Developing Top Choice Restaurants promotion campaign
2017 - 2018

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The aim of this thesis is to demonstrate and analyse the development of CheapSleep Helsinki Hostel's Top Choice Restaurant Campaign which was run by student during 2017 and can potentially improve in 2018 in cooperation with this research thesis. CheapSleep Helsinki is simply selling beds and rooms in the market with extra small services like laundry, towel and slippers rental, breakfast service (which is served by a third party), etc, and there is no restaurant is run by company. Therefore, cooperation with restaurants nearby is a good way to improve experience for the customers without extra cost or very low cost for operations or marketing and generate competitive advantage in the market.

The research thesis is structured in a way that basic knowledge of service quality and competitive advantages of hotel field is first indicated so the linkage among different components are logically attached and connected to each other in a systematic way. Next, each component in question will be introduced, and author will describe carefully reasons for selection and progress of planning and implementing before a meeting for negotiation which created the final result - good deals from restaurants. Last but not least, a critical discussion will be formed in the end to analyse the effectiveness of different products that brought to personal learning of the author.

This research-oriented thesis consists of products that were successfully produced before and will be produced in near future with new ideas, new development during the thesis making process, which bring benefits for restaurants and customers of CheapSleep Helsinki: Storyboard of promotion videos, flyers and posters with discount information for CheapSleep guests and staff from restaurants, deals for monthly staff dinner, etc. Products will be selectively chosen as the author did not succeeded in getting good deal from all restaurants.

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1 Introduction to the thesis

1.1 Background and objectives

The type of thesis to be presented is a research thesis. The author chose this thesis type as she wants to evaluate and develop the promotion campaign for CheapSleep Helsinki hostel - CheapSleep Top Choice Restaurant Promotion Campaign 2018. As a pure hostel, CheapSleep at the moment only provides its customers with accommodation and basic services as a lodging establishment. The limitations of renting a property as well as legal legislation are the two biggest reasons why CheapSleep couldn’t open an integrated restaurant, bar or café. The lack of extra services in comparison to other hostels in the world has prevented CheapSleep from developing into an outstanding accommodation business provider on booking channels, the current quality of services assessed by its guests only stays in the medium level, for example, on Booking.com the current reviews showed that the hostel is somewhere 8.2 to 8.5 out of 10 score.

From the above observation, the author decided to launch a promotion campaign called CheapSleep Top Choice Restaurant 2018 to help CheapSleep Hostel to add more value to the current services, innovate the quality of services to a new level of development through collaboration with the third parties (restaurants, bars and cafes). And by upgrading more quality to its service, CheapSleep Hostel is gaining more competitive advantage in a very efficient way without spending much money on the campaign. According to Porter (Competitive Advantage: Creating and sustaining superior performance, 1985), competitive advantage is a capability of providing comparable value more efficiently than its competitors in the market (low cost) or performing its services in a unique approach which makes the company stand out from the market with the same price as other competitors. In the dynamic hospitality market, you will win either being cheaper or being different. CheapSleep has been offering the most competitive price in Helsinki hostel and hotel market and there have been large number of guests chose CheapSleep for this reason. Nevertheless, the author believes CheapSleep can do much better by providing extra value to the price to completely beat the opponents. This collaborating campaign is considered to be a win-win opportunity for both CheapSleep hostel and its partner for many reasons. For the restaurant partners, they could have a new way of marketing which is much cheaper than normal price. Normally it can consume restaurant some thousand euro to promote itself, for example, by making an advertising video only would cost a company around 2000 EUR with just one to two minutes of the video, depending on the quality and contents it can be much more expensive than anyone can expect. CheapSleep Top choice promotion campaign is one affordable marketing way for them which only costs one CheapSleep’s staff dinner at the restaurant, which normally accumulates around 500
EUR of food, in return the restaurant can have a good quality of advertising video made by marketing specialist of CheapSleep as well as word-of-mouth promotion from the front desk and the opportunity to display its posters/flyers/vouchers in a hostel of 300 customers throughout the whole year. For CheapSleep hostel itself, the accommodation provider no longer needs to spend money on opening an in-house restaurant with lots of restriction and legislation requirements. Moreover, CheapSleep will have a chance to add discount promotion from different nearby restaurants to its services to improve overall experience of its guests and customer journey.

