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FOCUS ON THE CUSTOMER

Customer Relationship Management at BEST WESTERN Hotel Kokkola

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CENTRAL OSTROBOTHNIA UNIVERSITY OF APPLIED SCIENCES
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ABSTRACT

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The commissioner of this thesis was BEST WESTERN Hotel Kokkola. The company offers accommodation and conference services in Kokkola, for both private consumers and companies. The working-life instructor for this thesis was hotel manager Sari Jukonen. The objective of this thesis was to create a customer register for the commissioning company. The purpose of the register was to help with marketing, as well as in fulfilling customers' needs.

The theoretical framework consisted of customer relationship management, relationship marketing, segmentation and customer register. These subjects were all treated so that they would provide a solid framework for the practical part of this thesis. In the practical part a quantitative research was conducted, by using a questionnaire. The aim of the survey was to map out the needs and expectations of local companies concerning accommodation and conference services and their marketing. Central Ostrobothnia Secretary Association was selected as the target group for the research. The survey was carried out in February 2012. The questionnaire was sent to 42 members of the association by e-mail. A total of 12 responses were collected.

The results of the survey helped in forming the customer register as well as provided useful information on how, how often and to whom, accommodation and conference services should be marketed. Due to scarcity of response the formed customer register is not as vast as intended in the beginning of the project, but it does provide a decent framework and it can easily be developed in the future.

Key words
CRM, customer relationship management, customer register, quantitative research, questionnaire

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TIIVISTELMÄ OPINNÄYTETYÖSTÄ

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Työn toimeksiantajana toimi BEST WESTERN Hotel Kokkola, joka tarjoaa majoitus- ja kokouspalveluja sekä yksityisille kuluttajille että yrityksille. Työelämäohjaajana toimi hotellipäällikkö Sari Jukonen. Työn tavoitteena oli muodostaa toimeksiantajalle asiakasrekisteri. Rekisteriä voitaisiin käyttää apuna palveluiden markkinoinnissa sekä asiakkaiden tarpeiden täyttämisessä.

työn teoreettinen viitekehys muodostuu asiakashallinnasta, asiakassuhdemarkkinoinnista, segmentoinnista ja asiakasrekisteristä. Aiheita käsiteltiin siten, että ne muodostaisivat pohjan opinnäytetyön käytännön osalle mahdollisimman hyvin. Työn käytännön osassa toteutettiin kvantitatiivinen tutkimus käyttämällä kyselylomaketta. Tutkimuksen tarkoituksena oli kartoittaa mitä paikalliset yritykset odottavat ja toivovat majoitus- ja kokouspalveluilta ja niiden markkinoinnilta. Keski-Pohjanmaan Sihteeriyhdistys valikoitui kyselyn kohderyhmäksi. Tutkimus toteutettiin helmikuussa 2012. Kyselylomake lähetettiin sähköpostitse yhdistyksen 42 jäsenelle. Kyselyyn saatiin vastaukset 12 yritykseltä.

Asiakasrekisteri muodostettiin kyselyn vastauksien perusteella. Kyselystä saatiin myös hyödyllistä tietoa siitä miten, kuinka usein, ja kenelle yrityksissä majoitus-ja kokouspalveluja tulisi markkinoida. Vastausten vähyyden vuoksi asiakasrekisteristä ei tullut odotetun laajuista, sitä kuitenkin voidaan käyttää pohjana laajemmalle asiakasrekisterille sekä sitä voidaan kehittää tulevaisuudessa.

Asiasanat
Asiakashallinta, asiakasrekisteri, asiakkuus, kvantitatiivinen tutkimus, kysely

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1 INTRODUCTION

Customer relationship management (CRM) is becoming increasingly important for companies in today´s competitive market environment. It is important to build sustainable relationships with customers to ensure profitability and continuation of operations in the long run. By studying its customers, a company can get more insights into customers´ demands, needs and expectations. This information can also be used to develop new products and further develop existing products.

CRM is a concept that helps companies to acquire, maintain and satisfy their customers. Despite a common misconception, CRM is not only software adopted, but a set of practices that have to be implemented throughout the company. Even though many companies nowadays claim to be customer oriented, quite many of them do not completely execute this claim. According to Peppers and Rogers (2004, 6) customer relationship management is “an enterprisewide business strategy for achieving customer-specific objectives by taking customer specific actions”. It is important to consider that all customers cannot be treated, or managed, in the same way. CRM is based on individual long-term relationships between a company and its customers. The goal is to develop these relationships so that they are beneficial and satisfying for both parties. Relationships should be based on trust, satisfaction, commitment and mutuality. (Peppers & Rogers 2004, 35-37.)

Customer relationship marketing is a concept often confused with CRM. Even though there are similarities, both are based on creating value for the customer, relationship marketing is mainly used in the marketing efforts of a company, whereas CRM is implemented in every operation of the company. Marketing has gone through a remarkable change; instead of marketing every product for every potential customer, i.e. mass marketing, companies are now using a more individual technique. Personal marketing has become increasingly important. The use of e-mails and text messages as marketing tools is very common now, and the importance of social media, such as Facebook and Twitter, is constantly increasing.

Customer segmentation and customer strategy formation are important parts of customer relationship management. Customer strategy means looking at customers' needs and expectations, and finding the best way to meet them. Customer strategy also means identifying who the customers are and what is expected from them. Customers are divided into different segments based on specific criteria, defined by the company. The segments should all be treated in different ways. (Bligh & Turk 2004, 139.)

Creating and managing relationships has four stages (Peppers & Rogers 2004). In the first stage customers are identified, information about them is gathered, and thus the relationship is established. The second stage is segmentation. The last two stages comprise of interaction with customers and customization of the way they are treated, thus creating more value for both parties.

BEST WESTERN Hotel Kokkola is the commissioner of this thesis, and the purpose of this work is to create a functional customer register for them. Also a quantitative study will be conducted for the Central Ostrobothnia Secretary Association. The purpose of the study will be to find out how much accommodation and conference services companies use in the Kokkola area, and how these services should be marketed. In addition, information is gathered on to whom in the company marketing should be directed.

The register will be used for marketing purposes as well as monitoring customers. The customers in the register will be divided into three segments, depending on the type of services they require. The segments will be accommodation services, conference services, and combination of these two. The data collected from the companies includes, for example, all contact information, liaison person, the type of services needed, and possibly past transactions.

The theoretical framework for this thesis consists of CRM, customer relationship marketing, segmentation, and customer register. The aim is to find information needed to be able to analyze the customer data and use it to comprise a functional client register for the commissioning company. The information in the database should be relevant for the company, easy to find and filter, and easy to update.

2 BACKGROUND INFORMATION

In this chapter the commissioning company is introduced, as well as the city of Kokkola, where the company is located.

2.1 BEST WESTERN Hotel Kokkola

Best Western Hotel Kokkola is located in the city centre of Kokkola, right beside the marketplace. There are altogether 76 rooms in the hotel, including 3 suites, 8 family rooms and 10 rooms especially designed to meet the needs of female travelers. Most of the rooms are double rooms and there are no separate single rooms. There is a car park available for customers. There is not a restaurant or night club in the hotel but there is a breakfast room and a small lobby bar. However, it is possible to arrange group dining either in the hotel or in one of the restaurants they co-operate with. A sauna is available for guests and groups. (Best Western Hotel Kokkola, 2011.)

Besides accommodation, Hotel Kokkola also offers conference facilities for up to 50 people. Smaller groups can also use the fireplace suite as a conference room or for sauna evenings. The hotel currently has 8 employees; 1 in sales, 2 in housekeeping and the rest at the front desk. There is no night reception, but guests can arrive at any time. (Best Western Hotel Kokkola, 2011.)

2.2 Best Western International, Inc.

Best Western International, Inc. is the world´s largest hotel chain with over 4000 member hotels in 95 countries. The chain was founded in 1946 and in less than 20 years they became the largest chain in the industry. Approximately half of the hotels are located in North America. The basic business concept of Best Western International Inc. is to offer marketing and sales services to private hotels, as well as booking and accommodation services to travelers. Each member hotel is independently run and owned. Unlike most franchise companies, Best Western is a non-profit membership association in which every member acts and votes as an association member. The Best Western brand consists of three hotel categories: Best Western, Best Western Plus, and Best Western Premier. Best Western Hotels Finland, Baltic States and Poland represents the chain in Finland, the Baltic countries and Poland. (Best Western Hotels, 2011.)

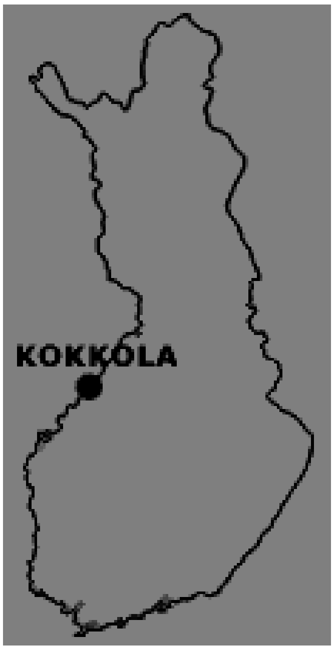
The products offered by Best Western include, in addition to basic accommodation services, centralized corporation contracts; Best Western Rewards –regular customer program; the possibility to gain frequent flyer miles; Best Western Travel Card, which is a prepaid charge card that can be used as a voucher; and a centralized booking system online, via telephone, e-mail, through a travel agent or another Best Western hotel. Best Western chain mainly operates with three and four star hotels. (Best Western Hotels, 2011.)

