

# **The awareness and importance of Tourism Quality Labels and Programs among foreign Tour Operators**

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<p>Quality development is a vital tool in the business activities of companies in the tourism sector and it has grown to be an important advantage to compete in the market and to gain recognition. The subject of awareness and importance of different quality labels and programs that are in place in Finland has not been previously researched from the perspective of foreign tour operators. This Bachelor's Thesis is a research work commissioned by the Finnish Tourist Board aimed at profiting the Cooperation group of Finnish Quality Labels.</p> <p>The objective of this research is to discover how well quality labels and programs are recognised and known among foreign tour operators, do they affect tour operators' decision making when choosing and forming partnerships and are they held in high regard. Another important focus point of the research is to examine the significance of the European Commission's initiative for a common European Tourism Quality label and what would be the benefits and disadvantages for companies of such quality practice. In the theoretical framework for the study, the thesis takes a close look into quality as companies' success factor, quality management, quality development and the important tourism quality labels and programs that are currently in use in Finland.</p> <p>Qualitative research method was chosen in order to objectively map out the personal views and experiences of people rather than trying to create a common conception of the subject. The research also follows loosely the case study approach, based mainly on structured in-depth interviews collected during October and November 2012 that were designed to gather relevant and industry specific information from the interviewed tour operator representatives. The selected companies had existing cooperation with the Finnish Tourist Board and thus were expected to be familiar with the concept of tourism quality labels and programs. The results revealed that quality continues to be one of the most important success factors for tourism organisations especially inside their operations and management. However the importance of quality labels and programs presented in this study seemed to be rather limited within the borders of Finland because at the moment foreign tour operators emphasize other elements of quality in their decision making.</p>	
<b>Keywords</b> Quality in Tourism industry, Tourism Quality Labels and Programs, Tourist Board, Foreign Tour Operators	

## Table of contents

1	Introduction.....	1
1.1	Thesis objectives and limitation of scope .....	1
1.2	Key definitions.....	2
1.2.1	Quality in tourism industry .....	2
1.2.2	Tourism quality labels and programs.....	3
1.2.3	Tourist board .....	3
1.2.4	Foreign tour operators.....	3
1.3	Techniques and methods used .....	4
2	Theoretical framework: Quality as company's success factor.....	5
2.1	Characteristics of a high-quality organisation.....	6
2.2	Quality management and systems .....	7
2.2.1	The right quality system for the right company .....	8
2.2.2	Tools for assessment.....	9
2.3	Quality development and quality as competitive edge .....	10
2.3.1	Creation of visibility, company recognition and reputation .....	12
2.3.2	The role of quality in awareness and its impact on sales and marketing .....	13
3	Important tourism quality labels and programs in Finland .....	15
3.1	Quality 1000 – Laatutonni .....	15
3.2	Service from the Heart – Palvelua Sydämellä.....	16
3.3	The Best of the Province – Maakuntien Parhaat .....	17
3.4	Feel Secure – TunneTurvaa .....	18
3.5	Excellence Finland .....	18
3.6	ISO 9000 .....	20
3.7	Development of an European Tourism Quality label.....	21
4	Research methods and data collection .....	23
4.1	Qualitative research.....	23
4.2	Collection of data: structured interview and text analysis.....	24
4.3	Execution of the research .....	26
5	Analysis of the research results .....	28
5.1	Interviewed tour operators .....	28

5.1.1	Tour operator 1: United Kingdom .....	29
5.1.2	Tour operator 2: Germany .....	31
5.1.3	Tour operator 3: Russia .....	33
5.2	Reflecting on the importance of tourism quality labels and programs .....	36
5.3	Validity and reliability of the research .....	37
5.4	Value of the results to the commissioner .....	38
6	Conclusion and discussion.....	40
6.1	Key findings .....	40
6.2	Suggestions for development and further research .....	43
6.3	Thesis process and own learning .....	45
	References .....	47
	Attachments .....	52
	Attachment 1. The objectives, advantages and criteria of the studied quality programs.....	52
	Attachment 2. Structured interview: interview questions.....	53
	Attachment 3. Transcripts of the interviews .....	55

# **1 Introduction**

Quality has had long and firm roots in the tourism industry for decades and its meaning has become even more important in today's challenging economy. Quality development is a vital tool in the business activities of companies in many sectors and it has grown to be an important advantage to compete in the market and to gain recognition. The subject of awareness and importance of different quality management programs and certificates that are in place in Finland has not been previously researched from the perspective of foreign tour operators. This bachelor's thesis takes a closer look into quality as a success factor for companies, what sort of tourism quality labels and programs are currently in use in Finland and how familiar foreign tour operators are with these programs.

The commissioning party, Finnish Tourist Board (FTB) is an organisation promoting tourism to Finland through close cooperation with the Finnish travel industry. The board develops as well as markets different tourism services internationally and its core functions include improving the image of Finland as a tourist destination, attaining and analysing data of the tourism market and taking part in different product development and thematic projects. The Finnish Tourist Board was established in 1973 and it operates under the Ministry of Employment and the Economy. (Finnish Tourist Board 2012a.) This thesis is also aimed to benefit the Cooperation group of Finnish Quality Labels (Matkailun laatuyhteistyöryhmä) which is formed by representatives of the various quality programs addressed in this study.

## **1.1 Thesis objectives and limitation of scope**

The objective of this bachelor's thesis is to research how well the different tourism quality labels and programs are recognised and known among foreign tour operators, whether or not these programs and certificates affect the decision making of tour operators when choosing and forming partnerships and are they held in high regard. The Finnish Tourist Board together with the Cooperation group of Finnish Quality Labels is principally interested in knowing which quality programs the foreign tour operators are able to name and recognise, know what the programs really stand for and

what kind of criteria is needed. Another important focus point is to examine do the interviewees recognise quality labels as an important factor in the selection of partners. The commissioner also requested for information on the significance of a common European Tourism Quality label and what would be the benefits and disadvantages for companies of such quality practice.

The thesis covers the research problem by the means of three structured interviews with foreign tour operator representatives from the United Kingdom, Germany and Russia. Thus the scope does not cover each and every issue concerning the topic but is designed to gather relevant, industry specific information. By collecting interviews from specific and important tourists sending countries suggested by the commissioner, Finnish Tourist Board the author may gain valuable understanding of the successfulness of the quality labels and programs included in the research. The interviewed tour operators have existing cooperation with the Finnish Tourist Board and thus are expected to be familiar with the concept of tourism quality labels and programs.

## **1.2 Key definitions**

This chapter presents a list of keywords and terms that appear frequently in the text and which more importantly describe the contents of the thesis. The understanding of the terms is necessary for the reader in order to fully comprehend the discussed contexts.

### **1.2.1 Quality in tourism industry**

There is no unambiguous definition for quality. Quality can be experienced and measured from many different angles by various people and thus understood in many ways. One possible way to describe quality is that it comprehends all the qualities and characteristics that a product or service has and fulfils the expectations, demands or preferences whether they may be expressed or hidden. (Pesonen 2007, 35-36.) Quality acts as a key concept in business management and as stated by Kandampully, Mok and Sparks (2001, 22), "It is more difficult to control the quality of tourism services than

physical goods. The inability to store tourism services and their intangibility makes it difficult to select them for testing and evaluation.”

### **1.2.2 Tourism quality labels and programs**

Originally quality labels have been product oriented awards for industrial goods as a sign of good quality. As the universal perception of quality expanded and the evaluated fields multiplied it also allowed the intention and meaning of the labels to grow into important competitive resources for companies. The objective of the standards is to serve the company rather than the company to comply with the standard. (Lecklin & Laine 2009, 261.) Pesonen, Mönkkönen and Hokkanen (2002, 94) consider quality labels and programs to be a means of revealing own strengths and needs for development as well as a way to compare the operations of the company with other companies.

### **1.2.3 Tourist board**

Tourist boards can be found on national and regional level, they are public sector organisations and at national level the term ‘national tourism organisation’ may also be used. Tourist boards exist to aid and promote country’s tourism and to work towards high-level tourism development. It is common for other development agencies to be connected to tourist boards through cooperation at a regional or national level. (Lominé & Edmunds 2007, 192.) Tourist boards such as the Finnish Tourist Board has decades of experience of the travel culture and well-functioning marketing solutions and it produces several attractive travel products to the tourism market together with Finnish tourism organisations (Pesonen et al. 2002, 46).

### **1.2.4 Foreign tour operators**

The roles of foreign tours operators range from carrying traffic out of the country to purchasing a range of tourist products in bulk for the purpose of bundling and packaging them. To a large extent the practises of tour operators have moulded the tourism industry into its current form and have helped to keep intact the essential bridge between travel suppliers and customers. (Holloway & Taylor 2006, 169,467.)

Lominé and Edmunds (2007, 194) define the concept of tour operator as “a commercial enterprise involved in the planning, pre-arranging and distribution/selling of holidays to the public.”

### **1.3 Techniques and methods used**

This thesis is research oriented and examines the importance and effectiveness of quality programs to the image and awareness of a company. Used indicators for this are research questions, guidelines and objectives of quality programs and what quality means for the marketing efforts of companies. Assessing the awareness also enables other influential matters related to the subject come to light. The qualitative research method was chosen in order to objectively map out the personal views and experiences of people rather than trying to create a common conception of the subject. The method of structured interviews was used to gather information since it allows the researcher to receive information from targeted group individuals, in this case the foreign tour operators in order to gain industry specific information. These tour operator representatives are involved in the decision making of selecting international partners and therefore were expected to come across tourism quality labels and programs in their work. The research also follows loosely the case study approach which aims to describe a phenomenon without personally intervening in the situation and in this case to come up with some original contribution to Finnish Tourist Board and the Cooperation group of Finnish Quality Labels. The collected data is later analysed and interpreted into conclusions explaining the key findings and possible further research opportunities.



## **2 Theoretical framework: Quality as company's success factor**

Tomorrow's quality organisation needs to be both extremely flexible and agile (Lecklin 2006, 22.) The importance of quality in tourism organisations cannot be emphasized enough and with research done by the World Travel & Tourism Council (2012, 3) stating 2011 to being one of the most challenging years for the industry so far, the issue of quality has become even more highlighted. However a boarder interview survey conducted by Statistics Finland (2012, 1-2) showed that tourism to Finland increased by 17% in 2011 with 7, 3 million visitors compared to 6, 2 million in 2010. In 2011, 53% of the visitors were in Finland for leisure reasons and 58% of all visitors had at least one or more overnight stays.

Each organisation searches for advantages over its rivals in order to better stand out and differentiate in the eyes of consumers. In an effort to gain lasting competitive advantage, tourism organisations invest heavily on quality improvement initiatives such as quality programs and trainings leading to labelling. (Kandampully et al. 2001, 111, 167). This view is also supported by Horner and Swarbrooke (2004, 19) who state that "Quality and customer satisfaction are both 'buzz' words for the modern business world." These both concepts are closely interrelated and vital to any business which means that in the future organisations need to take even a closer look at the linkage between price and quality and how customer expectations effect that equation (Horner & Swarbrooke 2004, 20.)

