. Most people think that standardisation is better than mass customisation, but really they're wrong. Actually, mass customisation is better than standardisation, because nowadays product variety is an important thing in business, many people are willing to pay more for what they want. Furthermore, by applying mass customisation, the organisation can be more competitive, because it can adjust with the time and adapt to the environments well. Moreover, mass customisation can benefit the business by reducing financial risk, because it adopts " build to order" strategies. Standardisation is no longer the best operating system for the industry, because it can't fulfil customers' various desire. Future studies <https://assignbuster.com/standardization-vs-customization-essay-sample/>

predict that many businesses will apply mass customisation for their operating system in the next few years, because it will benefit them more, as many customers will prefer mass customisation than standardisation.

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