Best Western International carries its own quality control program. Each hotel is inspected annually. The inspection concentrates on fulfillment of standards set by the chain; cleanliness and condition of the hotel; and customer service skills of the staff. Minimum standards that every hotel must fulfill include for instance good working conditions, free wireless Internet connection, fax and photocopy services, and breakfast. The inspection is done by a Best Western representative from another country. For example, in Finland the inspector may be French. (Best Western Hotels, 2011.)

Best Western has developed a regular customer program, Best Western Rewards (BWR). The program was introduced in 1988 and currently has 9 000 000 members. Similarly to other regular customer programs, guests can collect points, which can be used, for instance, for free room nights in any Best Western Hotel, airline miles or car rentals. Points can also be earned through using the services of the chain´s partners. Elite-members also gain additional benefits, such as room upgrades and special offers. BWR members receive electronic newsletters where their account information, special offers for cardholders, and program updates are stated. There is also a separate and free customer service for regular customers who are members of BWR. To join the program is free of charge and membership stays valid for one year after the latest stay in a Best Western Hotel. (Best Western Hotels, 2011.)

2.3 Kokkola

The city of Kokkola is located in western Finland on the coast of the Gulf of Bothnia and it is a part of the Central Ostrobothnia region (Graph 1). The city was founded in 1620 by the Swedish king Gustav II Adolf. The Swedish name for Kokkola is Karleby. Kokkola is the 22nd largest town in Finland with 46 260 inhabitants (2011). In 2009 three small nearby municipalities emerged with Kokkola and that increased population with approximately 20%. The municipalities incorporated were Lohtaja, Kälviä and Ullava. Kokkola has an important position as the administrative, economic and cultural capital of the Central Ostrobothnia region. Kokkola is one of the bilingual cities in Finland and nearly 14% of the population speaks Swedish as their first language (2010). (The City of Kokkola, 2011a.)



GRAPH 1. Location of Kokkola on the Finnish map. (Adapted from the City of Kokkola, 2011b)

The economy in Kokkola is mainly based on large-scale international industry. Chemical and applied chemical industries are the largest industries in Kokkola. Kokkola is also the centre of education and business in the Central Ostrobothnia region. After the municipal merger in 2009, the significance of agriculture has increased, for instance, in 2010 Kokkola was the biggest producer of milk in Finland. The biggest employers in Kokkola are Central Ostrobothnia Central Hospital, Boliden Kokkola Oy, and OMG Kokkola Chemicals Oy. The hotel and restaurant industry is also quite important in Kokkola with over 4000 workplaces. The unemployment rate in 2010 averaged at 9.2%. (The City of Kokkola, 2011a.)

The city wants to offer its inhabitants various possibilities to be able to both create and consume culture. The main idea is not only to attract tourists and new inhabitants, but also to introduce inhabitants to their own area and city. There are both city-maintained and private culture and art establishments and events. Kokkola hosts, for instance, the Central Ostrobothnia Chamber Orchestra, Central Ostrobothnia Conservatory, Kokkola City Theatre, Kokkola City Library, and K.H. Renlund Museum. In addition to organizing cultural events itself, the city also cooperates with other organizations and supports privately organized events. (The City of Kokkola 2011b.)

In the recent years Kokkola has become better known as a tourism destination in Finland through the organization of different kinds of large events. The latest one took place in the summer of 2011, when the Housing Fair was organized in Kokkola and attracted nearly 128 000 visitors to the city during one month. Feedback from the visitors stated Kokkola to be a pleasant surprise as a destination, and 87% of the visitors felt that the services provided were good or excellent. During the Housing Fair also other smaller events were organized, for instance, Finland´s second largest junior football tournament Kokkola Cup, and Kokkola Rock music festival. The main focus in marketing Kokkola as a tourism destination has been on the city´s seaside location, and on conference and congress tourism. (The City of Kokkola 2011a.)

Kokkola Tourism Ltd. is the main organizer of major events in Kokkola. They develop tourism- and congress services in Kokkola. In addition, they market, sell and organize events. They are involved in regional tourism marketing, tourist information services, and group travel. Kokkola Tourism Ltd. also operates one of the main attractions in Kokkola, the Lighthouse Island Tankar. The Island is located about 15km from Kokkola coast in the Bay of Bothnia and it is only open for teh public during summer months. (The City of Kokkola, 2011a.)

The Central Ostrobothnia Association (Keski-Pohjanmaan Liitto) has developed in cooperation with tourism organizations of the area Tourism Strategy 2007-2013 and Procedure Agenda. The strategy aims to develop tourism services in the Central Ostrobothnia region and improve the competitive position in both national and international markets. The tourism strategy states the following vision for the development of tourism in Central Ostrobothnia: “Central Ostrobothnia is a growing and successful – appealing to both domestic and international travelers – region, where tourism development is based on clean and versatile nature, reliable services, ample experiences, as well as on unique and plentiful cultural resources”. The strategy recognizes as Kokkola´s strength the production of versatile cultural and leisure activities. One of the main areas of development is the cooperation between Kokkola, Pietarsaari and other smaller municipalities in the marketing of the 7 Bridges Archipelago. The aim is to make the 7 Bridges Archipelago a tourism area that is known for its good quality products, clean environment and functional services. (Keski-Pohjanmaan Liitto, 2007.) The strategy was issued in 2007 and even though some of the actions planned have already been implemented there is no data available on how the goals have been reached.

According to Statistics Finland, a total of 15 842 nights were spent in all accommodation establishments in Kokkola in August 2011. Compared to the previous year, there was a 4% increase. This is not a very significant increase, considering that the Housing Fair was still in operation in August. When looking at the hotel capacities and capacity utilization, it is stated that there are 5 hotels in Kokkola with 367 rooms. The occupancy rate of rooms in August 2011 was 68, 9%. The rise in the occupancy rate was 13, 9%-units compared to August 2010. (Statistics Finland, 2011.)

3 CUSTOMER RELATIONSHIP MANAGEMENT

This chapter discusses different aspects of customer relationship management, including different types of CRM, customer satisfaction and loyalty, and defining and managing relationships.

3.1 Customer relationship management concept

Customer relationship management is a relatively new term; it has only been used since the 1990s. There is no consensus on how CRM should be defined, but there are several definitions for the expression. While CRM is mostly understood to mean strategic management concept, it can be sometimes used to mean customer relationship marketing as well. In information technology, CRM is often used to depict merely the software applications used in marketing, selling and service operations of a business. CRM is as an approach a company can use to develop and maintain their customer relationships profitable. (Buttle 2009, 3.)

Peppers and Rogers (2004, 6) define CRM as “an enterprisewide business strategy for achieving customer-specific objectives by taking customer-specific actions”. Customer-specific objectives and customer-specific actions refer to increasing the value of every customer with the help of different technological solutions.

The most general form of customer relationship management is to establish a set of practices to bring a company to a closer touch with its customers. Even though there are different ways to interpret and implement CRM, its goal is always the same: to give a company a clearer view of who their customers are, and what they want. By using this information, a company can ensure their success and profitability also in the future.

According to Storbacka and Lehtinen (2001, 5), the three cornerstones of CRM are: customer value creation, viewing the product as a process, and providers' responsibilities.

Customer value creation means that it is more important to establish a long-lasting relationship with a customer rather than trying to gain as much profit as possible at once. Thus, competitive advantage is not necessarily based on price, but also on helping the customer to create value for themselves.

Viewing the product as a process means seeing the product as an entity that involves an exchange between the provider and the customer. In this exchange customer value creation comes from the provider´s competence. In this approach it is not necessary to make a difference between goods and services.

Providers' responsibilities relate to not only satisfying customer needs but also to taking on the responsibility of developing strong and lasting customer relationships (Lehtinen & Storbacka 2001, 5).

The basis of customer relationship management is customer information and customer analysis, which enable segmentation of the existing and potential new customers (Bergström & Leppänen 2009, 462-463).

3.2 Types of CRM

Four main types of CRM have been identified. These four segments partially explain the different definitions of customer relationship management. A company implementing strategic CRM is customer-centric, and they invest in creating more value for their customers than their competitors do, thus obtaining and keeping more customers. Operational CRM means acquiring a software application which combines marketing, selling and service functions of a company. Analytical CRM means gathering information on existing customers, e.g. sales, financial, and marketing information and then using them to create more value for both the customer and the company. The last type of CRM is collaborative. This means introducing practices such as co-marketing and joint new product development, by combining parts of the supply chain that are usually separate. (Buttle 2009, 5-11)

Based on the four types of CRM, Buttle (2009, 15) defines CRM as

> “the core business strategy that integrates internal processes and functions, and external networks, to create and deliver value to targeted customers at a profit. It is grounded on high quality customer-related data and enabled by information technology”.