Grönroos (2000, 98) has noted why quality improvement processes of some companies fail, leaving them wondering why the implemented quality program did not pay off. The problem may be in the quality enhancement approach of the company because if it lacks recognition, has a limited time frame, or is considered to be just a tactical issue, the initiative has a great risk of being unsuccessful. Quality improvement processes are not to be considered as isolated programs from other operations within the company because it is a vital on-going process, constantly maintained by management, in order to guarantee a continuous appreciation of the importance of quality.

## **2.1 Characteristics of a high-quality organisation**

The Finnish Quality Association contemplated over the question “How to recognise a quality organisation?” when determining the criteria for the Excellence Finland quality award competition. Throughout the process the following characteristics appeared; customer orientation, leadership together with purposeful operations, development and involvement of staff, emphasis on management by results, facts and processes based management, development of partnerships, social responsibility and continuous improvement. The association also recognised that concentrating on quality is worthwhile for companies because it can be a critical success factor in the market. (Lecklin 2006, 26-28). In order to reach success, the optimal quality of an organisation depends on its strategy and expectations of customers to whom its products and services are intended. These two factors are dependent on each other and for some part ensure that expectations given to customers do not deviate too far from the real quality level of the company. The ‘quality evaluation options’ or the customers perceived quality outcomes can be divided into under-quality, confirmed quality, positively conformed quality and over-quality which can even lead to the impression that the quality is too good to be justifiable or is perceived to be overpriced. (Grönroos 2000, 98-99).

A high-quality organisation comprehends how to learn from former, recent and prospective customers, recognises the most important groups of customers, listens and attends to them, knows the leading characteristics of products of the company and services and resolves how to respond to changing customer needs (Pesonen et al. 2002, 94-95.) As to the thoughts of Kandampully et al. (2001, 239), “Today quality no longer constitutes a competitive weapon but is, in fact, the basic core offering expected by customers of every organisation.” Both views bring forward the importance of customer satisfaction and how without contented customers even the products and services which are perceived as high-quality might not be that after all.

## 2.2 Quality management and systems

It is vital that businesses incorporate quality into their management systems based on their operational business excellence (Lecklin & Laine 2009, 34.) In today's business world quality is part of the management, strategic planning and organisational development (Lecklin 2006, 17.) To ensure that quality is a part of the management as argued above by Lecklin and Laine, tourism professionals need quality management tools and techniques to evaluate the results of management level decisions. Quality management or total quality management is a principle method used by the company management to ensure that the entire organisation is working towards reaching the expectations of customers. Having this goal in mind is not only cost-effective but also enhances its external image. Quality management includes four stages; quality inspection, quality control, quality assurance and finally total quality management which each require certain actions from the company. The third stage, quality assurance encompasses the important action of "the introduction of externally accredited quality management systems (i.e. ISO 9000 series) to act as a framework for integrating the various quality tools." (Williams & Buswell 2003, 22-23, 44).

Pesonen (2007, 50) presents that quality management systems contain the same principles as any management systems such as the economic system of a company. The system provides information upon which the concerned party, usually management, makes conclusions and takes action when necessary. The elements of a management system are not to be used randomly, but ought to be connected to appropriate framework in which case they form a well manageable entity (Lecklin & Laine 2009, 36-37.) A high-quality organisational environment is challenging to achieve without a proper context or framework. Therefore quality management systems are designed to give that framework and to ensure that quality becomes absorbed into the whole organisation. Accredited quality management systems, which include third-party certification, usually offer benefits such as external recognition, initiation of organisational changes for the better, continuous improvement, improved service delivery and organisational appraisal. (Williams & Buswell 2003, 148-150). In order to implement a quality system, the company must first identify the processes behind the system, conclude the progression and relationship of these processes, recognize

methods for monitoring, provide substantial amount of resources and information on the operational part and finally have continuous measurements and recording on how well the system runs. (Business Case Studies LLP 2012). The system is complete when the operations are defined according to the required form. The company must function accordingly, operations need to accumulate required data, tools for assessment are in action, operations are enhanced systematically, staff and the management commit oneself to functionality and finally that the processes as well as the quality management system itself continues to be under constant improvement because the quality management system can never be truly and completely finished. (Pesonen 2007, 207).

### **2.2.1 The right quality system for the right company**

Quality management system directs the activities of the company, provides information to the management and thus ensures and improves high-quality operations (Pesonen 2007, 160.) The same way as service providers establish policies fitting to their image and suitable to their target market, tourism organisations choose from quality systems most appropriate to them (Kandampully et al. 2001, 52.) The decision is based on the identification of customer needs and how the company can best create a process that enables to deliver those needs (Business Case Studies LLP 2012.)

One potential influential factor is how the management teams in business organisations understand the different elements of quality. Because quality is associated with excellence, the term has to be carefully examined in order to fully comprehend it since quality means different things in different organisations. The elements of quality according to Lecklin and Laine (2009, 16-31) are technical elements, capability, signals, social elements and paradoxes of quality. The element 'signals' meaning the process of examining weak and strong signals in order for the company to provoke change and find new perspective. (Lecklin & Laine 2009, 16-31). Pesonen (2007, 160-161) as opposed to Lecklin and Laine, introduces the aspect of internal questioning in the beginning of quality system development project of tourism companies. The questions help to bring to mind the key organisational concepts related to quality such as the products and services of a company and their purpose and functions, recognition of key customers and interest groups, what are the success factors of the company and

why and how the customers choose the company. This leads to identifying the aim of the project which could well be the pursuing of a certificate, a quality system initiative based on ISO 9000 guidelines, a quality training for staff or participating in a quality award program. Another possibility to get information is to send a 'scout' from within the company to attend either an introductory course to quality management or meet with representatives from similar organisations in which quality systems are already in place. (Pesonen 2007, 160-161). However the possessions of a quality label or participation in quality program training do not automatically ensure the future success of the company and thus companies cannot rely on quality systems as an overall problem solver (Lecklin 2006, 325.)

### **2.2.2 Tools for assessment**

There are many ways to evaluate the functionality and gains of the management system in a company, three important ones being the management review, auditing and self-assessment (Lecklin & Laine 2009, 186-187.) In addition all externally accredited quality management systems have to undergo inspections in order for companies to receive certification and later on their systems are checked on a cyclical basis. Quality awards on the other hand carry out inspections to participating companies in order to see the 'winning' companies. (Williams & Buswell 2003, 174).

The objective of the management review is to ensure the functionality and conformity between the management system and the strategies and set goals of the company (Lecklin 2006, 72.) Through completing a management review, companies aim to find out if their management systems continue to be applicable, adequate and effective and to identify possible weaknesses. Management reviews are a part of quality management and they should provide information on customer and interest group feedback, operational efficiency, audits, process performance, follow-up measures and developmental ideas. (Lecklin & Laine 2009, 187-188). As a part of the review, it is also advisable for the management to spread among the staff and to see for themselves what is happening in the work field in order to find out how aware the employees really are of the quality policy of the company or the standards and guidelines related to specific operations (Lecklin 2006, 72.)

Auditing is a systematic, independent and documented process which assesses if the set targets meet the needed requirements. The evidence acquired from the auditing process is objectively analysed to see to what extent the agreed criteria has been fulfilled. The ISO 19011 standard encompasses the guidelines for internal and external quality management auditing, determining the validity of auditors and the controlling of audit programs. (Lecklin & Laine 2009, 188-189). External audits often serve a specific purpose such as the acquisition of a quality certificate and they offer a neutral and detached view of the actions of the company. A well-executed audit strengthens the development work of quality and enhances the efficiency of the company because uncontrolled operations have the tendency to deteriorate or even fall apart. A typical external audit consists of planning, auditing, reporting and monitoring. (Lecklin 2006, 72-73).

Self-assessment or internal auditing is a tool used regularly by the management team of the company. It provides an understanding on company's strengths, efficiency, measures for improvement and the performance of management systems. As a starting point for self-assessment it is advisable to use either familiar quality award criteria or the ISO 9004 standard. (Lecklin & Laine 2009, 189-190). The assessments are done systematically and all activities that fall under the context of quality management system should be checked yearly in order to evaluate whether or not daily operations meet the personal requirements of the company. The person in charge of quality control can guide the assessors but should not take part in every aspect of the internal assessment. (Pesonen 2007, 190-191). The utilization of self-assessment process has become more common along with the quality awards. Numerous organisations use it as their primary tool for exploring new targets for development and the process can also be used as an internal or external benchmarking instrument. (Lecklin 2006, 295-298).

### **2.3 Quality development and quality as competitive edge**

Laws (2002, 13) suggests that "tourism companies can make their service different from competitors through enhancements to the basic service." Quality is often perceived as the secret to the success and competitiveness of a company. The question

is what kind of quality makes the company excellent, is it the technical quality of products or the quality of the critical service points when dealing with customers. The quality expectations of customers are influenced by the nature of the service, word-of-mouth, personal needs, previous experiences, company image, and various marketing communication efforts. (Rural Policy Committee 2007, 11). The importance of quality however troubles some companies because a large portion of competition in the tourism industry continues to be price-based. This pressures tourism organisations to operate in low-spend, low quality markets which does not able the organisation to use revenue for much quality development. (Horner & Swarbrooke 2004, 13-14).

One instrument to enhance quality is the training of staff. By combining the training with the daily work the company can considerably improve the professional skills and practical knowledge of its staff. Great workforce is an unbeatable selling point and raises the competitiveness of the company as competition in the market intensifies. (Pesonen et al. 2002, 115). The importance of training is also noted by Horner and Swarbrooke (2004, 261) who state that “Education and training are relevant to all levels of employment within tourism from routine operational work to high-level strategic management.” To ensure continuous development of quality companies must apply the gained knowledge from quality program training to practise. Enhanced company practises result in increased customer satisfaction and additional income in the cashier. One last important step to achieve this is the creation and documentation of a personal development plan for the company. (Rural Policy Committee 2007, 39).

Grönroos (2009, 104-105) brings forward the concept of dependence of competitive advantage on the quality and value of products and services of the company. The concept of total perceived quality clarifies how quality experiences of customers are connected with the marketing activities of the company. The two dimensions of quality, technical quality of the outcome and functional quality of the process together with the perceived company image of customers affect the total experienced quality. Quality is good when total quality meets with the expected quality of customers and as the figure shows, expected quality is created in the minds of customers through many factors. These factors can be influenced externally but fundamentally they depend on

the former success of the company in the eyes of the customer as well as customer needs. (Figure 1.) Thus the total perceived quality is not only determined by the technical and functional dimensions but rather the gap between expected and experienced quality. (Grönroos 2009, 105-106).