The type of work is research thesis, which includes research of customer satisfaction as well as the development of different components to be produced for the campaign like storyboard from the video, discount acquired from restaurants for staff dinner and for guests, different promotion posts on social media by the restaurants, by hostels and by the guests. This campaign is a valuable opportunity for the author to develop her knowledge of service quality, competitive advantages and different aspects on communication and management skills. And by fulfilling more knowledge with the mention references in a practical way, it would help the author to develop part of her expertise and working experience in her Hotel Manager career and improve her understanding about the company she is working for as an Operations Manager. All in all, the purpose of this thesis is meaningful for the development of the company and the author herself.
1.2 Benefit parties

Overall, there are two parties that generate multiple benefits from this research-oriented thesis. First, it is the author – the student who does various researches about the topic that will obtain tremendous knowledge and experience from learning process. Second, CheapSleep Helsinki hostel as commissioned company that will receive healthy improvement on its partnership with regional restaurants.

CheapSleep Helsinki is a budget hostel established in 2012 by Oliver Lewis (British) and Juni Yao (Chinese). The hostel had capacity of 138 people with 118 beds of dormitories and 10 private double rooms. In 2016, CheapSleep expanded with one more property in Vallila area - ThePark by CheapSleep with capacity of 118 people, which offered 4-bed-mixed-dormitory, 4-bed-female-dormitory, 6-bed-mixed-dormitory, 6-bed-female-dormitory, 14-bed-mixed-dormitory, Double room, Twin room, Singe room and Triple room. ThePark by CheapSleep was closed in 2017 and at the moment CheapSleep Helsinki has only one property in Sturenkatu 27B, with the capacity of 276 people. After the completed renovation in 2017, CheapSleep now offers more types of dormitory: 4-bed-mixed-dormitory, 6-bed-mixed-dormitory, 8-bed-mixed-dormitory, 10-bed-female-dormitory, 16-bed-mixed-dormitory, 18-bed-mixed-dormitory, 18-bed-female dormitory, 24-bed-mixed-dormitory, 26-bed-mixed-dormitory along with a variety of private rooms: Double room with shared bathroom, Twin room with shared bathroom, Triple room with shared bathroom, Family room with shared bathroom and Double room Ensuite.

CheapSleep team has been growing and improving tremendously during past 6 years, the organization has expanded with number of staff along with its clear value, mission and vision. Members of staff include 10 receptionists, 8 housekeepers, a General Manager Gleb Pripachkin and Operations Manager Stella Dinh.

In CheapSleep, the length of staying one customer can take in the hostel is between one night and one month. The biggest single nationality in CheapSleep is Finnish, and most of the guests are foreigners from all over the world, with the majority of nationality comes from European Region. Most of the customers are young travellers or backpackers from twenty to thirty years old. Customers are travelling to CheapSleep alone or with a group, sometimes an organization can take over the whole property for to accommodate people coming to some event in Helsinki.
2 Description of CheapSleep Top Choice restaurant campaign 2017

CheapSleep Top Choice restaurant idea was originally derived from a get-together event for employees where staff from all departments would gather once a month to discuss about hostel operations during previous month and draw new objectives for the next periods – the event's usually followed by a dinner at a restaurant and a night out for people who want to continue the conversations and casually get to know their colleagues. This is a free-entry, extra service that CheapSleep provides for its staff member and especially for short-term team members to interact with people in the same company and at the same time creates opportunities for all team-members to experience the family-like environment where they feel comfortable to perform their competences and encouraged to speak about their concerns, ideas, solutions, etc. The event has been running quite smoothly in the past 3 years since CheapSleep was opened, however, due to the increasing number of staff, both full-time and part-time, CheapSleep requires itself to come up with a more cost-efficient solution for the event. The idea of collaboration with different restaurants was profoundly developed from here.