3.3 Defining relationships

When employing CRM it is important to understand what the term ‘relationship’ means between a customer and a company, because relationships form the core of a customer-oriented company. Only one transaction between a supplier and a consumer is not enough to constitute a relationship, but there should be a series of interactions over time (Buttle 2009, 27). If the customer returns to a company more than once, there is a relationship between the parties. Relationships can also be described as a process where both parties contribute (Storbacka, Blomqvist, Dahl & Haeger 1999, 55-56).

Creating relationships and maintaining them is one of the main goals of CRM. The consumer and the company may have different views on what constitutes a relationship. This makes it a social construct, meaning that a relationship exists only if one or both parties believe that it does (Buttle 2009, 28). As in personal life, relationships between a customer and a supplier also change and evolve over time.

Peppers and Rogers have also characterized distinct attributes which constitute a relationship. A relationship requires mutuality, meaning that both parties recognize the relationship and are active in it. In addition, relationships are based on the exchange of information through interactions. Relationships must be iterative. This means building a history or a context through a series of interactions, and using the information gathered in the future. The more information a customer gives to a company, the better service they will get. Also, relationships must create continuous value for both parties. Relationships are unique and require a change in behavior, meaning that companies should customize their operations for each individual customer to keep them coming back. Finally, the core of every relationship is trust. If the customer does not feel that the company is acting in his best interest, they will terminate the relationship. (2004, 36-38.)

Companies want to build relationships with customers mainly because of financial reasons. It is more profitable for the company to hold on to existing customers, rather than constantly acquiring new ones. Two main benefits for managing relationships effectively are reduced marketing costs, and gaining better customer insight. Also, there are reasons why companies do not always want to form relationships, such as loss of control, exit costs and resource commitment. (Buttle 2009, 32-40.) When a relationship is well maintained, the customer will remember the company and their products even between transactions (Bergström & Leppänen 2009, 462).

3.4 Customer satisfaction and loyalty

Customer satisfaction is a vital part of successful customer relationship management, because of high competition and availability of similar products. One of the main reasoning for CRM is to enhance customer satisfaction and loyalty, hence improving the company's business performance (Buttle 2009, 43-44). According to Buttle (2009, 44) customer satisfaction can be defined as "the customer's fulfillment response to a customer experience". Satisfaction can be focused at only one or all elements of the customer experience.

The different components included in the customer experience are product, service or process. The main factors influencing customer satisfaction are needs, experience and expectations. It is important for companies to develop their operations according to their customers´ needs. Customer needs can be related to quality, level of service, or the functioning of product. Customers will not be completely satisfied if their needs are not met at all levels. Expectations are in connection with customer needs. A customer is satisfied if their expectations are met or exceeded. (Barnes 2001, 16-17.)

All customers cannot be satisfied in the same way. Therefore it is important that companies collect information on the customers' needs and expectations to keep the level of satisfaction as high as possible. Customer satisfaction influences the future purchasing behavior and loyalty.

Customer loyalty is another important aspect. Loyalty is closely related to customer satisfaction. Satisfied customers are more probable to stay loyal to a company and continue the relationship than dissatisfied customers. Customer loyalty is difficult to define, because it can be perceived in a number of different ways. One way to define it is to divide it into two concepts; attitudinal and behavioral (Peppers & Rogers 2004, 56-58). If a customer has positive experiences from a company or their products, and prefer it to competitors' equal products, they are loyal. So loyalty based on attitudinal behavior depends on a state of mind. Behavioral loyalty means buying from one company over another despite any attitudes or preferences. This means that behavioral loyalty is mainly based on repurchase activity. The Internet has diminished customer loyalty because consumers now have an effortless access to a number of different options when they are planning a purchase.

Satisfied and loyal customers lead to long-lasting relationships that are based on trust. Relationships based on trust are most secure, profitable and successful for any organization. Companies should invest in developing trust when building relationships, because it will have long-term benefits. Trust is developed through mutual experiences, and interpretation and assessment of the other party's motives (Buttle 2009, 29). Mutual trust creates willingness to continue and invest in the relationship. These investments can be either tangible or intangible. Trust also makes both parties want to commit to the relationship and work together. Establishing trust should be the main goal when building a relationship, because it ensures a profitable, long-term relationship.

3.5 Management of relationships

Implementing CRM can be challenging for companies, because after deciding to move to CRM there are several phases to go through. Also, there is no single way to put it in practice. When making the transformation to become a more customer-oriented organization, it is important that executives have the ability to support and motivate their employees, so that the change is done on all levels of the organization. Forming a customer strategy and planning and implementing customer segmentation are the most important actions when putting CRM into practice.

Customer strategy means creating maximum value for the company by the way customers are managed. Segmentation relates to customer strategy, because in order to be able to manage relationships properly, customers must be divided into homogenous segments. Every company has their own criteria on which the segments are based. In addition, segment specific products, services and processes must be identified.

4 RELATIONSHIP MARKETING AND MANAGEMENT

This chapter examines relationship marketing, segmentation and the formation of a customer register.

4.1 Relationship marketing

According to Boedeker, relationship marketing (RM) is “marketing seen as relationships, networks and interaction”. Relationship marketing aims to develop long-lasting relationships between the provider of the good or service, and the consumer. It does not only concern customers but also other parties who interact with the company, such as suppliers, other companies and public authorities. However, customer relationship marketing is another term used that refers only to the marketing targeted for company´s current and potential customers. One of the most important aspects of relationship marketing and management is that the provider and consumer are seen as equal and they are both active in the relationship. (Boedeker, 1997.)

Marketing in general has gone through a drastic change. Instead of always basing marketing on the four P´s, the focus has shifted more to relationships. Also, nowadays marketing is focused more on specific target groups instead of mass marketing. (Boedeker, 1997.) According to Bergström and Leppänen (2009, 460), relationship marketing should be the dominant marketing strategy in every company. Generalization of the Internet has made e-marketing become one of the most popular tools in marketing (Foss & Stone 2001, 4-5). For instance, many companies now use their customer database to be able to do more personal marketing, i.e. e-mails and text messages. This has also made it more difficult for competitors to gain information on a company´s offers for their customers (Bergström & Leppänen 2009, 462). Another factor contributing to the popularity of customer relationship marketing is that obtaining and preserving customers has become an increasing concern in companies (Foss & Stone 2001, 4-5). This is a matter of profitability; executives want to ensure long-term profits.

In customer relationship marketing the company´s marketing department is not alone responsible for marketing. The people working in customer service are one of the most important channels for marketing because they are the ones who interact personally with customers and provide the experience.

As mentioned before, there is still a rather widespread belief that customer relationship marketing is merely software developed for collecting data about customers. Even though this is partly true, the whole concept of customer relationship marketing includes a number of other factors too. However, maintaining customer databases is an important part of customer relationship marketing. The database should include both quantitative and qualitative data about the customers (Boedeker, 1997).

Customer relationship marketing can be used in various ways. The simplest way is to use price incentives, which is usually not an effective mean to long-term advantages. Price can easily be copied by competitors, and it is difficult to differentiate a product from others by pricing. Another way, in addition to price incentives, is to establish extra services besides the assumed ones. (Boedeker, 1997.)

4.2 Customer segmentation

In the following subchapters concept of customer segmentation, segmentation process, criteria, and implementation are discussed.

4.2.1 Concept of customer segmentation

To be successful in implementing CRM it is important that customers are segmented into groups, which are later managed with different objectives. Companies collect a lot of information on their customers and it is important to decide how the information is used. It is generally more beneficial and profitable to directly market to one specific group than to try and reach all potential customers (Rope 2005, 159). There are different ways to divide customers into segments, for example, based on age, gender, interests, and spending habits. However, the customers in each segment have to be similar in a specific way that is relevant to marketing. Buttle (2009, 125) uses the term customer portfolio in the context of segmentation, and defines it as “the collection of mutually exclusive customer groups that comprise a business’s entire customer base”.

As the whole concept of CRM, segmentation is also a process rather than a single action. The whole organization must be customer-oriented and products and all operations must be planned accordingly. (Bergström & Leppänen 2009, 150-151.) Market segmentation and customer segmentation have to be separated from each other. In market segmentation markets are divided into homogenous groups, including potential markets and customers, to support company’s marketing efforts, whereas customer segmentation mainly considers existing customers.

Because customers’ needs, expectations and preferences differ, they cannot all be managed in the same way. A company can best create value for itself by identifying the different focus groups and offering them products that best meet the group´s needs and expectations (Buttle 2009, 126). When customers are not segmented at all, it is assumed that all buyers have similar needs and expectations (Bergström & Leppänen 2009, 158). In other words, a company may decide to use only one marketing strategy to market its products to all potential customers.

There are two widely recognized types of customer segmentation. In traditional customer segmentation different segments are based on demographics and different personal qualities, for example, attitudes. Value based customer segmentation concentrates on how much value relationships create. (TechTarget 2011; Ala-Mutka & Talvela, 2004, 49.)