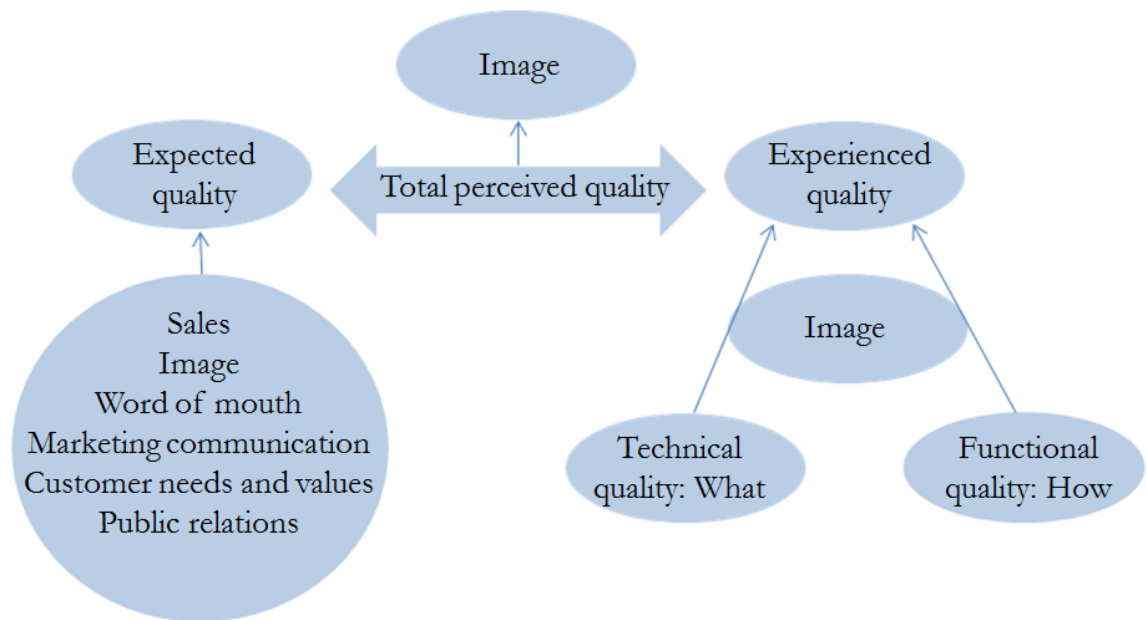


Figure 1. Total perceived quality (Grönroos 2000, 67.)

### 2.3.1 Creation of visibility, company recognition and reputation

Tourism organisations are capable of creating visibility, recognition and reputation in many ways. One possibility is to participate in various marketing and distribution channels and thus enhance the visibility of the company. On a national level options include marketing done by professional marketing organisations or joint marketing. In international marketing channels such as regional organisations, subarea organisations, travel agencies and the Finnish Tourist Board are great advocates for businesses. (Pesonen et al. 2002, 43-44). Kandampully et al. (2001, 256) introduces relationship marketing as an important mean of strengthening ties with the customers, intermediaries and suppliers of the company and thus positively adds to the reputation of the company.

No organisation is self-sufficient because they all are reliant of various interest groups through vertical and horizontal networking (Lecklin & Laine 2009, 45-46.) This kind of



efficient networking enables companies to particularly pursue efficiency, productivity, cost savings, improved accessibility to market information, credibility, recognisability and increased product value (Pesonen et al. 2002, 76.) Tourism organisations are in need of intermediaries and partnerships in order to distribute their services more effectively. That is also the reason why the industry is searching for new and more creative ways of improving those relationships. Tourism intermediaries are linked together through various combinations to move the product through the channels to the consumer. Therefore tour operators, tour wholesalers, distribution channels, reservation systems and other important intermediaries are necessary partners for hospitality, tourism and leisure companies. (Kandampully et al. 2001, 260-261).

### **2.3.2 The role of quality in awareness and its impact on sales and marketing**

Pesonen et al. (2002, 29) brings forward the approach that “Marketing is not a stand-alone business function, but a way of thinking and acting.” Because most tourism products are intangible services, marketing them can be challenging. That is why tourism marketers need to invent both long and short-term strategies in order to maximise the operations of their companies. (Lominé & Edmunds 2007, 119-120). Quality development can be seen as a worthwhile strategy for all tourism companies because excellent quality fulfils the needs, demands and expectations of customers and enhances customer satisfaction which contributes to the fact that as a consequence of quality businesses can strengthen their market position. On the other hand quality and satisfied customers enable companies to have more freedom in pricing and thus products and services can be sold for greater coverage. (Lecklin 2006, 24).

From the perspective of a company producing tourism services, the most important matter is that potential customers are able to find the products of the company in the market and that they are easily available. The marketing actions of companies consist of consistent product development, satisfactory product pricing both for the seller and buyer, communication of the product to consumers and placing the product on the market for the consumer to buy. Selling is an important aspect of the marketing process together with the product, price, availability, advertising, sales promotion and public relations. (Boxberg, Komppula, Korhonen & Mutka 2001, 16). Sales promotion

meaning the different ways of ensuring the product's encountering with the customer more effectively than with solely advertising efforts (Pesonen et al. 2002, 50.)

In relation to quality and company awareness Lecklin (2006, 24-25), noted that the profitability of companies combined with quality spans the time period of successfulness in the companies and enables them to reach competitive advantages, market leadership, enhanced company image, responsiveness to environmental changes, operational flexibility, motivated and dedicated staff and recognition as a desirable place to work. The role and importance of quality in awareness of the company becomes also clear when examining the concrete results from quality training called Service from the Heart which is better introduced in chapter 3. From the training companies may receive knowledge on self-assessment of service, definition of customer service targets, specification of key customers, company development plan and the start-up of customer satisfaction control. (Rural Policy Committee 2007, 2). Marketing-wise these are all very important assets and thus participating in such quality training companies may receive beneficial business advantages.

### **3 Important tourism quality labels and programs in Finland**

Developing quality through customer-oriented and flawless systems or the training of employees is by no means a way of increasing costs, but a way of disposing unnecessary additional costs (Grönroos 2009, 176.) There are many tools to develop and enhance organisation's activities and competitiveness and this chapter takes a closer look into some of the important tourism quality labels and programs that are currently in use in Finland. These industry specific programs also aid the management teams in their self-assessment of the business operations. A table combining the objectives, advantages and criteria of the different programs introduced in this chapter can be found in the attachments section of this thesis.

The reason why there are numerous programs in a country the size of Finland is that small and medium sized enterprises have experienced some of the larger quality management standards to be too heavy for their resources. (Lecklin & Laine 2009, 243, 274.) Pesonen (2007, 221) states that the meaning of types of quality management system-certificates is to display to customers, partners and the whole operational environment that the required measures to receive certification are in place in that organisation.

#### **3.1 Quality 1000 – Laatutonni**

According to an article in the Quality 1000 magazine, in April 2011 over 700 Finnish companies from the tourism and service sector had gone through the Quality 1000 training program (Lukkarila, A. 1 Apr 2011). Quality 1000 is a national quality development program aimed at enhancing the quality of tourism and hospitality enterprises through quality training and the QualityNet development system which is used for product development and operation of Quality 1000 processes (Lecklin & Laine 2009, 271). Finnish Tourist Board (2012b) first initiated the program in 2001 in order to raise the quality of tourism services to better suit their price.



Figure 2. Quality 1000 logo ( Finnish Tourist Board 2012b.)

The three main targets which Quality 1000 is built on are better customer satisfaction, profitability and competitiveness. Therefore the trainings for the program include the aspects of self-evaluation, quality 1000 handbook and the QualityNet system. The trainings are popular for many reasons. Companies are able to build relationships through networking in group trainings and individual enterprises gain valuable information on professionalism and productiveness in the regular Q1000 training. (Finnish Tourist Board 2012b; Lecklin & Laine 2009, 271.) The quality 1000 concept includes all together four different types of training choices. The self-evaluation training, individual corporate training, corporate group training and tourism quality-expert training especially aimed at small businesses. In all of the trainings the trainer provides the tools but the company is expected to do the work. (Haaga-Perho 2012.)

### 3.2 Service from the Heart – Palvelua Sydämellä



Figure 3. Service from the Heart logo (Rural Policy Committee 2007, 1.)

The service from the heart training provides the participating companies with knowledge how to build competitive advantage through satisfied customers. This kind of learning is especially important for small and medium sized businesses in the ever accelerating competitive tourism environment. (Rural Policy Committee 2007, 2.)

Service from the heart is a product of the Rural Tourism Theme Group which

systematically develops the tourist industry in the rural parts of Finland and acts as the common point of contact within rural tourism (Rural Policy Committee 2012a). The training of service from the heart program consists of three learning days with the emphasis on business operations, service know-how and practical implementation of the criteria. The main goal of the training is to improve the knowledge of rural tourism customers, the aspects and satisfaction of customer service and thus ensure the building of renewable competitive advantages in companies. After the training the participating company receives a diploma and can also use the service from the heart logo for marketing purposes. (Rural Policy Committee 2007, 2.)

### 3.3 The Best of the Province – Maakuntien Parhaat



Figure 4. The Best of the Province logo ( ProAgria 2012.)

The best of the province provides small Finnish entrepreneurs a national quality label called 'Uniquely Finnish'. ProAgria Association of Rural Advisory Centres has granted the label since 1993 and it is one of the most demanding domestic labels due to its strict requirements which include the possession of recognised quality system, approval of products and services by a special panel as well as a high degree of domestic origin for labour and raw materials. (ProAgria 2012.) The label markets its benefits for companies as follows: training for the development of quality system of the company, product development support and specialist consultation, possible commercial value, participation of group marketing for the label, free visibility of company information on the official website of the label, membership and appreciation of a valued national quality label-chain. Advantages from cooperation with other uniquely Finnish-members include discovery of new innovations, received feedback of new ideas,

reduced marketing expenses and support with learning how to handle critique. (Maakuntien Parhaat 2012.)

### **3.4 Feel Secure – TunneTurvaa**

Feel Secure safety training is aimed at program service tourism companies and is based on the guidelines of the consumer agency and later the consumer safety act which came into force on the first of January 2012 (Rural Policy Committee 2012b.) The Rural Tourism Theme Group operates the three day training which begins with core safety issues in tourism and is followed by deeper familiarization with the subject and finally composing of the statutory safety document for the company (Rural Policy Committee 2011, 5.) Through diverse tasks tourism entrepreneurs are able to earn a passport of safety and to create a safety document which includes a wide range of important safety aspects of the industry. The training is aimed to arouse the approach to security of businesses because safety documents are not created only for the authorities but especially for the safety of customers and the company and for the development of company products. (Rural Policy Committee 2012b).

The reason why safety is such an important issue is that it is viewed as part of the overall quality of the company. Quality management also includes the aspect of safety and the comprehensive enhancement of products through safety development. In the future, as competition intensifies and the requirements of customers are increasing the importance of safety in travel decision-making and the used products is likely to be even more emphasized. (Rural Policy Committee 2011, 5).