The promotion campaign in 2017 was simply built in a way that CheapSleep Helsinki would use its own team members to do strategic marketing for restaurants (making video, posting contents on social media networks, directing customers to the restaurants). To be more specific, the video is recorded casually from mobile phone and this material would be transferred to hostel’s marketing specialist/graphic designer to make a short video of the night with required substantial information from restaurants (location, opening hours, special offers, etc.). After the video has been made, it will be shared on different social media channels (Facebook, Instagram, Youtube) with a short review of the night, the food, the ambience of the restaurant. The posting activity would take place once or twice after the dinner night and CheapSleep staff members would actively use their own experience as well as the existing marketing materials (video, previous posting) to do word-of-mouth promotion from the front-desk.

During one year running this simple campaign, CheapSleep has saved its operating cost to a certain amount which is successfully corresponded to the ultimate mission of the promotion: to maintain the staff night event with affordable cost for company. However, due to its financial goal as well as simple operations, the positive result hasn't been prolonged and the relationship with restaurant partners were not maintained effectively, which potentially leads CheapSleep to a result of going back to the beginning and costs CheapSleep tremendous challenges, for example, bad reputation in terms of collaboration, lower service quality as restaurants would no longer be interested in providing extra service for CheapSleep guests, etc. Therefore, the author of this thesis decided to step in and
investigate the great potential of this promotion campaign as well as find a solution to maintain benefits for CheapSleep and its partners by developing this original promotion campaign idea.
3 Theoretical background development

3.1 Definitions

3.1.1 Service quality

Service quality is the level of delivered service in compliance with customers’ expectations. (Business Dictionary 2018). In another word, quality is what customers perceive. Traditionally, the quality of service is considered as a variety of technical specifications or different kinds of components added, but this is only creating imaginative extra value for the customers without generating any profit for anyone, any organization. According to Grönroos (Service management and marketing: Customer Management in Service Competition 2007), it should always be remembered by any business developers that “what counts is quality as it is perceived by customer”. In another academic research in terms of service quality, the authors suggest that service quality is assessed through service delivery process (Fitzsimmons & Bordoloi, 2014). In addition, every customer touch and contact is considered as “a moment of truth” where an opportunity to please or displease a customer is taken place - and customer satisfaction is assessed by a service compared with one customer’s comparison with their expectation of the desired service. A service is assessed to be satisfactory or superior if the quality of it is is equal or exceeded expectation and creates a pleasant surprise. In another hand, if the quality is not fulfilled or equal with one’s expectation, customer satisfaction will not be acquired.

In this chapter, the author is going to discuss about how the quality of services is perceived in service encounters. As mentioned from the beginning, ”service quality is the level of delivered service in compliance with customers’ expectations.”. There has always been a risk that a service provider focuses mainly on developing technical specification of services or products and eventually those services and products are not qualified as “good” due to poor process of transferring products and services to customers. A customer distinguishes service quality in a far broader context, and other factors during one experience journey can affect tremendously how one person perceive the whole quality of service. When a service provider understands what build up one service quality and how service quality is perceived by its customers, they will be able to take actions in a way that can influence customers’ evaluation and direct them to the desired way. According to Grönroos (2007), there are two dimensions that establish a perception of service quality: a technical dimension and functional dimension. A technical dimension is what customer receive after having participated in a service process. For example, a hostel guest will be provided a room and a bed to sleep, a restaurant guest will get a delicious Vietnamese meal, an airline passenger is transported from Helsinki to Amsterdam, etc. A technical dimension can be considered as an outcome of interaction process or
service encounters. In another hand, functional dimension is how a customer receive products or services, several interactions between service provider and service receiver, for example, how a receptionist in a front desk welcomes and behaves when a guest come to the hostel, a booking website appearance to introduce what a guest is going to have while staying in the hostel.

![Diagram of two service dimensions]

**Figure 1**: Two service dimensions (Grönroos 2007).

Obviously, the customer will be strongly influenced in which information of technical dimension is transferred to him. It took years for researchers to realize functional dimension play a huge role on completing a good service quality and functional dimension should be treated and developed equally as technical dimension.