One important goal of segmenting customers is to combine the company's internal and external perspectives. The external perspective means examining and analyzing differentiating factors between customers, for example, customer needs and values. The external perspective can be analyzed by using, for example, the company's own database, different statistics, surveys, studies, and analyses. In business-to-business concept, it is not enough just to know one's own customer, but also the end-user of the product. It is also important to keep up to date with competitors, and the development of technology and legislation. The internal perspective of segmentation identifies the strategic significance of different segments for the organization. In order to solve sales volume, and future purchase potential, customer profitability must be analyzed. The internal perspective is also analyzed through value chains and processes. Sources of information include the company's knowledge based on experience, databases, and know-how. (Ala-Mutka & Talvela 2004, 49-51.)

Companies have different goals for segmentation, and it can be designed differently for different purposes. Different purposes for segmenting customers can be, for example, development of marketing communication and products or services, establishing a business idea, or choosing markets. Segmentation is important because it is used to plan and implement an organization's operations. (Ala-Mutka & Talvela 2004, 52-53.)

The basis of segmentation is to choose and identify different customer groups. Firstly, the company must identify the customer groups that are different from each other in terms of what they buy and on what basis they buy. Secondly, the company must choose the customer groups that are most favorable for them. In order to be profitable and competitive, companies must limit the number of segments they invest in. (Bergström & Leppänen 2009, 151.) Chosen customer strategy, and available resources affect the number of segments (Ala-Mutka & Talvela 2004, 52).

As mentioned before, segmentation is not purely one action but a process. This means that it is not enough to only define segments. The steps of segmentation are: conducting research on markets and buyer behavior; choosing target groups; and creating a marketing plan. In some cases customers have very similar demands and expectations, and it easy for companies to satisfy them. However, sometimes the demand can be very inconsistent and it is difficult to find common factors among buyers. When the demand is not consistent, a company´s marketing efforts are ineffective because they most likely do not have the resources to manufacture numerous versions of their products and marketing plan. This is why it is important to find some common factors between buyers to form segments on. (Bergström & Leppänen 2009, 152-154.) Every company must case by case identify the criterion that is best suitable for their marketing actions (Rope 2005, 167).

Different criteria for segmentation need to be used in consumer markets and corporation markets, because they involve different kinds of customers. In business-to-business concept, there are fewer customers who are larger than individual consumers, and often relationships between organizations and suppliers are closer than between private consumers and suppliers (Buttle 2009, 126). Demographic criteria in consumer markets include factors, such as, age, gender, occupation, religion, education and family size. On corporation markets demographic criteria include branch, amount and location of facilities, number of personnel and revenue. A lifestyle criterion in consumer markets consists of motives, attitudes, personality and interests. In corporation markets these criteria are: company values, corporate culture, decision-making process, and the needs, attitudes and values of the decision makers. Volume and density of buying, customer profitability, loyalty, and customer satisfaction are the customer relationship factors in both consumer and corporation markets. (Bergström & Leppänen 2009, 154.)

When a company is analyzing the demand and characteristics of buyer behavior they need to concentrate on the factors that construe demand in the branch. Out of these factors, the company chooses criteria on which it is sensible to form segments. It is vital that the chosen criteria clear the differences of behavior between different segments. (Bergström & Leppänen 2009, 155.) Often it is not possible to segment customers based only on one factor, for example, age or gender.

Marketing efforts will fail if segments are formed without acquiring enough information, or if segments are too small and not profitable. Also, companies should not concentrate too much on one segment only. (Bergström & Leppänen 2009, 159.) One common problem in segmentation is that it is done negligently, too fast and without properly defining aims and desired outcomes (Ala-Mutka & Talvela 2004, 54).

4.2.2 Customer segmentation process

Segments are formed in two phases. The first phase is basic segmentation, i.e. business concept segmentation. This segmentation is based on so called 'hard' segmentation criteria. It is based mainly on demographic and lifestyle criteria. It is typical for this kind of segmentation that the needs and buyer behavior of the target group drive operations. Basic segmentation is usually implemented on two levels in organizational markets; the type of organization is chosen first, and after that the people who are involved in the buying process in the organization are identified. The second phase is customer relationship segmentation, which is based on the significance of buying and customer relationship. Customers are segmented based on the products they buy, the volume of buying and the level of loyalty. One of the reasons for customer relationship segmentation is that it is easier to get already existing customers to return than it is to constantly acquire new customers. In addition, it is more profitable to aim marketing to existing customers than to potential customers. The basis for customer relationship segmentation is to achieve meaningful relationships. There are three basic segments: not yet – customers; random customers; and major and regular customers. Also former customers can form an additional fourth segment. This segment can be used to learn about the motives of terminating the relationship. (Bergström & Leppänen 2009 156-157; Rope 2005 167-170.)

If an organization wants to profit from the motives of buying, they can use benefit segmentation. This means dividing customers into groups based on the benefits and values they place on a product. Consumers can expect for example efficiency, cost efficiency, distinctiveness, and appreciation. Corporations, on the other hand, expect speed, certainty, and dependability. Common expectations include good service. (Bergström & Leppänen 2009 156-157; Rope 2005, 167-170.)

A four-staged customer segmentation model has been introduced by Ala-Mutka and Talvela (2004, 55). When starting a customer segmentation process, the first step is to collect and analyze the background information. The data can be collected, for example, from the company's databases. This information is then compiled into a so called ”long list” that includes different segmentation criteria. The “long list” is formed, based on the internal and external perspectives of segmentation. The segmentation criteria used includes, for example, customer profitability, sales volume, product range, price sensitiveness, and strength and depth of the relationship. The information is then analyzed and a so called “short list” is comprised. The “short list” includes the most important segmentation criteria. On the third stage, the “short list” is used to choose the segmentation criteria. Segmentation criteria chosen should be based on customer strategy, resources, competition, and service channels. After forming the segments, an action plan is created for each segment. (Ala-Mutka & Talvela 2004, 54-55.)

Once the segments have been formed, the company must choose the segments that are most suitable for it. It is important to analyze customers' buying behavior, buying criterion, and customer benefits in every suitable segment. Before choosing target groups, a segmentation strategy should be chosen. Bergström and Leppänen (2009, 158) state that companies' options are concentrated marketing and differentiated marketing.

Concentrated marketing means marketing to one small and specific segment. Marketing plan is engineered especially for this one group. Small and highly specialized companies prefer concentrated marketing, because they can fulfill the segments needs incomparably. This will lead to enhanced position in the market and competitive advantage. Export companies can increase their customer base by using the same strategy in foreign countries.

Differentiated marketing, on the other hand, means having several customer segments. Different products and marketing plans are developed for each segment based on their needs. Any company that has the resources to profitably fulfill the needs of several customer groups can choose a differentiated marketing strategy.

4.2.3 Customer segmentation criteria

A part of the customer segmentation process is to define and choose the segmentation criteria. The criteria should be fairly easy to obtain and gather. The process of choosing segmentation criteria can be described as a compromise between the company's strategy, and internal and external perspective. The most important factor affecting the election of segmentation criteria is that they are reflecting the company's strategic objectives. (Ala-Mutka & Talvela 2004, 70-71.)

Ala-Mutka and Talvela (2004, 55-57), also categorize segmentation criteria concerning customer knowledge into four classes: basic information; buying behavior; situational variables; and personal variables. Basic information is easily obtainable demographic factors. These include, for example, gender, age, income, education and geographical location. Buying behavior means brand loyalty, motives for buying, use of the product, and purchasing method. It is important to know the customers well to be able to know their buying habits. Situational variables are attainability, and size of order. This also requires good customer knowledge. At the stage of personal variables it is important to know the customer on a personal level. Personal variables include risk-taking, buyer motivation, and personal values.

Another form for segmentation is identifying the different levels of customer relationships. The levels identified by Lecklin (2006, 96-97), are: key customers, regular customers, casual customers, potential customers, and former customers. Key customers are often the most profitable for the company, because they are the biggest customers. The level of satisfaction and profitability of key customers should be constantly monitored. Losing key customers can injure the company, which is why they should look after the key customers, for example, by offering them extra services or bonuses. Regular customers purchase regularly but often in small quantities. Companies should try to satisfy the needs of regular customers using as few resources as possible, to be able to keep them profitable. Casual customers purchase occasionally, at the same time using another company's products or services. Through marketing efforts casual customers might develop into regular or perhaps even key customers.

Potential customers are not yet the company's customers. Despite belonging into a target group, they prefer the services or products of a competing company. Former customers are consumers who have changed for some reason to another organization. Even though gaining these customers back is difficult, it can be achieved. It requires contacting customers personally and finding out the reasons of the terminated relationship. (Lecklin 2006, 97.)

Customers can also be segmented based on their profitability. Knowing which customers are profitable and which are not is vital for the company so that resources can be targeted to the right customers. If a customer is not profitable now, they might not become profitable in the future either. In this case, there are two options: either the relationship should be terminated, or a way should be found to make it more profitable. With profitable customers it is important to develop and invest in the relationships to maximize their value. (Mäntyneva 2001, 27-29.)

Depending on the company's strategy, segmentation can emphasize, for example, acquiring new customers, or expanding the company to new markets. It is also important that customers are easily identified and reached. A company should be able to identify a customer using their own database, and also in a service situation. The segments should be vast enough for the company to be able to manage and control them effectively. Also, the differences inside one segment should be small, but separate segments should differ significantly. (Ala-Mutka & Talvela 2004, 70-72.)