### **3.5 Excellence Finland**

The on-going development of quality in the procedures, products and services of the company is the key to competitiveness and productivity. Laatukeskus Excellence Finland is wholly owned by the Finnish Quality Association and at the end of 2011 more than 500 Finnish private as well as public sector organisations were members of the association. The Finnish Quality Association has organised the Quality Award competition in Finland since 1991 which is now called the Excellence Finland Final

and for five years they have also held the Quality Innovation of the Year competition. (Laatukeskus Excellence Finland 2012a).



Figure 5. Excellence Finland Final logo (Laatukeskus Excellence Finland 2012b.)

The Excellence Finland program is based on the European EFQM Excellence-model and it consists of three levels which are the mapping of the performance of the company, external evaluation and the final. The participants receive written feedback from all stages and are also offered an optional workshop related to quality development. (Laatukeskus Excellence Finland 2012b). The EFQM-model and thus the Excellence Finland program are based on the following fundamental concepts of excellence: achievement of balanced results, increasing value for customers, leading with vision, managing by processes, succeeding through people, caring for creativity and innovation and establishing partnerships and sustainability (EFQM 2012.) The objective of the Excellence Finland development program is the development of successful Finland through long-term pursue for operational improvement in the management team because such businesses are better equipped than others to survive the challenges and changes in their operating environment (Laatukeskus Excellence Finland 2012a.)

Lecklin (2006, 326-327) states that when developing quality awards the organising body has to make effort to ensure that the awards measure quality as a long-span factor for success. Methods for assuring this include the following actions:

- The evaluation criteria need to firmly support management processes and their performance and preparedness for change ought to be emphasized.
- Quality award has to take into consideration the core competencies of the organisation and to be able to act as an analytical tool for the management.

- Award criteria should be more future-oriented in order to enhance ability of the company to face the unknown.
- The competition should be clearly constructed and all types of businesses despite their size, line of industry or age should have the possibility to succeed.

### **3.6 ISO 9000**

The implementation of a quality management system should always be a strategic decision made by the top management. Organisations have their own business ideas, values, objectives and visions which act as the starting point for the fulfilment of the system. In the background of a quality management system of a company there should always be either a quality award model or an ISO standard or both and possibly industry specific standards. They do not exclude each other out. (Lecklin & Laine 2009, 244).

The abbreviation ISO comes from the words International Organisation for Standardization which is an organisation developing and marketing internationally used ISO standards for products, services and operations. Standardization has been created to agree on the common demands for quality and giving the task of evaluation to an independent body enabled companies to better concentrate on developmental tasks. The ISO 9000-series includes numerous standards which each define the requirements for certain areas of business. (Lecklin 2006, 308-311). The ISO 9000 family thrives to guide companies to consistently meet the expectations of customers and to ensure that quality is consistently enhanced. Its quality management principles include strong customer focus, motivation and involvement of top management, the process approach and on-going improvement. (ISO 2012).

A survey on understanding the needs of ISO 9000 users and identifying opportunities for improvement revealed that the primary reason for companies to seek ISO 9001 certification was the fact that it improved customer satisfaction. Other reasons included the market need for certification, increased management commitment and the benefit for standard business processes such as effective use of data as a business management tool. (Jarvis & MacNee. 2 Dec 2011). According to Lecklin (2006, 315)



ISO 9000 certificates have become important competitive advantages in international business for instance when a buyer deals with an unknown supplier the certificate may act to a certain degree as a guarantee of quality so later other companies have also participated in order to appeal to buyers on that level. This view is also shared by Williams and Bushell (2003, 152) who state that “The gaining of ISO 9000 can go some way to improving the organisational image but this tends to be within the industry rather than in the eyes of consumers of the services.”

### **3.7 Development of an European Tourism Quality label**

The large amount of public and private quality systems and labels for tourism organisations in Finland are usually not consistent or coordinated with other European ways of measuring quality. The European Commission (2012 a.) notes that the objective of European Tourism Quality label initiative is to support and provide value to actions embarked at both national and regional level through a thorough quality evaluation approach at EU level. The fragmentation of quality systems stands as a possible obstacle to the high-quality tourism services throughout Europe and harms the competitiveness of the European tourism sector. The commission considers whether or not a mandatory label should be introduced which would set common quality criteria for tourism services but also recognise other tourism quality systems that comply with the common EU criteria. An open consultation was conducted on the matter and the results are currently under analysis.

Tourism is a major industry which generates important growth and employment in the EU as well as contributes to the development of economic and social integration. Tourism is the third largest socioeconomic activity in the EU and thus the commission has recognised the importance of optimizing the competitiveness of the industry. The criteria for the common European Tourism Quality Label would include the categories of consumer satisfaction and reliance, supply of reliable information, respect of heritage and local traditions, accomplished employees and efficient service processes. (European Commission 2012b, 1-3). The advantages of the ETQ Label for Europe include that it could work as a competitive instrument and boost the image of Europe as a high-quality destination through outstanding tourism products. The benefits of the

ETQ Label for organisations could possibly include increased customer confidence in tourism products, reward system for deserving tourism professionals and usage of the label as a management tool to contribute to the competitiveness of the sector. For consumers it could be an information tool on quality criteria and help make informed purchase choices and assist with expectations of an ETQ-labelled company. The participation in this Europe-wide label would be free of charge and all types of existing quality systems could apply for recognition. (European Commission 2012b, 1-3; European Commission 2012c, 1-4).

## **4 Research methods and data collection**

This chapter introduces the research strategy of the bachelor's thesis based on the conceptual framework presented in the previous chapters. Qualitative research method was chosen in order to objectively map out personal views and experiences of people rather than trying to create a common conception of the subject. The research also follows loosely the case study approach, based mainly on data collected from three in-depth interviews, which is not bound to any particular research method and therefore can be understood as a multidimensional concept. The case study research includes empirical material collected from actual people in the industry through focusing on the questions 'how' and 'why'. The aim of the researcher in the case study approach is to describe a phenomenon without personally intervening in the situation and in this case to come up with some original contribution to Finnish Tourist Board and the Cooperation group of Finnish Quality Labels. (Myers 2009, 73).

The collection of data chapter presents interviews and text analysis as a means of gathering information as well as the key characteristics of the chosen interview type, the structured interview. And finally the execution of the research is presented in order to explain and clarify the proceedings of the research such as the selection of the interviewees and the conducting of interviews.

### **4.1 Qualitative research**

There are arguably as many definitions of qualitative research as there are different schools of thought. Van Maananen (1983, in Marschan-Piekkari & Welch 2004, 6) defines the qualitative method as "procedures for 'coming to terms with the meaning, not the frequency' of a phenomenon by studying it in its social context." Alasuutari (1995, 7) explains the same concept as a means of proper reasoning and argumentation which are not based on just statistical relations between variables but on riddle-solving as a way of reasoning and describing observations. Qualitative research method allows the researcher to explore the subject in a way that allows focus and themes to emerge and represents an understanding of human affairs through the aspects of anthropology and sociology (Holliday 2002, 6-7.) Qualitative research does not thrive to achieve

statistical generalization but seeks to describe a phenomenon or event, to understand certain activities or to give a meaningful theoretical interpretation to a phenomenon. That is why it is of utmost importance that the people from whom information is gathered are knowledgeable of the subject. (Tuomi & Sarajärvi 2002, 87-88).

Alasuutari (1995, 6) argues that the qualitative method can be considered as an alternative to the more favoured quantitative style because their procedures are somewhat comparable and they share same principles such as logical reasoning and objectivity in the sense that researchers aim to rely on their data and not personal views. While the quantitative method faces problems such as questionnaire response rates, the major challenge in qualitative research is the correct handling of the data and acknowledging prospective limitations (Marschan-Piekkari & Welch 2004, 514.) The qualitative method was thought to be most suitable for this particular research because it allows objectively mapping out the thoughts and views of people rather than trying to create a common conception and statistics of the subject. The method also allows possible new and interesting viewpoints to come to light.

#### **4.2 Collection of data: structured interview and text analysis**

Data collection section includes the description of the sources for used data, data collection procedures and the verifying of the quality of the data together with possible data limitations (Marschan-Piekkari & Welch 2004, 514.) Interviews are one of the most important and most used techniques for gathering qualitative data as they allow the researcher to collect informatively rich data from the interviewed people. The use of both secondary data in the theory part of the research and the personally gathered primary data through interviews is necessary to guarantee the richness and credibility of the research. The self-collected interviews and their thorough presentation bring something new to the table and add value to the research. (Myers 2009, 121-123). The themes for the interview script were drawn from the theory part of the thesis together with the research problems in order to ensure the accuracy and thoughtfulness of the questions.

The concept of interviews and questioning is quite straightforward. The advantage of interviews is their flexibility because the interviewee can ask for clarification of the questions when needed. Thus the main objective is to get the respondent to understand the questions and to gather as much in-depth information on the subject as possible. The advantage of using interviews as a way of collecting data is that the researcher can choose the persons which believed to have experience or knowledge on the studied matter. (Tuomi & Sarajärvi 2002, 73-76). Structured interviews are strictly regulated and consist of predetermined questions, so it is important that all the necessary questions are written in the interview script (Myers 2009, 123.) This was ensured through careful consideration of the questions and taking into consideration the comments from the thesis advisor of the researcher, seminar group members and the commissioner. Structured interviews provide consistency across interviews and especially when the research such as this one includes a limited number of them, it is important to ensure that the respondents answer the same key questions. When the number of collected interviews is not substantial the author has to thoroughly describe the research procedures by the means of supporting them with methodological issues and assuring that claims made from the findings are appropriate to the size of the study (Holliday 2002, 67.) Alasuutari (2011, 38-39) argues that within the resources of the researcher it is rarely rational or possible to conduct so many interviews that the differences between individuals would be considered statistically significant.

The subject of awareness and importance of tourism quality labels and programs among foreign tour operators had not been previously researched. Therefore the theoretical framework for the study was written based on a text analysis of any relevant, reliable and related material that would benefit the understanding of the subject. The mixture of books on quality in its many contexts, marketing and image of tourism companies, articles on the use of quality systems and material on the different quality programs provided this research with the theory which was then translated into research questions.

### 4.3 Execution of the research

The chosen qualitative research procedure is examined through five key elements. The description of the research setting, the research activities and collected data, justification of the research strategy, structure of the analysis and the used system for presenting data. (Holliday 2002, 48). According to Alasuutari (1995, 42) when studying the composition of meaning, or the manner how people apprehend and classify things, the material has to include data where they describe things in their own words and not only data such as questionnaires where people have had to answer pre-specified questions by choosing from predefined alternatives.

Individual structured interviews were chosen as the way of collecting data because the research aims at revealing the thoughts of industry professionals who understandably have information of the subject of the research. The use of structured interviews as opposed to semi-structured interviews was a personal choice of the researcher keeping in mind that the interviews needed to be more compact and structured than when doing face-to-face interviews because phone interviews do not leave much room for error. The structured interview type also allows the interviewer to use pre-prepared questions to ensure consistency and mutual understanding and therefore the questions were presented orally in the same order to each interviewee and all of the conversations were recorded to ensure thorough examination of the data. The data is believed to be trustworthy because the informants act as observers of a phenomenon and the interview questions do not require much information that would concern the interviewees themselves which makes it easier to answer objectively. Also the fact that interviewees and their companies were treated anonymously allowed them to express thoughts more freely. The contact information of the respondents was given by the Finnish Tourist Board which has existing cooperation with the selected companies which were believed to be familiar with the concept of tourism quality labels and programs.