In another theory development from Fitzsimmons & Bordoloi (2014), service quality are identified with five separate principle dimensions: Reliability, Responsiveness, Assurance, empathy and Tangibles:

- **Reliability**: The ability to perform the promised service both dependably and accurately. Reliable service performance is a customer expectation and means that the service is accomplished on time, in the same manner, and without errors every time. For example, receiving mail at approximately the same time each day is important to most people. Reliability also extends into the black office, where accuracy is billing and record keeping is expected.
Responsiveness: The willingness to help customers and to provide prompt service. Keeping customers waiting, particularly for no apparent reason, creates unnecessary negative perceptions of quality. If a service failure occurs, the ability to recover quickly and with professionalism can create very positive perceptions of quality. For example, serving complimentary drinks on a delayed flight can turn a potentially poor customer experience into one that is remembered favourably.

Assurance: The knowledge and courtesy of employees as well as their ability to convey trust and confidence. The assurance dimension includes the following features: competence to perform the service, politeness and respect for the customer, effective communication with the customer, and the general attitude that the server has the customer’s best interests at heart.

Empathy: The provision of caring, individualized attention to customers. Empathy includes the following features: approachability, sensitivity, and effort to understand the customer’s needs. One example of empathy is the ability of an airline gate attendant to make a customer’s missed connection the attendant’s own problem and to find a solution.

Tangibles: The appearance of physical facilities, equipment, personnel, and communication materials. The condition of the physical surroundings (e.g., cleanliness) is tangible evidence of the care and attention to detail that are exhibited by the service provider. The assessment dimension also can extend to the conduct of the other customers in the service (e.g., a noisy guest in the next room at a hotel).

Although there were several developed concepts for service quality, it is still undeniably valid until today in terms of original definition of service quality and all writers have agreed that service quality is defined by the degree of excellence in compliance with customer requirements. Customer centralization as service strategy has been favoured by many theorists, especially for hospitality, tourism and experience industry as appropriate approach to drive one business successfully. Service quality serves the ultimate goal for any organization to have more customers to purchase and use them, which eventually generates positive sales and revenue. Moreover, customers have variable and changing needs, therefore, to meet the requirement of business profit, understanding customers is a crucial tool to appreciate precise and profound factors that help to put the right strategies together have a proper approach to reach the profit goal.
3.1.2 Competitive advantage

Competitive advantage is a capability of providing comparable value more efficiently than its competitors in the market (low cost) or performing its services in a unique approach which makes the company stand out from the market with the same price as other competitors. In the dynamic hospitality market, you will win either being cheaper or being different (Porter 1985, 2.)

In order to obtain business profitability, an acceptable to exceptional level of competitive advantage should be reached by company. It could be done by offering a competitive pricing strategy, providing more attractive value and differentiation out the given prices or obtaining more awareness and market shares from community through marketing strategy (Best, 1997). In this chapter, the author is going to focus on differentiation advantage aspect as this principle relates directly to the main theme of thesis topic.

According to Best (1997): “A differentiation advantage with respect to product, service, or brand reputation is a potential source of competitive advantage as outlined earlier. However, as do all sources of competitive advantage, a differentiation advantage must be meaningful to target customers and sustainable (not easily duplicated by competitors)”. There are a variety of aspects of a product or technical quality that one company can develop to build up its own differential advantage, for example, unique features, durability, appearance, etc. In hostel market context, a hostel can stand out from the market by having its own bar and restaurant and offering food and beverage services besides selling merely accommodation. Customers who decide to pay more for a better technical quality of a product would benefit greatly from it, and a business provides the referred product would also produce better profitability, as demonstrated in Figure 2 below. Overall, developing product advantage is an innovative way to provide mutual benefits for mutual parties and maintain long healthy relationships with customers and other business partners.
Another important aspect of differentiation advantage is service advantage, which focuses on functional dimension of a product. That said, profitability can be achieved by a company in a way that service process and service encounter succeed in delivering meaningfulness and real practice of the product to customers. In the current movement of travel industry where customers demand for more experiences and navigate to a world of automatic technologies, it's becoming more popular for travel brands to generate competitive advantage by expanding their operations beyond what they have already doing and develop into new segments of travellers’ experiences. Figure 3 below shows that service quality advantage can also help one business to reach higher level of profitability.