4.2.4 Analysis of customer segmentation criteria

Segmentation criteria should be analyzed through the company's strategy, structure, operations, competition, and marketing. The analysis should start with external perspectives. Next the internal perspectives must be analyzed, and at the last stage practices for each segment are defined. The questions that should be answered when analyzing segmentation criteria include: what does the customer expect or appreciate; how does the company differ from others; which products and services are produced differently from others; and through which service channel will the customer be acquired. (Ala-Mutka & Talvela 2004, 57-59.)

4.2.5 Implementing and managing customer segments

After defining the segmentation criteria and forming customer segments, they must be implemented in the everyday business operations. This means reifying the chosen strategy into operations and management. The company's strategy, structure and management should be formed around the customer segments. This process includes adopting segment-specific management models. Management models refer to the company's way of acting with a segment and how a segment is managed and organized. The creation of segment-specific management models means taking into account the differences between segments, and managing every segment differently. However, this does not mean that every segment should be treated completely different from one another. The company should define basic practices concerning all customers and based on them determine the segment-specific actions. Segment-specific action models are used to develop the organization's sales, marketing, customer service, production, product development, and logistics. (Ala-Mutka & Talvela 2004, 85-87.)

The first stage of the segment-specific action model is to define the identification of a single customer and place them in a suitable segment. Segmentation criterion is used when identifying the customer and specific instructions are developed. The action model defines customers' expectations at the different stages of the process. It is vital to determine critical encounters when forming action models. A substantial part of the process is to recognize and determine customer potential so that resources can be targeted to the customers with the highest potential. If action models are too detailed they will be difficult to execute. The descriptions should be done on a general level so that they provide a framework for operations. According to Ala-Mutka and Talvela (2004, 89), this framework consists of seven stages, which are: recognition of customer; interaction with the customer; critical encounters with customers; managing customer potential; defining the success factors in the action model; measuring customer potential; and obtaining information needed in customer service situations.

The purpose is not to build individual processes and action models for every customer, even though customers' individuality should be considered and respected. Segmentation is a challenging process for a company; it is not enough to have just one action model, because that would ignore the differences between segments. On the other hand, having too many action models makes monitoring them difficult and instead of extra value, they might only create extra costs. (Ala-Mutka & Talvela 2004, 89-91.)

4.3 Customer register

The process of comprising a customer register and using it in the daily routines of a company is discussed in this chapter.

A company must know their customers to be able to understand them, service them and increase their value. Having a customer register where information on customers can be collected makes it easier to know customers. In larger organizations, the customer database can later be expanded into a marketing database. Defining what kinds of things need to be learned from the database and how it will be used, helps including only relevant information. (Rope 2005, 594.)

From a customer's point of view it is more beneficial to interact with a customer-oriented company. The service is better and more individual, and it is easier for a customer to deal with a company that knows him or her. The level of service is better because the customer service personnel can see the customer's information and previous transactions either before or during purchase. Using a customer database enables more individualized marketing and it is easier to focus marketing to the right target groups. (Mäntyneva 2001, 76-78.)

The information needed in the database depends on the company and its products; all companies do not need the same information. It is also not efficient to include all the information available, because that will generate expendable costs. With new potential customers it is vital to obtain correct contact information, and possibly some demographic information such as age and sex (Bergström & Leppänen, 2009). More detailed information can be sought as the relationship evolves. It is important to find out which information can be used in the database; confidentiality issues must be considered.

There are eight factors that should be considered when compiling a functional customer register. These factors are: authenticity, feasibility, accuracy, functionality, cost efficiency, up-to-date information, flexibility and usability. Authenticity of information means obtaining information from reliable sources. The information should also be feasible, i.e. relevant to the company. Information should be documented accurately. Functionality refers to having a database that is easy to use and easily accessible to everyone in the company. The database should be updated on a regular basis to avoid unnecessary mistakes concerning customers. The register should be easily adjustable to the changing needs of the company and be cost efficient when considering the number of customers and the quality of relationships. (Rope & Pöllänen 1998, 116-117)

As mentioned before, the information used in the customer register depends on the type of company. However, there is some general information that should be included in essentially all customer registers. Basic information refers to name, phone number, address, and when the relationship was established (Pöllänen 1995, 35). It is also good to add purchasing behavior information. They should show what the customers buy, how much, how often, and at what price. The answer to these questions reveals how valuable the customer is to the company, and whether that value could be further increased. In addition, all the feedback the customer has given can be added to this information. (Pöllänen 1995, 40-41; Rope 2005, 595.)

Segmentation information helps target marketing to the right customers. In a business-to-business context, information on corporate level and at personal level should be included. Communication information includes all communication between the company and a customer. It is also important to know who has been in contact with the customer. Also information on how profitable the customer is to the company can be included. However, communication and profitability information are only needed when the company wants to develop their customer database into a marketing database. (Rope 2005, 595.)

Connecting customer register with the other software of the company ensures maximum benefits. Technology develops constantly nowadays and it has become an increasingly important part of the everyday operations of all companies. The register should also be easy to read. The most important factors concerning relieving customer information management are information technology, marketing and sales management, content and structure of the information, and analysis of the information.

To be able to choose the right software for the customer register, it is important to consider if the different systems inside the company can be connected and what the utilization rate of the systems is. Information security should also be considered. It is important to determine whether everyone in the company has access to all the information, or if access should be somehow restricted. Concerning marketing and sales management, the database should be constructed so that it helps optimize sales efforts and spreads information inside the company. The content and structure of the information include factors that should be considered when putting together the database. This means solving what information the company already possesses, what should be acquired, and how the information will be documented. Analyzing the information will reveal the types of customerships the company has, and which ones are profitable. To be able to analyze the information, it must be in a recoverable form, otherwise it cannot be utilized. (Mäntyneva 2001, 58-80.)

Storbacka et al. (2003, 83), have identified four areas where customer information can be applied. These areas are: customer dialog, personnel dialog, development of operations, and management of operations. Customer dialog means the company's communication with customers. The aim of this communication is to increase benefits and strengthen the relationship. Personnel dialog refers to the internal communication of a company. This information is used to develop operations. In the development of operations customer information can be used in developing new products and services, as well as improving the existing ones. Management of operations can benefit from customer information by examining operations from customers' perspective as well. (Storbacka et al. 2003, 83.)

According to Bergström & Leppänen (2009, 464) there are several questions that need to be answered before a customer database can be implemented. These include: determining what kind of information is needed, and if different information is needed of different customer groups; whether the information will be gathered on company, private, household, or on individual level; how the information will be obtained, and how much the costs will be; in what form the information will be registered and, how the marketing department can extract the information; how the information will be used, and who in the company will have access to the information; how the information will be updated and who will be responsible for the updating; and how much it will cost to establish, maintain and update the database.

A company can use the information they already have on their existing customers, and when planning a register of new potential clients, there are several public databases from which the information can be obtained. These include, for example, the Population Register Center, Statistics Finland, and target group registers offered by commercial businesses, also member registers of clubs and associations are good sources. (Bergström & Leppänen 2009, 464-465.)

Customer databases are especially important in business-to-business –marketing, because without knowledge on past interaction it is hard to build a lasting relationship. Because most corporate customers are invoiced, it is relatively easy to gather information on their consumer behavior. The information that should be included about corporate customers includes: past contacts; previous offers; and any special requirements the customer might have. (Bergström & Leppänen 2009, 466.)

Even though the concept of customer relationship management is comprehensive, the development can, and should, be done by taking small steps. It is not sensible or effective to rush to finish all systems. It is important to learn from the steps already taken, and use the learnt things when further developing CRM practices.

5 RESEARCH

This chapter will present the research part of this thesis, as well as the methods that were used to implement the research, and analyze the results.

5.1 Research methods

Krishnaswami and Satyaprasad (2010, 2-3) define research as “a systematic and logical study of an issue or problem or phenomenon through scientific method”. Research may be used to examine an already existing hypothesis, to create grounds for a new hypothesis, or to explain a phenomenon. Research is often divided into two main types: quantitative and qualitative (Mujis 2004, 11).

The choice of the research method depends on several different factors, such as the goals of the research, time, already existing data, and other resources. According to Veal (2006, 116) the choice of a research method should be based on whether or not the method is suitable to meet the goals of the research. However, it is not enough to merely decide on a technique on how the research is conducted, but there should also be some expertise on the subject. The available resources, such as time and money often limit the type of research and the scale on which the research is done. (Veal 2006, 116-117.)

When planning a research, the first issue to be decided is the research question. After that it must be decided what will be researched, and the research goals will be set. Finally, the means, through which the objectives will be achieved, should be determined. (Krishnaswami & Satyaprasad 2010, 22.) After that the research can be implemented, and the results analyzed.

5.2 Quantitative research

Quantitative research means collecting numerical data, or data that can be transformed to numerical form. The collected data will then be analyzed by using mathematical methods, especially statistics. Quantitative research often cannot explain the reasons for a phenomenon, but it rather maps out the current circumstances, and describes how certain phenomena are dependent of each other. Quantitative research can answer questions such as what, how often, and where. (Heikkilä 2005, 16-17.)