The recorded information received from the interviews was transcribed and the transcriptions thoroughly examined in order to draw answers to the research problems. The statements of interviewees were handled objectively and altered as little as possible

and some direct quotations were used to present exact thoughts that were considered interesting. Myers (2009, 234) presents that the use of direct quotations gives credibility to the research, helps to make the findings more interesting for the reader and makes the text come to life. Because the number of interviews was scarce, each interview is separately introduced and discussed to avoid the redundant generalization of findings. By doing this the researcher aimed at providing thick overview of the findings which would also allow the reader to recognise and understand how the conclusions were formed. The key elements from all of the interviews are then collected under the chapter 5.2 which reflects on the importance of tourism quality labels and programs. The transcripts from the interviews are included in this thesis in the attachments part to provide the reader with the actual material where the findings were drawn from.

## **5 Analysis of the research results**

As by Alasuutari (2011, 39), the analysis of qualitative research data consists of two stages, abstracting general concepts from the observed material and then solving the enigma. The solving of the enigma meaning the interpretation of the researched phenomenon through the produced leads and available clues that surfaced during the research (Alasuutari 2011, 44.)

A basic method of analysis, the content analysis can be used in any qualitative study. First it is important to evaluate what information is interesting and what kind of information is essential in order to form an understanding of the research results. After the consideration it is necessary to break down the material and firmly distinguish the wanted information to get an overview of the results which can then be more closely analysed. The amount of data can be reduced by combining observations. It is important to acknowledge the information most related to the research at hand and recognize possible other findings as a further research opportunity. (Tuomi & Sarajärvi 2002, 93-94). This method has been used to both analyse the literature in chapter two and to analyse the interviews with foreign tour operators. The observations from empirical studies cannot be mistaken for solid results at once because the researcher needs to go deeper into the observations and in a way 'behind them' to extract any real and relevant findings (Alasuutari 2011, 78.)

### **5.1 Interviewed tour operators**

The analysis of the research results within the collected interviews is divided into three separate cases, shortly introducing the three different tour operators and the interviewees and their thoughts. The companies and interviewees are treated anonymously throughout the process and the respondents were aware of this matter before the interviews took place to allow them to talk more freely. This chapter aims to bring forward the core findings extracted from the interview transcriptions through which the subject of awareness and importance of tourism quality labels is evaluated. Some direct quotations have been taken from the interview materials in order to more



effectively describe the important themes and to bring forward the experiences of the interviewed tour operators.

### **5.1.1 Tour operator 1: United Kingdom**

According to a border interview survey Finland received 278 000 British tourists in 2011 which was 6% more than in the previous year. 58 400 visitors or 21% of the trips were packaged trips which means that the tour operators in United Kingdom play an important role in the overall tourist flows that Finland receives. (Finnish Tourist Board & Statistics Finland 2012, 6-16). Tour operator 1 in the United Kingdom offers a wide range of trips such as tailor made winter holidays to Finland and across the globe and is a member of the ATOL Protection Scheme. The company partners with approximately 30 Finnish companies which in their scale is a substantial amount. According to the informant these Finnish companies include five or six crucial partnerships and the rest are still necessary but much less important. The informant had worked in the company for two years now and he described his Project Manager duties as being responsible for almost everything from sourcing the products to designing the tours and selling them to the customers. He is also responsible for dealing with the possible feedback from customers or issues after they get back from their trip which means that he gains valuable first-hand destination information.

When asking about the importance of quality in tourism industry in the future the informant recognised as the most important factor for companies to be flexible because in the current planet “people are unpredictable and things change quickly.” He also mentioned that the two overall trends in the sector could be the urge for companies to make things cheaper in the short term which could jeopardise quality but in the long term the general cost of things is likely to increase and thus the prices customers pay. With the prices increasing it is an obvious consequence that also expectations of customers on quality will grow which continues to be a constant challenge for tourism organisations. One way to enhance quality and to try to keep up with growing quality demands are of course the different quality labels and programs. The respondent thought these programs to be very important because they can offer a certain security for customers with the condition that the programs have achieved a

level of brand recognition and thus actually mean something for customers and other interest groups. Primarily he was not aware of Finland having any recognisable quality brands and in his opinion the aspect of awarded quality to a hotel or service was also unimportant for their customers. The informant thought the overall quality of Finnish tourism companies to be excellent and the standards very high which also the travellers realize and that is why the stress is not on recognition of quality. In his opinion there are different ways of measuring quality and judgement on quality cannot be given just on the existence of certification. For example hotel experiences in Lapland he described as “not as polished on the edges but it’s still a very, very good quality experience.”

Throughout the conversation the respondent brought forward his views of Finland as a country with many high-quality tourism companies even though his knowledge on quality labels and programs was very limited. He mentioned the Nordic Swan eco-label, ISO 9000 certification and Helsinki boutique hotels Kämp and Glo as recognisable brands that stand out and have a feel of quality. He continued by adding that the ISO 9000 can be important because it is a global one but at the same time the company does not pay a lot of emphasis on it and it is almost like a “nice to see” so that they know they are dealing with an organisation that takes itself seriously. Therefore the importance of Finnish quality labels and programs for this particular tour operator was not significant but he would have been interested in them if they were “more out there.” When asked that what could be done to enhance the awareness of the quality labels and programs in use in Finland the informant was at a loss. He felt that the main focus should be on the brand awareness of the labels but he was indecisive of possible steps and thought that maybe they ought to follow the takings of some high-quality global brands whose labels have a high level of recognition.

The company of the informant does not take part in any of auditing processes of its partners and they have very little knowledge on any of the quality systems of their co-operators. The method how they best assess the quality of their partners is for example by visiting the smaller family owned and run businesses in Lapland personally and “getting a feel of the place.” They also rely on customer feedback to find out if any of

their partners have poor quality practises in order to recognise problems. That is why he concluded that it would be useful to know Finnish quality labels but he was not sure if recognising them could do all the work for the company because the importance of on-site visitations of the employees and customer feedback cannot in his mind be replaced. Therefore the quality certification plays little role in the decision making of the company when selecting and forming partnerships but was more or less described as “nice to have but wouldn’t be essential.” He said that in some cases the company might look for some certification and be pleased if the company had one but if they thought that they had a successful product anyway without certification then it would not stop them from taking somebody on.

According to the informant the European tourism sector is doing well and he almost considers it to be too competitive since he wishes that his job would get a little easier. He had not heard of the initiative of the European Commission for a common European Tourism Label, the ETQ-Label prior to the interview but he thought that such label could “probably be a nice thing to have”. He was also not surprised that the European Commission had been developing such an initiative and when talking about the advantages and disadvantages of it he had a lot of insight of the subject. The biggest advantage was that the label would give the countries of European Union “a universal badge of quality” which would mean easier quality assessment in the industry. This advantage however as argued by the informant is a balancing act because a level of regulation may lead to over regulating some things which could even cause certain barriers to entry and thus relegate some companies, especially the smaller ones. The administration of such quality practise was also thought to be extremely difficult and add to the difficulties of not so prominent candidates. Therefore the initiative aroused interest in the respondent but just a few moments after the initial interest the hardships of the label became also very clear. Overall his response to the label was relatively positive with some understandable scepticism because the subject was new to him.

### **5.1.2 Tour operator 2: Germany**

In 2011, 399 000 German tourists visited Finland which was a 10% increase in comparison to year 2010. 95 800 travellers or 24% of the total amount had chosen to

travel to Finland with a packaged trip (Finnish Tourist Board & Statistics Finland 2012, 6-16.) Most of the visits were done during the Finnish summer months but also winter holidays continued to interest German holiday makers. Tour operator 2 in Germany organises a large variety of trips to the Nordic countries from cosy family holidays to more active getaways all year round. The company partners with many Finnish companies such as numerous hotels and hotel chains as well as guiding and safari businesses, which ever are required for their trips. The informant had worked for four and a half years as Product Manager in the company and her responsibilities include products/countries such as Finland and the Baltic countries and also group travel to Scandinavia. Since she had worked as the Product Manager for Finland she was thought to have a great starting point to act as a respondent for the interview and was also believed to have insight to the subject at hand.

The informant stated the importance of quality to be increasing in the future however she also argued that the matter has two sides. As some clients really look for quality and are ready to pay for it and at the same time other clients are looking more at the rates and desire cheaper things. Lower prices tend to tempt buyers and perhaps the most successful companies are going to be the ones that do not let go of quality despite the urge for cutting costs. The common conception and opinion of the respondent on tourism quality labels and programs which in this research are presented as means of enhancing quality in a tourism organisation was quite shallow because for her company the programs do not play a big role in decision making. Even though they were not that important in the company at the moment the respondent mentioned that “it is interesting to have it.” Meaning that the company has interest to see how the programs develop and what more they might bring in the future.

She was not aware of any Finnish labels nor could she recognise them by the name which can also be explained by the lack of knowledge and interest towards quality programs in her company. The Swan label was also mentioned in her case but she was aware that it is not a wholly Finnish label but was still related to quality. The ISO 9000 certification series were also familiar to the informant but she did not offer any information on where she knows it from or does she relate the ISO 9000 to any

Finnish companies. In her opinion the solution to enhancing the awareness of quality labels and programs in use in Finland can be hard but the companies should start by “putting it out more” on their websites and especially in their marketing efforts if they want them to be more visible. When the respondent was asked if Finland possesses many high-quality tourism and leisure companies she answered immediately “yes, I think so”. Therefore her opinion is not largely affected by her knowing the different quality labels but other factors. Because they work with many Finnish companies she has learned to know the kind of overall quality in the Finnish market especially among hotels. She also mentioned a new exciting product/destination they have in Finland that she thought to have quite high-quality because of the marketing and advertising she has seen without visiting the place herself. Therefore perhaps she has had to create her opinion and the decision whether or not cooperating with the destination through looking at the location, accommodation, services, design, ratings etc.

The tour operator company and the respondent herself were not aware of the quality systems or auditing processes of their partners. She stated that the possession quality systems play no real role in the decision making of the company when selecting and forming partnerships because at the moment certification is not a decisive criteria for them. This indicating that all of the Finnish tourism and leisure companies are on the same line when searching for new partners which means other factors are held in higher regard than quality labels and programs of the prospective companies. The respondent had not heard of the European Tourism Quality label but she thought it to be an interesting initiative because the European tourism market could become more standardised and quality could be compared easier. For her company the acquiring of such a label might be difficult because according to her “it’s also taking huge amounts of money and manpower to have it.” This shows that there is interest there but the European Commission needs to try its hardest in developing such a label that would profit all its members in a way that is effective and cost efficient.