Figure 2: Profit impact of a differentiation product and service advantage (Best, 1997)

Figure 3: Price impact of relative quality and reputation (Best, 1997)
Last but not least, one important source of differentiation advantage is brand reputation. A strong brand reputation can attract more customers, help one business acquire more market shares and eventually generate greater profitability. A well-known brand tends to give more understanding of the product, less insecure feeling for a customer. As a result, a customer who wants to make a decision to buy a product in less amount of time would certainly choose a good reputation brand despite a price premium.

As written above, there are many ways for an organization to generate competitive advantage through its differentiation. In order to reach the competitiveness, a firm needs to identify its core competencies and build their competencies sustainably. It is suggested by Hitt, Ireland and Hoskisson (2015) that there are four fundamental criteria for build one’s competitive advantage: valuable, rare, costly-to-imitate and non-substitutable - each of these core criteria can create advantages for a firm over its rivals. It was stated again on the writing that, to outperform a competency or performing competitive advantage, a product or service should be valuable and unique from customer’s perspective. The ultimate goal for a firm to generate competitive advantages is to reduce the impact of its competitors for the same core product or service or reduce the length of time a firm can imitate a good, service or process.
3.1.3 Collaboration

"Good relationships between companies are of crucial importance. They represent the effective teamwork that allows partners and alliances to create value for customers and shareholders that could not possibly be created by individual firms" (Gibbs & Humphries 2009, 1.). There are many comprehensive aspects in running a single business, and it is now much more feasible than ever by mutual-benefit relationships with other business alliances. This innovative way of working builds up several new techniques to expand values provided to customers and the performance of inter-organizational relationship will bring positive benefits for relevant parties. However, driving a successful partnership is not always easy as tradition organizations have been more eager in running their own independent and competitive culture towards others and earning as much profits as possible. Therefore, knowing how to drive successful business partnership is a crucial yet secret weapon in a manager’s armoury.

Nowadays, collaboration is no longer an extra but it’s becoming a must for most companies. Companies need to recognize benefits that collaboration could bring to its business and value the need of partnership in order to achieve profitability in a greater level. There are numerous reasons why a company should form an alliance relationship with business partners. First, a business partner can help one business to overcome its shortcomings. For example, in the context of hostel business in Helsinki, a hostel can outsource food and beverage business from other bars and restaurants or use online food order service to reach out a variety of restaurant merchants and add extra experience for its customers. It is one possible solution for the challenge of finding a premise and fulfilling legal requirements to open an independent restaurant for accommodation business. Moreover, while partnering with other professionals in the field, it would indeed decrease the amount of time spending to acquire new skills or develop new competences and decrease operational cost for company for many issues related: rental, education, license acquirement, etc. Second, it can be seen from the example above that partnership can enable a company to add more customer value by creating new innovative solution to its product and form its strength in the dynamic and constantly changing market. There is no doubt that by providing more values for customers and expand its critical mass of services, a company can enable itself to attract more customer segments in the market through intermediaries (Gibbs & Humphries, 2009).

A mutual-benefit collaboration is an innovative way of running a business. Business partnerships could create healthy opportunities for all related parties in the way of sharing extra costs and together
overcome different kinds of risk, weakness, especially in the conditions of new uncertain era of doing business.

3.2 Linkage of service quality, competitive advantage and collaboration and its relevance to the product

According to Grönroos (2017), quality is the crucial key for a successful product or service. But as mentioned above, there are two dimensions of quality: technical and functional. In the context of service industry, should we focus mainly to the core technical dimension as we always know? Or should we divide our concentration on both dimensions equally, in order to maintain and develop the foundation of competitive advantage?

Traditionally, technical quality has been considered as what we should most focus on to develop one service. A strategy to develop technical to up-lift success for business is true as long as it creates an unique approach, a new solution for customers which differentiate one company to another. However, it’s challenging nowadays for strategic business developers to think of a new idea, new solution as almost everything has already existed to provide solutions for humanity, for example, a hotel room, a bed in a hostel, an airplane seat, food, etc. Moreover, it’s very easy to copy and re-introduce the same business idea. As soon as the product or service appears in the market, our position in the competitive market will be challenged soon again if there is no fresh idea, interesting concept, no new renovation or new improvement of the product or service to deliver experiences to the customers day by day. Therefore, a more possible way and easier resolution for this problem would be another approach to improve the quality, which is its functional quality dimension.