There are different methods for implementing a qualitative research. These include, for example, observation, interviewing, and questionnaire. In this thesis, a questionnaire was decided to be the simplest and most effective tool to carry out the research. By using a questionnaire it was possible to reach a larger group of respondents than by interviewing or observing. Questionnaires can include closed-ended or open-ended questions. In open-ended questions the respondent must answer the question in their own words. Closed-ended questions present the respondent with pre-determined options. Closed-ended and open-ended questions can also be combined by using questions with pre-determined options, one option being Other, what? In this case the respondent can choose one of the options, or answer the question in their own words. In quantitative research closed-ended questions are more common, but open-ended questions are occasionally used as well. By using open-ended questions the researcher can gain information that may bring new insights into the research topic. (Heikkilä 2005, 49-51.)

5.3 Research goals

The research goal for this thesis is to find out the opinions, wants and needs of local companies concerning accommodation and conference services. Also, one goal of the research is to find out how these services are marketed to companies, and to whom in the company. The commissioning company will gain new potential customers' contact information and more information on how the companies want to be approached. In addition, the research will help the company to plan their marketing efforts. The secretaries' Association was selected as the target group for the survey, because they are often the people in the company who make the arrangements for different kinds of events, and also know what is happening in different parts of the company.

5.4 Research implementation

The survey for this thesis was implemented as a quantitative research. As mentioned above, with the Secretary Association in Kokkola. The association currently has 42 members who work for different-sized companies in the Kokkola area. The questionnaire mainly consisted of closed-ended questions and there were also two open-ended questions.

The questionnaire was created as a Microsoft Office Word –file in Finnish and in Swedish. The form was sent to all the members of the association by e-mail and they were also asked to return it by e-mail. The survey was sent to the respondents twice, during a two-week period in February 2012. An accommodation gift card was raffled amongst all respondents in order to get as many responses as possible.

The questionnaire was designed based on a conversation with the commissioner, where the objectives of the research were determined. It was decided that all demographical data, such as the size of the company, will be left out of the questionnaire, because including demographic data would not have created any extra benefits for the commissioner.

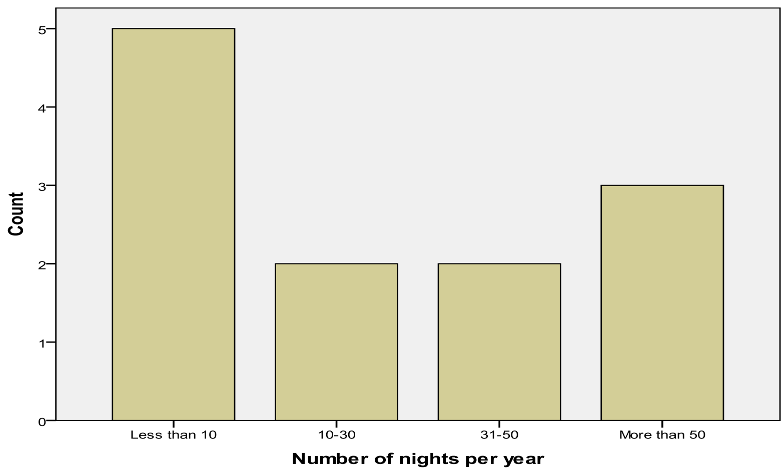
The answers were analyzed by using SPSS and Microsoft Office Excel. The programs were used to draw up graphs and tables that helped in analyzing the results.

6 RESEARCH RESULTS

This chapter will introduce the results of the survey with the help of graphs and tables. The questionnaire was sent to all of the members of the Secretary Association in Kokkola. They currently have 42 members, but only 12 responses were received.

6.1 Accommodation

Firstly, the respondents were asked how many nights per year their company uses accommodation services in the Kokkola area. The options given for this question were less than 10 nights, 10-30 nights, 31-50 nights, and over 50 nights. All of the respondents answered this question.



GRAPH 2. Using frequency of accommodation services

TABLE 1. Using frequency of accommodation services (%)

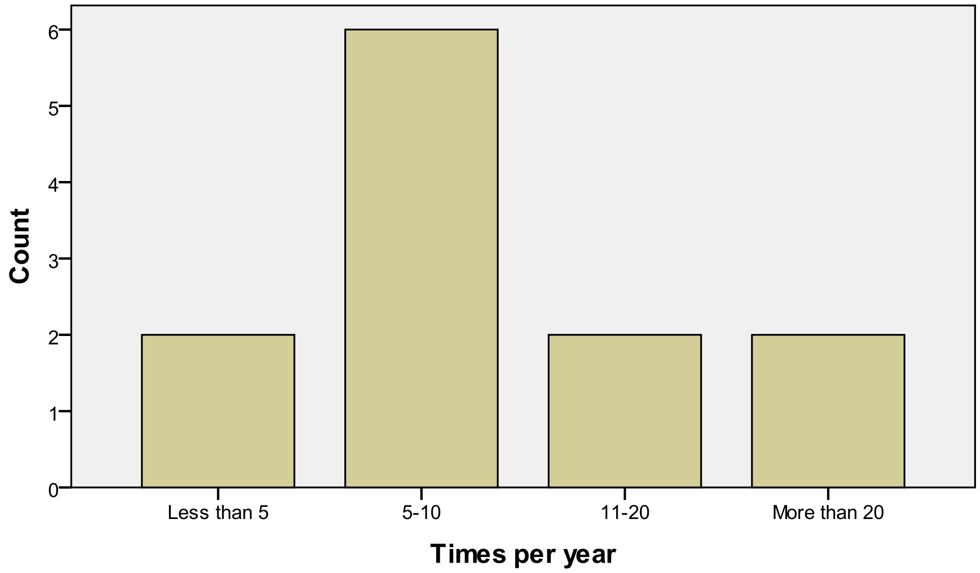
Number of nights per year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 10	5	41,7	41,7	41,7
	10-30	2	16,7	16,7	58,3
	31-50	2	16,7	16,7	75,0
	More than 50	3	25,0	25,0	100,0
	Total	12	100,0	100,0	

As Graph 2 and Table 1 both indicate, most of the companies (41,7%) use accommodation services in the Kokkola area for less than 10 nights per year. Because 25% of the respondents chose the option More than 50 nights per year, it seems that most of the companies who took part in the survey are either large organizations, or quite small companies.

6.2 Conference services

The second question was aimed to find out how much companies use conference services in the Kokkola area yearly. The answer options in this case were Less than 5 times, 5-10 times, 11-20 times and Over twenty times. Again, all of the respondents answered the question. Graph 3 demonstrates that companies mainly use conference services between five and ten times per year. The rest of the options were each selected by two respondents.



GRAPH 3. Using frequency of conference services

Table 2 shows the percentages for all the given answers. Table 2 indicates the same facts as graph 3: 50% of respondents use conference services 5-10 timer per year in the Kokkola area.

TABLE 2. Using frequency of conference services (%)

Times per year

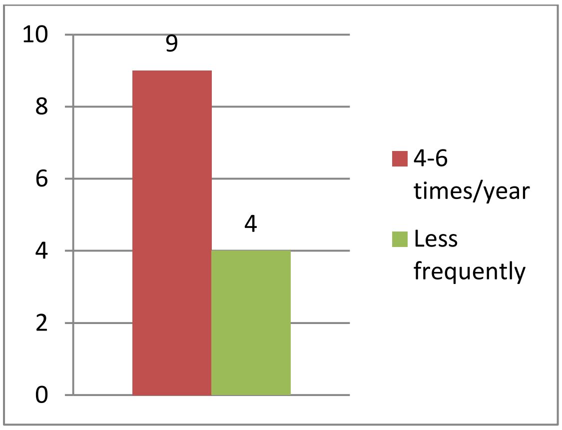
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5	2	16,7	16,7	16,7
	5-10	6	50,0	50,0	66,7
	11-20	2	16,7	16,7	83,3
	More than 20	2	16,7	16,7	100,0
	Total	12	100,0	100,0	

6.3 Marketing

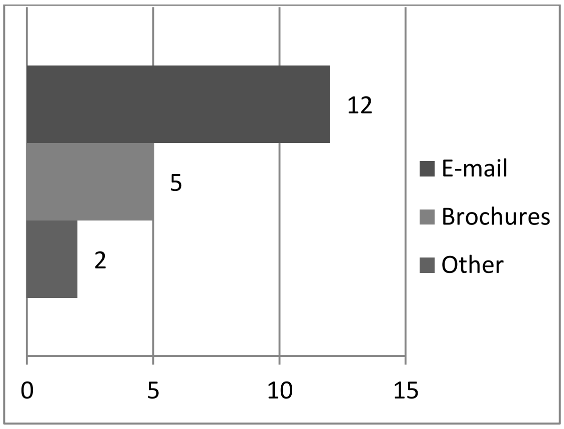
In the third question respondents were asked to tell the title of the person to whom in the company the marketing of accommodation and conference services should be targeted. This was an open-ended question, because the title of the person varies in different companies. Most common answers were secretary/assistant to the management. With smaller companies, the answers varied more. The answers included, for example, communications manager, and communications secretary.

The following question aimed to find out whether the marketing of accommodation and conference services were at the moment directed to the right person in the company. The options were simply yes and no, and all (100%) of the respondents answered yes to this question.