### **5.1.3 Tour operator 3: Russia**

Russia is an important and major tourist sending country for Finland which can also be seen in the amount of Russian visitors to Finland in 2011. As many as 3, 2 million

tourists arrived last year from Russia which was an impressive 27% increase from the number of visits in 2010. Packaged trips were 5% of the 3, 2 million which equals 163 000 visits organised by Russian tour operators. (Finnish Tourist Board & Statistics Finland 2012, 6-16). The tour operator 3 in Saint Petersburg, Russia has approximately twenty to forty Finnish tourism and leisure businesses that they partner with. These partners the company has chosen in accordance to the needs of their customers by searching for tourism businesses that can best cater to them. The interviewee had worked in the company for four years as the Sales and Marketing Manager which means that she is responsible for the planning and marketing of trips to Finland for the Russian travellers. She is also involved the process of booking hotels, cabins, boats and trains for the customers so she has somewhat regular contact to their Finnish partners.

The opinion of the respondent on the importance of quality in the tourism industry and whether or not she believes it to be increasing or declining in the future was rather unambiguous. She believed the concentration on quality to be growing especially because “the Russians’ taste has become more specialized and their expectations have risen”. This means that the tour operator is constantly on the lookout for new high-quality products and destinations to satisfy their customers increasing demands. The awareness of quality labelling of Finnish companies did not seem to be a way of measuring quality for the tour operator because the informant did not possess a lot of knowledge on the subject of tourism quality programs and labels that are in use in Finland. In her opinion especially the hotel prices in Finland seemed expensive compared to their quality and she considered added quality to be a major decisive factor when looking for products because additional services are held in high regard among the Russian travellers.

This leads the author to wonder why the Finnish companies which possess certification do not bring them more forward in their marketing efforts since a country like Russia which generates a lot of travel to Finland and clearly strongly emphasizes quality could especially help the smaller businesses to get more foreign customers. The interviewed tour operator representative only recognised the Finnish quality program Quality 1000 but she was unsure how she had come across it. Perhaps this shows that

the unawareness of the labels among the tour operator company also harms the company itself because they have to go through many trial-and-error situations with Finnish companies where the products have not met the needs and expectations of their customers. If the overall quality and quality certification was to be emphasized more by Finnish tourism organisations maybe the supply could meet the demand in a more effective way? The views of the respondent on the amount of high-quality tourism businesses in Finland differed a huge deal compared to the previous two tour operators. Whilst the tour operators in England and Germany thought the overall quality of Finnish companies to be excellent, the Russian representative stated that “in my opinion there are not that many high-quality tourism and leisure companies in Finland”. It is possible that her opinion is influenced by the fact that they have not received high-quality products and services from companies they have wished to offer them. Therefore the marketing of quality labels and programs to the Russian market can be seen as a profitable action so that the quality expectations of Russian travellers could be met more successfully.

When asked about the participation of the company in the auditing processes of their partners and overall knowledge of their quality systems the respondent was very clear that they do not take any part in them because “that’s something they must take care of themselves”. The aspect of quality certification did not at the moment play an important role for the company in their decision making when forming partnerships. She said that they might pay attention to the fact that some certification is in place but it is not a priority. This fact may give reason to believe that if they had more knowledge of the Finnish quality systems and labels they would be keener on acknowledging them. The respondent was not ready to talk about the competitiveness and current state of the European tourism sector since they mostly cooperate with Finland. She did mention that in Finland however, “the development is good and the quality of services is increasing which is good”. This definitely shows that the Finnish companies have become more and more aware of the Russian travellers and how to better cater to them which can be seen as a positive thing but also might be a rather time-consuming process. The European Tourism Quality label initiative came as news to the informant and as she said earlier about her unawareness concerning the European tourism sector

she also did not have a lot of thoughts on the common European quality label. Her only fear was that such label could lead to higher prices in the industry which would therefore also affect the Russian travellers.

## **5.2 Reflecting on the importance of tourism quality labels and programs**

The importance of tourism quality labels and programs is a rather difficult topic to evaluate. William and Buswell (2003, 148-150) argued that accredited quality management systems, which include third-party certification, usually offer benefits such as external recognition, initiation of organisational changes for the better, continuous improvement, improved service delivery and organisational appraisal. Therefore one could say that the programs are very important for the functionality and the competitiveness of a company but on the other hand it could be argued that what is their meaning outside the company? The author believes them to especially profit companies in Finland because trained employees lead to better service and thus customers benefit from the programs and possession of labels may also build stronger bonds to other interest groups of the company. The development of quality in a company can also be seen as a way of disposing unnecessary additional costs in the future rather than as an un-useful method that increases costs. Such industry specific quality programs also aid the management teams in their self-assessment of operations inside the company. The reason why there are so many different programs in a country the size of Finland is that small and medium sized enterprises have experienced some of the larger quality management standards to be too heavy for their resources. The importance of quality however troubles some companies because as argued by Horner and Swarbrooke (2004, 13-14) a large portion of competition in the tourism industry continues to be price-based which pressures tourism organisations to operate in low spend, low quality markets. This may lead to a situation where the organisations are not able to use revenue for much quality development.

Maybe in a way the importance of quality labels and programs presented in this study is limited within the borders of Finland? After all the labels are quite small compared to the global quality programs such as the ISO 9000 certification which was well recognised by the foreign tour operators. Some other obstacles in creating awareness



for the Finnish certificates in Europe are the facts that some of the brands do not have global names or official translations as they stand today. How could the foreign tour operators recognise names that were only created for the purposes of this study? Other obstacle is the lack of information available in English about some of the programs and the absence of visible logos. After all logos often make a brand stand out and they stick to mind better than difficult to understand Finnish names. If the labels desire to be more recognised overseas they need to push themselves forward and ensure that member companies visibly show their quality labels especially in their websites and marketing. The interviewees showed interest in learning more about the programs in the future but they also felt as if the quality systems in Finland are quite fragmented because of their large variation. At the moment the quality labels and programs were not at all recognised among the respondents but that was not a decisive factor in the process of searching and forming partnerships. Perhaps in the future with strong efforts both from the organisations providing the trainings and labelling and the companies which have them, the quality brands could become a competitive advantage also in the European market. That would be hugely beneficial because quality and satisfied customers enable companies to have more freedom in pricing and thus products and services can be sold for greater coverage. (Lecklin 2006, 24).

### **5.3 Validity and reliability of the research**

After completing the interviews and collecting results, it is necessary to ask oneself whether or not the thesis objectives set in the introduction chapter were met. That question creates the concept of validity which reflects on the suggested conceptual framework. Validity of the research is one of the most important parts of the projects using qualitative methods and as by Pauwells (2000, in Marschan-Piekkari & Welch 2004, 520), “validation is a dynamic effort which is performed through the entire research process.”

The validity of this research includes the aspects of both internal and external perspectives. The internal validity is examined through the selection of interviewees which was based on their expertise on tourism to Finland and thus guaranteed in depth answers and information related to the research problems. When considering the

possibility and necessity of having more interviews and thus more data the answer is that it is more useful to have a few knowledgeable people than many which do not possess information on the subject. The external validity meaning the possible level of generalization of the study or the usefulness of it to other interest groups has been somewhat fulfilled. Because the subject of awareness and importance of tourism quality labels and programs among foreign tour operators had not been studied prior to this one, this research offers for one part valid and indicative information and for other part new viewpoints on the matter despite the size of the scope.

When examining the issue of objectivity in qualitative research it is important to consider the aspects of reliability and neutrality. Because the researcher creates the interview environment and acts as the interpreter of the results, it is nearly impossible to keep the research entirely neutral. He or she inevitably filters the information received from the interviewee through an altered frame which can be affected for example by the sex, age, nationality, title or speech of the interviewee. However the reliability of this research is enhanced by direct quotations of the respondents in the analysis chapter and also the transcripts of the interviews are available for examination in the attachments section of this thesis. Another method of evaluating the reliability of the research is looking at the coherence of the research report and that the different parts are constructed in a way that supports the research itself. (Tuomi & Sarajärvi 2002, 131-138). This thesis was constructed keeping in mind that the theoretical framework and the introduction of the quality labels and programs would provide a multidimensional and firm base for the research itself.

#### **5.4 Value of the results to the commissioner**

The results of this bachelor's thesis as well as the research itself were aimed to benefit the commissioner, Finnish Tourist Board and the Cooperation group of Finnish Quality labels. The results shed some light on the rather unknown subject of how foreign tour operators know Finnish quality labels and are they held in high regard. The commissioner was also eager to find out whether or not certification played a role in the decision making of foreign tour operators when selecting and forming partnerships. Because this study revealed that the tour operators were somewhat

unaware of the labels and programs included in the research, the Cooperation group of Finnish Quality labels has preferably gotten some food for thought on how to go on from here. Whether or not they feel necessary to enhance the awareness of the labels overseas or are they on the same path as the respondents in wanting to see what the future brings and how the labels may develop.

The author believes that this study together with simultaneously commissioned second study on the same subject but from the point of view of Finnish companies will create better understanding of the current state of the quality labels and programs included in the research. Perhaps the Cooperation group of Finnish Quality labels will take a more uniformed approach when it comes to the awareness of different labels and how the members of the cooperation group could learn from each other. In a way this study was quite moderate and rather small-scale compared to the researches and efforts by the Finnish Tourist Board but hopefully they got some new interesting points of view from it that can possibly be formed into other larger-scale researches in the future. The method of qualitative research was better suited for the commissioner than quantitative because the in-depth interviews objectively mapped out personal views and experiences of people rather than tried to create a false common conception of the subject.

## **6 Conclusion and discussion**

Quality continues to be one of the most important success factors for tourism organisations especially inside their operations and management. It enables customers and other interest groups to trust the company and to make more accurate and reasonable purchase decisions. A well-functioning quality management and its systems ensure that the entire organisation is working towards reaching the expectations of customers which is not only cost effective for the company but may also enhance its external image. The constant development of quality systems is vital in order to sustain quality as one of the competitive edges of a company and to create visibility, company recognition and reputation. The role of quality in awareness and its impact on sales and marketing of a company is vital because excellent quality better fulfils the needs, demands and expectations of customers. Quality also enhances customer satisfaction which contributes to the fact that efficient and effective quality businesses may strengthen the market position of a company. However the possessions of a quality label or participation in quality program training do not automatically ensure the future success of the company and thus companies cannot rely on quality systems as an overall problem solver (Lecklin 2006, 325.) This conclusion chapter presents the key findings from the research as well as suggestions by the author for possible further research opportunities as well as the self-assessment of the thesis process and own learning.

### **6.1 Key findings**

The meaning of this chapter is to bind the discoveries of the analysis part of this thesis into the most important key findings revealed by the research. The key findings can be divided into three different themes. These are the importance and awareness of quality and tourism quality labels, the influence of the labels in the decision making of foreign tour operators when selecting and forming partnerships and thirdly the meaning of the upcoming European Tourism Quality label for the industry. It has to be notified that the research part of this thesis consisted of only three interviews and arguably the results could have been very different with more respondents. Therefore the results need to be put into perspective and treated with careful consideration. The key

findings have been drawn from the three interview analyses in chapter 5.1 and are supported when necessary by the written theory.