Evaluating, implementing and developing service execution strategy is becoming more basic in-service industry. Functional dimension of quality can deliver added value to every guest’s experience, thus enhance the competitive advantage of a company in the dynamic and constantly changing environment. In another word, a company can make itself an exceptional competitor in the market by providing customers with better services, emphasizing on service processes and service encounters. Nevertheless, it does not mean that technical quality should be overlooked as non-important factor, yet it should be in a level that is acceptable. Technical quality improvement is still a necessary key to score an experience as the core dimension and it should be provided based on customers’ needs and up to standard expectations. But good technical quality doesn’t mean that a customer would rate an experience excellent in the end. It’s the impact from functional quality which makes the whole experience completed that counts. Functional quality is a transportation that deliver technical quality
to the right customer in the right place at the right time. That said, if that transportation fails, the whole process will fall with it.

Nowadays, travel merges and acquisitions are becoming more focused as a trend to improve one’s product and service quality and generate more competitive advantage to acquire more market shares. “The smartest travel companies are beginning to buy start-ups that may not be central to their main businesses or help them consolidate market share but could boost the innovation metabolism of their motherships” (Sampson, 2018). That said, an alliance is playing an increasingly important role on travel market. More investment on partnership approach means that more companies is offering themselves opportunities to breakthrough any possible limitation compared with traditional way of doing so in isolation. Partnership approach also allows a business to adopt new innovative technology to improve its quality of products and services in a way that can satisfy their customers while maintaining focus on their core business as well as core competencies. ‘Complacency often lulls established players into thinking it is trivial to create a layer of products or services above or below their core competency. A start up may often fill a gap that others have left open, and then use it as a foothold for a later land grab’” (Sampson, 2018).
4 Research on relevant theories applied for Top choice promotion campaign

4.1 Quantitative method

Before developing CheapSleep Top Choice Restaurant promotion campaign 2018, the author decided to adopt quantitative research method to investigate different levels of satisfaction from CheapSleep guests regarding old version of promotion campaign in 2017. This is the result from theory adoption of the author after having deep study about terms of service quality. That said, a service quality should always be improved in compliance with customers’ expectation, and from the result that is going to be collected, the author could form a better understanding of the product she is developing in order to offer a systematic working process of developing product and eventually evolve collaboration partnership with restaurants and create a superior solution to generate competitive advantage for commissioned company.

Quantitative method is one way of researching which involves numerical information and using that numerical data to draw a conclusion on a hypothesis. The aim of quantitative research is to count target features to develop a statistical model by charts, tables, etc. in a way that can clarify a hypothesis. By using quantitative research, the researcher could explain some phenomena by analysing numerical data provided using mathematically based methods (in particular statistics). (Muijs, 2011). In order to form a proper quantitative research, there are three main techniques: statistical (descriptive, exploratory, deductive), hypothetical-deductive (chi-square tests, t-tests, etc.), and inductive (makes very little or even no use of statistical tests) (Veal, 2011). In comparison with qualitative research method, it is more practical for the author to use quantitative method as the author understands clearly what she is looking for and using numerical data is more efficient to test a hypothesis with less contextual detail (Wilderdom, 2017).
4.2 Collecting data process

4.2.1 Questionnaire survey

In order to gather the empirical data to analyse customers’ satisfaction from CheapSleep Top Choice Restaurant, questionnaire survey was pre-designed and involved to gather extra knowledge from the previous promotion (Appendix 1). Questionnaire survey is designed to gather information from individual customers and this is one of the most used technique to do research on justification of service quality in hospitality industry.

The questionnaires were distributed to customers of CheapSleep Helsinki hostel by paper form and customers could find the form in the front desk upon check-out. The survey consists of 10 questions. In the beginning part of the survey, customers were asked to include the most basic information regarding their nationality, age, purpose of travelling and their companion staying in CheapSleep hostel. Next, the survey required customers to share their recognition of the promotion campaign and it was followed by several questions related to the campaign if customers knew about it. The following questions concerned about what restaurant(s) from the promotion campaign customers had visited, from what channel(s) that they found the promotion campaign, why they decided to visit the restaurant(s). The last questions asked the customers to justify whether the promotion campaign provided extra value for their stay and the campaign quality by rating categories: Very bad, Bad, Acceptable, Good and Very Good. For one month collecting data results, there were 56 feedbacks returned out of 300 questionnaire form distributed.