Respondents were also asked how often they would like to receive information on accommodation and conference services. In this question, respondents could choose from three options: monthly, 4-6 times/year, and fewer times/year. All of the respondents answered the question. As Graph 4 shows, most of the respondents wanted to receive information 4-6 times every year; 75% of the respondents chose this option (Table 3). There were also a few respondents who wanted information less frequently. These answers were from smaller companies who also use these services less.



GRAPH 4. Frequency of marketing



GRAPH 5. Preferred marketing channels

When preferences of marketing channels were asked, all respondents chose e-mail as the preferred channel (Graph 5). Some respondents had chosen more than one of the given options; therefore there are more than twelve answers to this question. Five respondents had chosen brochures as a preferred marketing channel in addition to e-mail. Two had chosen the option Other, which they specified as the organization of info sessions.

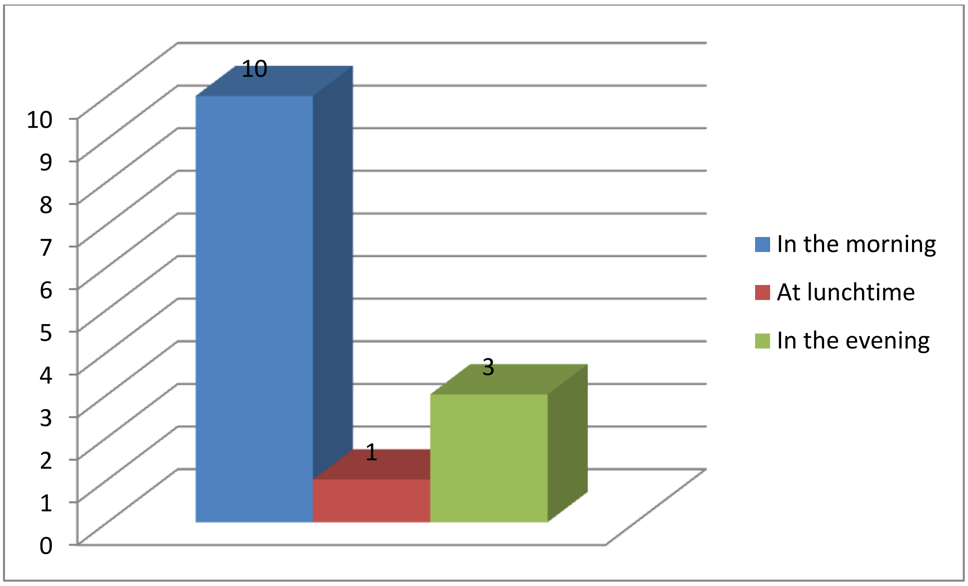
TABLE 3. Frequency of marketing

How often marketed

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4-6 times yearly	9	75,0	75,0	75,0
	Less frequently	3	25,0	25,0	100,0
	Total	12	100,0	100,0	

6.4 Info sessions

All of the respondents or a representative of their company had taken part in an info session arranged by a local accommodation and conference service provider. Respondents were also asked whether they prefer this kind of presentations to be arranged in the morning, at lunch time or in the evening. Graph 6 shows that a clear majority of respondents (83.3%, table 4) prefers them to be arranged in the morning.



GRAPH 6. Preferred time for info sessions

Also in this question, some respondents had chosen more than one of the given options, so there are more answers than there were respondents.

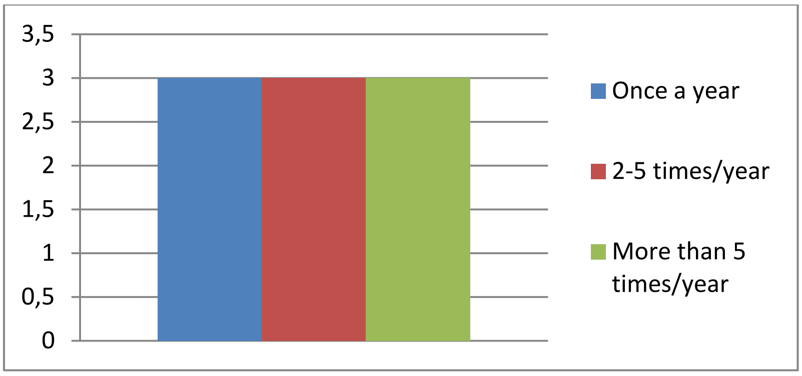
TABLE 4. Organization of info sessions

At what time should be organized

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	In the morning	10	83,3	83,3	83,3
	In the evening	2	16,7	16,7	100,0
	Total	12	100,0	100,0	

6.5 Sauna evenings

The commissioning company also has the premises to host sauna evenings organized by companies, for either their customers or employees. It was asked in the questionnaire whether companies organize sauna evenings at all, and if they do, how often. Nine out of the total twelve companies involved in this survey, stated that they do organize sauna evenings. When asked how often, the results were equal (Graph 7). Three respondents (25%) organize them once a year, three (25%) 2-5 times a year, and three companies (25%) more than five times a year.



GRAPH 7. Frequency of sauna evenings

6.6 Yearly agreements and feedback

Respondents were inquired whether their company currently has a yearly agreement concerning accommodation and conference services with any local provider. Half of the respondents did have a yearly agreement and half did not. The next question was whether companies who do not have a yearly agreement, would be interested in making one. There was only one company who would be interested, and six companies answered that they are not interested. About 40% of the respondents did not answer this question at all (Table 5).

TABLE 5. Interest in making a yearly contract

Interest in making a yearly contract

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1	8,3	14,3	14,3
	No	6	50,0	85,7	100,0
	Total	7	58,3	100,0	
Missing	System	5	41,7		
Total		12	100,0		

At the end of the survey the respondents were asked if their company's contact information could be added to the commissioning company's customer register, and could the commissioning company market their services to them. All of the respondents gave their permission to be added in the register, and their contact information.

In the second open-ended question in the questionnaire, respondents were asked to describe their opinions, expectations and needs concerning accommodation and conference services, in their own words. Only in two responses this question was answered. In both of these answers, info sessions were wished. Respondents want to be invited to hear presentations by accommodation and conference service providers where their products and premises are presented. Also, one of the respondents wanted to receive some special offers.

6.7 Customer register formation

Based on the research results a customer register was created for the commissioning company. Due to the scarcity of the responses, the created register cannot be considered complete or coherent. However, it does provide a framework that can be developed in the future. The contact information that the company already has was not used when doing the survey in order to avoid overlapping. The member list of Secretary Association is not public, so there was no way of knowing whether the questionnaire would be sent to some of the participants twice. The contact information of already existing customers can be added to the register once the companies in the survey have been added.

The register does not include any demographic information, such as the size of the company, because that will not be useful when the register is in use in the future.

The contact information given by the companies cannot be published so Table 6 and 7 show the framework of the register through an exemplary company.

TABLE 6. Customer register framework

COMPANY NAME	**LIAISON PERSON**	**TITLE**
Company X	Kaisa Korpi	Management assistant

TABLE 7. Customer register framework

ADDRESS	**E-MAIL**	**TELEPHONE**	**SERVICES REQUIRED**
67101 Kokkola	kaisa.korpi@X.fi	+358501234567	Accommodation, conference services

Even though there were not as many responses to the questionnaire as expected, it is certain that the commissioning company got contact information to companies they have not worked with before. In addition, all of the companies agreed to have marketing material sent to them so even though they might already have a contract with another establishment, they might be willing to change to another company in the future.

The register can be developed in the future by adding information that is considered relevant, such as what kind of services and products a certain company has purchased, any special requirements they might have, and when and how the communication between the companies has taken place.

7 RECOMMENDATIONS AND CONCLUSIONS

Even though the research did not achieve as high a number of responses as expected, the results can still be used in developing the marketing efforts of the commissioning company. Based on the results of the survey, the following are some recommendations to consider when planning future marketing in business markets.

All respondents stated that they use both accommodation and conference services in the Kokkola area. In addition, a majority of respondents also arranges sauna evenings, either for their customers or employees. Based on that all of these services can be marketed to all companies in the customer register and there is no need to segment customers based on the services they require.

The marketing is currently targeted to the right people in the company so there is no need to make any changes there. According to the research results e-mail is clearly the preferred channel for marketing so it should be made the main tool when marketing for businesses. Another good way to market products and services is to organize info sessions where potential customers can learn more about the companies and see their premises. Companies mainly wanted products to be marketed 4-6 times a year. Marketing should be done on a regular basis, for example every three months. Also special offers were requested by one respondent. If possible, special offers could be presented at certain times. For instance, before Christmas when companies are planning their Christmas parties.

It seemed that company representatives have already taken part in info sessions organized by local accommodation and conference service providers. Organizing them would be an effective marketing tool. Info sessions should be organized in the morning.

The register now only includes the contact information of the companies and which services they require, but when it is in use, more information can be added. For example, communication with the customer, past transactions, and some special requirements they may have.

The objectives set for this thesis in the beginning of the process were mainly achieved. Even though the customer register formed is not as comprehensive as it was originally planned, it can still be used and developed. It would have been possible to implement the research again with another group, thus getting more companies into the register, but because of the limited time it cannot be done during this project.