Quality was seen as an important factor in the successfulness of tourism companies by all of the respondents. They also thought the importance of quality to be increasing in the future and as by informant 1 the expected increase in prices is likely to lead to the consequence that the expectations of customers will grow as well. The other two informants felt more or less the same and the importance of quality can be also explained by the thoughts of Horner and Swarbrooke (2004, 19) who believe that both quality and customer satisfaction continue to be key words in today's business world which means that in the future companies need to take even a closer look at the linkage between price and quality and how customer expectations effect that equation.

Even though quality seemed to play an important role in the minds of the respondents, surprisingly they were for most part not aware of the quality labels and programs that are in use in Finland. This can maybe be explained by the size of the companies and how they look for other things when estimating quality. They all mentioned that they might look for some certification in a company and that it is a "nice to see" but not that important for them or their customers. Finland had a strong feel of quality anyhow for the first two informants. Things such as comfort, customer feedback, uniqueness and feel of quality were considered as important contributors to overall quality of companies. The Russian tour operator was missing some additional quality and services from its partners and thus thought that at the moment Finland does not possess many high-quality companies but the situation is improving. The importance of quality in tourism organisations may also be explained through the following company characteristics; customer orientation, leadership together with purposeful operations, development and involvement of staff, emphasis on management by results, facts and processes based management, development of partnerships, social responsibility and continuous improvement. This shows that concentrating on quality is worthwhile for companies because it can be a critical success factor in the market. (Lecklin 2006, 26-28).

None of the informants were aware of the quality systems of their partners nor did they participate in their auditing processes. Tour operator 1 mentioned that the method how they best assess the quality of their partners is by visiting some partners personally because getting a feel of the place was thought to be important. They also rely on customer feedback to find out if any of their partners have poor quality practises in order to recognise problems. That is why he concluded that it would be useful to know Finnish quality systems but he was not sure if recognising them could do all the work for them. The tour operator 2 was also not aware of quality systems or auditing processes of its partners. The respondent stated that their quality systems play no real role in the decision making of the company because at the moment certification is not a decisive factor for them. This indicating that all of the Finnish tourism and leisure companies are on the same line when searching for new partners which means other factors are held in higher regard than the quality labels and programs of prospective companies. The aspect of quality certification did not at the moment play an important role in the decision making of tour operator 3 when forming partnerships. The respondent also said that they might pay attention to the fact that some certification is in place but it is not a priority. Perhaps if the foreign tour operators had more knowledge of the Finnish quality systems and labels they would be keener on acknowledging them? After all in relation to quality and company awareness Lecklin (2006, 24-25), noted that the profitability of companies combined with quality spans the time of successfulness companies may experience and enables them to reach competitive advantages, market leadership and enhanced company image. As conclusion at the moment the awareness of the quality labels and programs among foreign tour operators may not be a vital success factor but in the future it could well be an interesting aspect to pursue for the Finnish tourism companies. The results are also somewhat supported by Lecklin's (2006, 325) view that the possessions of a quality label or participation in quality program training do not automatically ensure the future success of the company and thus companies cannot rely on quality systems as an overall problem solver.

The European Tourism Quality label was a new concept for all of the interviewees. Tour operator 1 thought that such label could "probably be a nice thing to have" and

its advantage would be that the label provides the countries of European Union a universal badge of quality which would mean easier quality assessment in the industry. For disadvantage the respondent considered to be that a high level of regulation may lead to over regulating some things which could even cause certain barriers to entry and thus relegate some companies, especially the smaller ones. The administration of such quality practise was also thought to be extremely difficult and add to the difficulties of not so prominent candidates. The tour operator 2 thought the label to be an interesting initiative because the European tourism market could become more standardised and quality could be compared easier. However the acquiring of such a label might be difficult because according to the respondent “it’s also taking huge amounts of money and manpower to have it.” Tour operator 3 was the least informative on the subject mainly because Russia is not part of the EU and because they are mostly focused in the Finnish market. The only concern of the respondent related to the subject was that such label could lead to higher prices in the industry which would therefore also affect the Russian travellers. According to the tour operators 1 and 2 there is definitely interest for the initiative but the European Commission needs to try its hardest in developing such a label that would profit all its members in a way that is effective and cost efficient. The advantage of the ETQ-Label for Europe according to the European Commission (2012b, 1-3; 2012c, 1-4) is that it could work as a competitive instrument and boost the image of Europe as a high-quality destination through outstanding tourism products. The benefits of the ETQ-Label for organisations would possibly include increased customer confidence in tourism products, reward system for deserving tourism professionals and usage of the label as a management tool to contribute to the competitiveness of the sector. For consumers it could be an information tool on quality criteria and help make informed purchase choices and assist with expectations of an ETQ-labelled company.

## **6.2 Suggestions for development and further research**

When it comes to the possible development or improvement of one’s research work the author has reason to believe that every researcher finds things that he or she could have done differently or perhaps better. This research has revealed the author many aspects to be proud of as well as shown some things that could have been done

differently. It has been quite challenging to construct a research without face-to-face meetings with the interviewees or the commissioner after the initial meeting and contract signing but that may be only normal in today's hectic business environment. With a research subject as little studied as this one the author is satisfied that the process went relatively well. It could have been possible to develop this study through adding more interviews and polishing the interview script a bit more since due to the nature of the research the use of structured interviews left no room for improvisation or pursuing other subjects that rise during the conversation. Having more interviews and from even more experienced tour operators could have revealed a different kind of aspect related to the awareness of quality programs. One possible factor affecting the interviews and the received answers was the language skills of the respondents. Even though they received the questions in advance it can be argued that perhaps the length of the answers was very dependent on the English skills of the respondents. Despite that concern the informants gave some great insight to the researched subject and even though the amount of interviews was relatively scarce, the timetable for this thesis work unfortunately did not allow the researcher to pursue more informants. After receiving the contact information there was two weeks to contact the tour operators, to define the date for the interviews and to have the actual interviews. During this rather strict timetable the author was able to find informative and interested industry professionals whose answers provided the study some interesting results.

According to Alasuutari (2011, 231), the quantitative research method offers superficial but trustworthy information whereas the qualitative method offers in-depth information but poorly generalizable results. The qualitative method allows the researcher to make hypotheses which can then be verified with quantitative statistical methods in possible further research. Thus the author of this research recommends to use this bachelor thesis as a pilot study in the creation of subsequent analyses with statistical methods so that the results of awareness and importance of tourism quality labels and programs among foreign tour operators could be presented with even better generalizability. A large research using questionnaires as the mean of collecting information could reveal what the overall conception of quality labels really are among



foreign tour operators. In a way, the research work never ends because the finishing of one research may have inspired new questions which may lead to the beginning of yet another new project (Alasuutari 1995, 175.) It could also be beneficial and interesting to conduct a study on the successfulness of Finnish tourism quality labels and programs which could aid to reveal what makes a strong, recognisable and desirable quality label. As the informants for such a study could well be the people who design and develop the programs, act as teachers in the trainings or are part of the Cooperation Group of Finnish Quality labels. That could also help to establish whether or not the concept of awareness in other countries is necessary for the future success of quality programs.

### **6.3 Thesis process and own learning**

This bachelor's thesis work has been a long learning curve for the author. The decision to wait towards the end of the studies of the author before beginning the process was seen as a positive thing because the completion of the research truly required a lot of experience and knowledge. The biggest challenge was definitely the gathering of information and analysing it for the theory part because many of the sources offered only a little information on the subject of quality labels and programs. That is why also many books on quality and service quality and what makes a high-quality company were examined. These books had excessive information and the job there was to search them for relevant subjects that would best benefit the research. In the end the author was quite satisfied with the theory constructed from these many books and it hugely helped the planning of the research and the analysis of the results.

This thesis project began in June 2012 when the author first met with the contact person from the Finnish Tourist Board and the interviews were conducted between the end of October and beginning of November 2012. After the initial meeting with the commissioner the process started with the search for material suited for the research but the writing was left until beginning of September same year. From there the thesis was processed at the same pace with the requirements of the HAAGA-HELIA seminar meetings which turned out to be an effective method. Perhaps the strict timetable for fall led to the difficulties with finding the interviewees towards the

end of the project but as mentioned before, the overall successfulness of how the research turned out pleased the author. If there had been more time it would have been desirable to combine the qualitative research part with virtual questionnaires to more tour operators in various countries to get even a greater understanding of the research subject.

After completing this work the author has gained many valuable experiences and useful knowledge. Such as how to construct a research and what is required from the theoretical and empirical part of a successful research, how to search for information and thoroughly analyse research results. These skills provide the author with important assets in her future working life and help to better understand many aspects of the tourism industry which are firmly centred upon the overall concept of quality in tourism organisations and the mind-sets of tour operators. The understanding of the importance of quality in the industry and how the quality labels and programs add to that quality has been an important part of the learning curve. If anything this bachelor's thesis has proven to the author that she possess the needed skills and knowledge to work in the tourism industry. The correspondence with foreign industry professionals and having conversations with them on the phone added to overall confidence building side of this process. What was really pleasing towards the end was the fact that the interviewed tour operators were also interested to learn the results of this research and requested that the finished thesis would be forwarded to them. That shows that this thesis managed to accomplish the objective of the author to conduct an interesting, reliable and useful study that will hopefully somehow benefit all of its readers.

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## Attachments

Attachment 1. The objectives, advantages and criteria of the studied quality programs

Quality label or program	Objective	Advantages	Training or criteria
<b>Quality 1000</b>	To enhance the quality of tourism and hospitality businesses through quality training.	Improved customer satisfaction, profitability and competitiveness.	Self-evaluation training, individual corporate training, corporate group training or tourism quality-expert training.
<b>Service from the Heart</b>	To build competitive advantage through satisfied customers.	Ensuring the building of renewable competitive advantages in businesses.	3 days: emphasis on business operations, service and practical implementation of the criteria.
<b>The Best of the Province</b>	To acknowledge small Finnish entrepreneurs with the Uniquely Finnish label.	Developmental support and consultation, commercial value, group marketing.	Strict domestic criteria assessed by a panel of specialists.
<b>Feel Secure</b>	Safety training for program service tourism companies.	Composing of a statutory safety document for the company.	3 days: from core safety issues to arousing company's overall security.
<b>Excellence Finland</b>	To develop successful Finland through operational improvements.	Written feedback from all stages and optional workshop on quality development.	3 levels: mapping out the performance, external evaluation and the final.
<b>ISO 9000</b>	To agree on the common demands for quality and to act as an evaluation body.	Constant quality enhancement, effective use of data, competitive advantages.	Principles: customer focus, top management motivation, continuous improvement.
<b>European Tourism Quality label</b>	To support and provide value to actions through EU level quality evaluation.	Increased customer confidence, reward system and usage of the label as a management tool.	Criteria: consumer satisfaction, efficient service processes, accomplished employees and respect of heritage.