4.2.2 Validity and accountability

Validity and accountability represent the level of quality and reliability of the research. A valid research indicates high level of reflection of the information on phenomena and an accountable research describes consistency of the information which is conducted in a systematic way throughout the research.

Before producing the questionnaires, the researcher has study related theoretical framework from academic textbooks, journals, and internet to understand theory background related. Next, questionnaires were composed with only 10 questions focusing on the quality of promotion campaign and they were approved by General Manager and one owner of CheapSleep Helsinki hostel. After having collected all the responses, the researcher started to process data and analyse them systematically by using different types of chart. It can be said that the quantitative research had been conducted with an acceptable level of validity and accountability.
4.3 Results of customer experience with old products in 2017 through quantitative research and interpretation

The nationality of the guests is extremely varied (figure 4). The guests come from all over the world, but the biggest groups are from Germany 10% and Finland 8%. The second largest groups are Russian 6%, Spanish 5% and Vietnamese 5%. The number of Russian guests is predictable, but the number of Spanish and Vietnamese could be a result from large groups happened to answer the questionnaire.
Figure 5: Age categories of the respondents

From the figure 5 above, it can be seen easily that the biggest age group of the customers is from 21-31 (54%) and the second biggest is 20 or younger (22%). This reason is according to researcher’s because the young travellers choose hostels more often than older people because of more affordable price and environment to make friends and meet people. The guests belong to under-21-category is school groups choosing hostels instead of other accommodation types when they travel due to cheaper price to book in a hostel for many people, also hostels have more capacity for big groups in the dormitories. Travellers who are 31 or older usually choose hotels or apartments to stay in because they have low budget but still want to have more private or all-inclusive service. This also explains why all the categories 31-40 (9%), 41-50 (4%) and 51 or older (7%) were a lot smaller.
The difference between the genders is not big which is 43% of respondents are male and 57% of them are male (figure 6).

The difference between the purposes of travelling, on the other hand, is predictably tremendous, which is 87.5% of respondents are travelling for leisure and 12.5% of them came to hostel for business purpose. (figure 7)
Most of the respondents to the survey are travelling alone, which consist of 45% of total people, 30% of those are travelling with friends, 20% with partner and 5% with family (figure 8).

According to the result of the chart (figure 9), 34% of people have visited Coco Grill and it’s the most popular restaurant among others, which follows by Hanko Sushi with 27% of people, Weeruska with
20% of people and Kokoro Sushi with 14% of people. Only two respondents visited Addis and only one went to Alppitori. This result can easily be explained for the fact that the more contribution from the restaurant and proactive participation to the promotion campaign by providing flyers, posters or vouchers to the hostel, the more recognition they will get from guests. Coco Grill is one exceptional example as the restaurant is located almost next to the hostel, so the privilege of the location is one advantageous factor for them.

Figure 10: From where did you find the promotion campaign?

As can be seen from figure 10, 36% of the total respondents found the promotion through vouchers around the hostel and 32% of them heard about the promotion from CheapSleep reception. It can be assumed that these approaches are the most effective way to convince a guest to come visit a restaurant. Among the respondents, 20% of them came to the restaurants for the posters, 9% of them found the promotion through marketing video on social media and the 4% remaining respondents decided to experience the restaurants through friends.
Figure 11: Reasons to visit restaurant(s)?

According to the result (figure 11), the most reasons made the respondents chose to visit restaurants are again mostly due to the vouchers (54%) and reception recommendation (18%). From this result, it can be assumed that most of the guests wanted to make the most out of their accommodation payment, so it’s likely that they will consume the discount vouchers as it is one extra value provided from the hostel. Only 16% of the respondents decided to visit restaurant because of interesting promotion contents and 13% of them wanted to try new food.
Figure 12: Did offers from restaurants add value to your stay?