At first it was planned that there would be no research involved in the thesis project, but the contact information of companies would be gathered from a public data source. However, at quite a late stage of the project it was decided with the commissioner that it would be useful to include a research as well. In this way more specific information on companies' expectations, needs and wants could be obtained and future marketing efforts could be better designed to fit the customers' needs. However, as an adequate number of responses was not obtained, the practical part of this thesis was not fully successful. With more time another target group could have been included in the study.

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The purpose of this survey is to map companies' needs and expectations concerning accommodation and conference services in the Kokkola area. The survey is done as a part of a thesis completed for a tourism company in Kokkola. All information in the responses will be kept confidential throughout the process. An accommodation gift card will be raffled amongst all respondents. It will take about 10 minutes to fill in the questionnaire.

1. How many nights per year does Your company use accommodation services in the Kokkola region?

- Less than 10 nights/year ☐
- 10-30 nights/year ☐
- 31-50 nights/year ☐
- Over 50 nights/year ☐

2. How many times does Your company use conference services in the Kokkola area yearly?

- Less than 5 times/year ☐
- 5-10 times/year ☐
- 11-20 times/year ☐
- Over 20 times/year ☐

3. To whom in Your company should the information concerning accommodation and conference services be targeted? (e.g. title)

4. Is the marketing targeted to the right person at the moment?

- Yes ☐
- No ☐

5. How often would You like to get information concerning accommodation and conference services?

- Monthly ☐
- 4-6 times/year ☐
- Fewer times/year ☐

6. Through which channel would you like to get the information?

- E-mail ☐
- Phone ☐
- Through mail ☐
- Other ☐
- What?

7. Has one or more representatives of Your company taken part in presentations organized by local accommodation and conference service providers?

- Yes ☐
- No ☐

8. At what time would You prefer these presentations to be organized?

- In the morning ☐
- At lunch time ☐
- In the evening ☐

9. Does Your company organize sauna evenings?

- Yes ☐
- No (go to question 11) ☐

10. How often do You organize sauna evenings?

Once a year ☐

2-5 times/year ☐

More than 5 times/year ☐

11. Does Your company have a yearly agreement with another organization concerning accommodation and conference services?

Yes ☐

No ☐

12. If You do not yet have a yearly agreement, would You be interested in making one?

Yes ☐

No ☐

13. Feedback/wishes/expectations concerning accommodation and conference services and their marketing.

14. Can we add Your company's contact information to the commissioning company's customer register, and market their services to You?

Yes ☐

Company's contact information (company name, recipient's name, phone number, e-mail address, and address)

No ☐

If You wish to take part in the gift card raffle, You can add contact information below. This information will only be used for the raffle. The winner will be contacted personally.

Name:

Phone:

E-mail:

Address:

Thank You for your participation!

Tämän kyselyn tarkoituksena on kartoittaa yritysten tarpeita ja toiveita koskien majoitus- ja kokouspalveluita Kokkolassa. Kysely on osa kokkolalaiselle matkailualan yritykselle tehtävää opinnäytetyötä. Vastaajien henkilöllisyys ja tiedot pidetään luottamuksellisena koko projektin ajan. Kyselyn palauttaneiden kesken arvotaan kahden hengen majoituslahjakortti (1vrk/2hh). Kyselyyn vastaaminen kestää noin 10 minuuttia.

1. Kuinka monta yötä vuodessa yrityksenne käyttää majoituspalveluita Kokkolan alueella?

- Alle 10 yötä/vuosi ☐
- 10-30 yötä/vuosi ☐
- 31-50 yötä/vuosi ☐
- Yli 50 yötä/vuosi ☐

2. Kuinka monta kertaa yrityksenne käyttää kokouspalveluja vuodessa Kokkolan alueella?

- Alle 5 kertaa/vuosi ☐
- 5-10 kertaa/vuosi ☐
- 11-20 kertaa/vuosi ☐
- Yli 20 kertaa/vuosi ☐

3. Kenelle yrityksessänne informaatio majoitus- ja kokouspalveluista tulisi kohdistaa? (Esim. titteli, osastokohtainen toimenkuva)

4. Kohdistuuko markkinointi tällä hetkellä oikealle henkilölle/oikeille henkilöille?

- Kyllä ☐
- Ei ☐

5. Kuinka usein haluaisitte saada tietoa majoitus- ja kokouspalveluista?

- Kuukausittain ☐
- 4-6 kertaa vuodessa ☐
- Harvemmin ☐

6. Mitä kautta haluaisitte saada tietoa?

- Sähköposti ☐
- Puhelin ☐
- Postitettavat esitteet ☐
- Muu ☐

Mikä?

7. Onko yrityksenne edustaja/edustajat osallistunut paikallisten kokous- ja majoituspalveluita tarjoavien yritysten asiakas- ja infotilaisuuksiin?

- Kyllä ☐
- Ei ☐

8. Mihin aikaan päivästä toivoisitte infotilaisuuksia mieluiten järjestettävän?

- Aamulla ☐
- Lounasaikaan ☐
- Illalla ☐

9. Järjestääkö yrityksenne saunailtoja?

- Kyllä ☐
- Ei (siirry kysymykseen 11) ☐

10. Kuinka usein saunailtoja järjestetään?

Kerran vuodessa ☐

2-5 kertaa vuodessa ☐

Enemmän kuin 5 kertaa vuodessa ☐

11. Onko yrityksellänne vuosisopimusta jonkin yrityksen kanssa koskien majoitus- ja kokouspalveluja?

Kyllä ☐

Ei ☐

12. Jos yrityksellänne ei vielä ole vuosisopimusta, olisitteko kiinnostunut tekemään vuosisopimuksen?

Kyllä ☐

Ei ☐

13. Toiveitanne/palautetta koskien majoitus- ja kokouspalveluita, ja niiden markkinointia.

14. Saako yrityksenne yhteystiedot lisätä kyselyn toimeksiantajan asiakasrekisteriin ja yrityksellenne markkinoida majoitus- ja kokouspalveluja?

Kyllä ☐

Yrityksen yhteystiedot (Yrityksen nimi, vastaanottajan nimi, puhelin, sähköposti, osoite):

Ei ☐

Majoituslahjakortin arvontaan osallistuvan tiedot. Näitä tietoja käytetään ainoastaan arvonnassa. Voittajalle ilmoitetaan henkilökohtaisesti.

Nimi:

Puhelin:

Sähköposti:

Osoite:

Kiitos vastauksistanne!

Avsikten med den här förfrågan är att kartlägga företags behov av och önskemål om övernattnings- och mötestjänster i Karleby. Förfrågan är en del av ett examensarbete som görs för ett turismföretag i Karleby. Alla svar och all information behandlas konfidentiellt. Ett hotell presentkort kommer att utlottas bland alla som fyller i förfrågan. Det tar ungefär 10 minuter att fylla i förfrågan.

1. Hur många nätter använder Ert företag övernattningstjänster i Karlebyområdet per år?

Mindre än 10 nätter/år ☐

10-30 nätter/år ☐

31-50 nätter/år ☐

Mer än 50 nätter/år ☐

2. Hur många gånger använder Ert företag mötestjänster i Karlebyområdet per år?

Mindre än 5 gånger/år ☐

5-10 gånger/år ☐

11-20 gånger/år ☐

Mer än 20 gånger/år ☐

3. Till vem borde informationen om övernattnings- och mötestjänster vara inriktad i Ert företag? (T.ex. titel)

4. Är marknadsföringen rätt inriktad för tillfället?

Ja ☐

Nej ☐

5. Hur ofta skulle Ni vilja få information om övernattnings- och mötestjänster?

- Varje månad ☐
- 4-6 gånger/år ☐
- Mera sällan ☐

6. Hur skulle Ni vilja få informationen?

- E-mejl ☐
- Telefon ☐
- Broschyrer via post ☐
- Andra ☐
- Vilket?

7. Har en representant/representanter för Ert företag deltagit i en infotillställning arrangerad av ett lokalt företag som erbjuder övernattnings- och mötestjänster?

- Ja ☐
- Nej ☐

8. Vilken tid tycker Ni helst att infotillställningar skulle arrangeras?

- På morgonen ☐
- På lunchtiden ☐
- På kvällen ☐

9. Arrangerar Ert företag bastukväller?

- Ja ☐
- Nej (övergå till frågan 11) ☐

10. Hur ofta arrangerar Ni bastukväller?

En gång/år	☐
2-5 gånger/år	☐
Mer än 5 gånger/år	☐

11. Har Ert företag ett årsavtal med ett annat företag angående övernattnings- och mötestjänster?

Ja	☐
Nej	☐

12. Om Ert företag inte har ett årsavtal, skulle Ni vara intresserad av det?

Ja	☐
Nej	☐

13. Önskemål/synpunkt avgående övernattnings- och mötestjänster, och deras marknadsföring.

14. Får uppdragsgivaren tillägga Ert företags information i sitt kundregister, och marknadsföra sina tjänster till Er?

Ja ☐

Företagets kontakt information (Företags namn, adressats namn, telefon, e-mejl, adress):

Nej ☐

Under kan ni fylla i Er egen information om Ni vill ta del i utlottningen av presentkortet. Den här informationen användas bara för utlottningen. Vinnaren kontaktas personligen.

Namn:

Telefon:

E-mejl

Adress:

Tack för ert deltagande!