## Attachment 2. Structured interview: interview questions

Title of the study: The awareness and importance of Tourism Quality Labels and Programs among Foreign Tour Operators

Interviewer: Angelika Karhu

Interviewees: Foreign Tour Operator representatives

1. What is your title/official position and how long you have you worked in the company?
2. Can you please describe your responsibilities in the company?
3. Approximately how many Finnish companies does your company cooperate with and what is their importance to your company?
4. Do you see the importance of quality in the tourism industry increasing or declining in the future and why so?
5. What is your common conception and opinion on tourism quality labels and programs?
6. Are you able to name any tourism quality labels or programs that are in use in Finnish tourism companies?
7. In your work, have you come across any of the following quality labels and programs in use in Finland? If yes, please elaborate.
  - a. Quality 1000 training program
  - b. Service from the Heart training
  - c. Feel Secure safety training
  - d. The best of the province/ Uniquely Finnish label
  - e. Excellence Finland quality award
  - f. ISO 9000 certification

8. In your opinion, what factors affect the level of awareness of the mentioned quality labels and programs and what could be done to enhance their awareness?
9. Do you think that Finland possesses many high-quality tourism and leisure companies? If yes, please elaborate.
10. How aware is your company of its partners' quality systems and does the company take part in any of their auditing processes?
11. What kind of a role does quality certification play in the company's decision making when selecting and forming partnerships?
12. What are your thoughts on the current state and competitiveness of the European tourism sector?
13. What are your thoughts on the necessity of the European Commission's initiative for a common European Tourism Quality label?
14. What could be the advantages and disadvantages of the European Tourism Quality label for individual companies/ European tourism sector?

**Tour operator 1: United Kingdom**

1. Ok, so I have worked here for two years. We're quite a small company so we don't officially sort of like pigeonhole people and stuff like that but ummm I suppose if you called me project manager that would probably be a good way of describing what I do.
2. Ok, well I'm responsible for almost everything. You know, apart from the ummm finance side of things. And when I say finance I mean dealing with the customers' money and then making sure that the suppliers are paid. You know ummm sourcing the products, all the way through to designing the tours and selling them to the customers and then dealing with the customers after they've got back if they have any issues or if they've got any positive feedback. So basically everything apart from the finance.
3. Ok, well I'd say we partner with about 30 Finnish companies. Ok, and they're very important because I would imagine that's probably more than some of the people, probably quite a few of the people that will be in this study. You know some of them are crucial and others are much less important. So I would say probably about five or six of those are very important companies, yeah. Particularly people like Finnair, the flight operator who have a virtual monopoly of the flights into the regional areas of Finland. So, they're very important.
4. That's very difficult because I think one of the things that you have to be prepared to do in the current planet is be flexible because people are unpredictable and things change quickly. Particularly with the way modern society moves but I think if you look for the overall trends, I think there is a drive to make things cheaper because of the recession in the short term yeah, which means that the quality will suffer. But I think that if you look at the trends in the long term I think that certain things will get cheaper, so travelling by plane might get cheaper. So I think in the long term because of the general cost of things prices will increase, yeah so people will expect quality. So quality will have to increase. So in the short term I would see that it will probably drop as people will try to save money and make things cheaper but in the long term it has to increase.

5. Ok, well I think that they're very important. You know, providing that they've achieved a level of brand recognition which means that they mean something. Yeah, so in the UK not necessarily attached to quality but we're a member of the ATOL Protection Scheme which guarantees customers a certain level of financial protection; you know regardless to what happens to our company. Yeah and obviously that is very important. You know it means that the customers feel secure with their booking. So then you know the other things that I suppose impacts the opinion on quality are those sorts of star-ratings that an accommodation would get. Yeah but like in Finland outside the major cities like Helsinki it doesn't really apply. You know they don't really carry star-ratings, particularly among our partner hotels where they might be family-run establishments. So the quality might be very good and you might get a very high standard but the stress, because in Lapland in winter it can get very cold, the stress might be more on comfort rather than you know fine dining and finesse. So it may be a bit more... it's not as polished on the edges but it's still a very very good quality experience. So you know all these sorts of things are important but for travellers to Finland at the moment they're less important, I think that they could be more important if maybe there was a more recognised quality brand. You know, or a something like the ATOL, something simple but I'm not aware of that in Finland at the moment.
6. I think that the only one that sort of comes to my mind and I'm not quite sure if it is one... I don't remember if it's for Scandinavia in general is ummm... Is it the Swan quality label that they've started to use and it's not just for quality but it's also for like ecological awareness? Yeah so that's probably the most recognisable one that I've seen. And then the other thing that I would say is that I'm not aware of any other labels but I'm aware of some certain brands that have a feel of quality. And the brands that sort of stand out are the five star Helsinki hotels, the boutique hotels such as Hotel Kämp and the Hotel Glo, you know they have very high standards and are sort of well recognised.
7. There is one that I recognised straight away, the ISO 9000, which is out there and we recognise it because that's sort of a global one. You know, I think that this can be important but I wouldn't say that we pay a lot of emphasis on it and customers don't ask about it but it's almost like ummm "a nice to see". So it means that you

know that you're dealing with an organisation that takes itself seriously and is trying to organise itself in a way that others can see that. But that wouldn't stop me from working with somebody because they wouldn't have it because it's just something to maybe make me feel more reassured about dealing with this partner if I was a little bit unsure.

8. I don't know, it is a very good question how you increase the sort of brand awareness because that is essentially what it is, you know if it takes it from trying to increase the awareness of these particular brands. Ummm what would make them stand out more; to be honest I'm not sure. I think, if maybe some of the high-quality global brands whose labels have recognition for... it sort of goes against what I'm doing but if I was being like a "cheeky" you know what I'd say is "why don't you give me a load of money and what I would do I would recognise this brand". But I think that there might be something in that for like the larger global brands and how they function...
9. Yes, I think they do. Yeah and what I would say is that there are different ways of measuring quality and I think that maybe I wouldn't turn around and say "oh yeah it's like the seven star Burj (Al Arab Hotel) in Dubai" but I think that there are lot of companies, like Finnair who generally provide a very good service. You know although this year we've had some problems with that but generally they're very professional. And then the hotel brands that I've talked about in Helsinki but I'd say that outside of there, the sort of ummm providers that we work with in regional Lapland, those are very good. And they do provide very good quality products. I do think that they are very good.
10. I'd say as far as the quality goes we don't take part in any of their auditing processes. That's something that they must take care off. I wouldn't say that we are really aware of their quality systems as such because I think that the best way of assessing the quality is that we actually go in there and get a feel of the place ourselves. And then we rely on the customers to provide feedback so that if we get bad customer feedback because they were not happy with the quality then we know we have a problem. And I'm not sure if necessarily recognising their quality systems does all that work for us. It's not going to replace those two. It would be good to have again, of course but I'm not relying on them.

11. I think I've already answered this one, I said that it would be nice to have but it wouldn't be essential. We would maybe look for it and then we'd say yeah "good you've got it" but if we thought that we had a good product anyway without it then it wouldn't stop us from taking somebody on, you know.
12. I think it's very competitive. So yeah, I'd almost like it to be less competitive because I'd like my job to be easier.
13. I haven't heard of it. But it doesn't surprise me that they're talking about it. It would probably be a nice thing to have.
14. Ok, well I think that the main advantages of it would obviously be that it's going to give you a universal badge of quality so it will help make quality assessment easier. I think that's the biggest advantage that you'd have, and it's a balancing act, because in some level you need a certain level of regulation but on another level if you over regulate something it becomes a barrier to entry and stops people from being able to do... to do a job. Yeah and then what should make it too difficult would certainly be the administration of it, if it requires the kind of "only a certain level"... in order for companies to be prominent. So it breaches out small companies.

### **Tour operator 2: Germany**

1. My position is Product Manager and I have worked here for four and a half years now.
2. So I'm responsible for some products like Finland and the Baltics and also group travel to Scandinavia.
3. That is really difficult to answer because we are working with a lot of hotels and other companies. Ummm so it's like we're cooperating with the Sokos hotel chain so if you take even this one example it's maybe easier to start counting... but it's a lot of companies. So it's mostly hotels or hotel chains but also like guiding such as Helsinki excursion or something like this and safari companies. Yeah whatever is required for the clients. I think that it is really hard to say a number.

4. I think that it's increasing but it depends on the market. So there are some clients who really want quality but others look on the rate and ummm want more cheap things than quality. It's both so... But I think its increasing maybe.
5. So far for our company it's not so important but it's interesting to... to have it. And we will see what they will bring in the future.
6. I think... I don't know a Finnish one, I was just thinking about it ummm... I know the Swan label from the Choice Hotels, I think but ummm... I can't remember any Finnish labels.
7. I've never heard of the other ones but I know the ISO 9000.
8. The companies have to put it out more, maybe on their websites or yeah... with their marketing.
9. Yes, I think so. We are working with many different companies and I think that there are a lot of... especially hotels that are high-quality. Or we have a new product, it's called Anttolanhovi, I think it is quite high-quality. I've never been there but what I've seen from their marketing and the advertising I think it's quite high-quality.
10. So we are not so much aware of their quality systems.
11. It plays no... It's not...Right now it doesn't matter if there is a quality certification or not for us.
12. I can only speak about Scandinavia because we only work with Scandinavia but I think it's quite competitive. The travel to Scandinavia is popular.
13. I haven't heard of this label...?
14. But... it could be more standardised and that you can compare better but I think it's also taking huge amounts of money also... and manpower to have it. I can only speak for my company, we're quite a small company and for us it could be quite difficult.

### **Tour operator 3: Russia**

1. I am the sales and marketing manager in a tour operator company in Saint Petersburg and I have worked here for four years.

2. My tasks include the planning and marketing of trips to Finland for Russian travellers. I book the hotels, cabins, boats and trains.
3. We try to cooperate mostly with tourism and leisure businesses that cater to our customers' needs. So we have about twenty to forty partners.
4. I believe that the concentration and need for quality is growing especially because the Russians' taste has become more specialized and their expectations have risen.
5. I don't know a lot about quality labelling. In my opinion Finland's hotel prices are expensive compared to their quality. The prices of cabins for example match their quality well but we would like some additional services to them.
6. No I don't know any tourism quality labels or programs that are in use in Finnish companies.
7. From the mentioned quality programs I have come across with the Quality 1000 but I can't remember where.
8. I don't know what could be done to make them more known.
9. In my opinion there are not that many high-quality tourism and leisure companies in Finland.
10. We cooperate quite tightly with Finnish companies but I am not aware of their quality systems or auditing process. That's something they must take care of.
11. We might look for them and pay some attention to the fact that they have this certification but it is not our priority.
12. I can't really talk about European sector's state because we cooperate mostly with Finland. From Finland's point of view the development is good and the quality of services is increasing which is good.
13. I haven't heard of this initiative.
14. I believe that a common European quality label could lead to higher prices in the industry.