The offers from restaurants have convinced and satisfied the respondents as all of them agreed that this promotion campaign offered them extra value for the stay (Figure 12).

Figure 13: What grades do you give for CheapSleep Top Choice Promotion Campaign?
The guests’ satisfaction with the different elements of the campaign was mostly at good and acceptable levels. Figure 13 above indicates that most people saw the equivalence of the campaign to their needs, 34% agreed the equivalence is in a good level, 32% saw it acceptable, 21% thought it was very good and 13% left didn’t think the campaign is equivalent to their needs. The value of promotion campaign was rated mostly above good level, 38% people rated it as very good, 32% of them rated with acceptable level, 25% with good level and the rest and very low percentage of people (6%) rated the campaign as bad or very bad. Regarding the informativeness of the campaign, 30% people rated it as very good, 27% of respondents rated it as acceptable, 21% of them saw the informative level as good. Informativeness means the capability of providing names and understanding related to an objective, therefore it can be said that the promotion campaign has managed to deliver helpful information and made the respondents understand what it was about, as only 11% people rated it as bad and 11% of them rated it very bad. Last but not least, the level of engagement is average according to the responses, as most of the respondents (43%) rated the campaign has acceptable level of engagement, 20% rated as good and only 5% rated as very good. The amount of responses rated the campaign having bad (14%) or very bad (18%) engagement level is high.

5 Top Choice Restaurant Promotion Campaign development

5.1 Main research question to determine goals and missions for new promotion campaign.

Before collecting components for the development of campaign, the main question that is developed to determine the project is: “How to develop CheapSleep Top Choice Restaurant Promotion Campaign to positively influence on service quality as an added value to hostel’s guests and effectively remain long-term cooperation with the nearby restaurant as competitive advantage”. Several sub-questions are also developed to support answering the main problem.

1. What benefits will collaborate restaurants get from the promotion and will these benefits help CheapSleep to maintain long-term relationship with the partners?
2. What does CheapSleep benefit from the promotion campaign and does it add more value to service quality of CheapSleep?
3. What is the potential of promotion campaign to become one competitive advantage for CheapSleep hostel in the market?

5.2 Description of new products to be developed in 2018

It can be seen from quantitative research of customers’ evaluation on promotion campaign in 2017 that, the value of extra service CheapSleep wanted to deliver to its customers is basically good, but the way CheapSleep demonstrates that value should be tremendously improved. More people should be involved in the campaign including the customers, the team members from both restaurants and hostel and the promotion should be monitored and developed more aggressively on different social media channels. The developed products below base mostly on customers’ feedbacks and evaluations from previous promotion campaign. The main focus for developing promotion campaign would be: Marketing video, social media posting (mainly on Instagram), customer engagement on social media and demonstration on spot (in hostel property).

Restaurants for CheapSleep Top Choice Promotion Campaign will be chosen based on the following criterias: affordable, good quality rated by CheapSleep staff and close to CheapSleep Helsinki hostel. If the promotion brings positive results to the hostel and its partners, the criteria of chosen restaurants will be expanded, and promotion campaign will involve more restaurants in Helsinki - especially in the center of the city to offer more options for the guests.

5.2.1 Storyboard of marketing video for new restaurants

Content marketing is embracing the visual culture of today and moving towards video, and CheapSleep is not an exception who is applying this way of marketing to reach out boarder audiences. Below are some few suggestions for CheapSleep for a solid storyboard within one minute:

1. Establish a timeline: Storyboarding is all about structure. CheapSleep needs to figure out the sequence of events for video. For example:
   - Scene 1 (00:00 – 00:07): People are wondering where they should go if they want to have cuisine from specific country. An idea comes up with a restaurant name and address. Everyone is excited to go there.
   - Scene 2 (00:07 – 00:12): People travel to a restaurant and then approach the restaurant’s door. Camera will take a closer look into restaurant’s outdoor view, including its brand outside, opening hours information, street view, etc.
- Scene 3 (00:12 – 00:30): Hostel’s staff interact with restaurant’s staff. There will be more scenes shooting restaurant staff and their activities in the kitchen or preparation process in the background if restaurant allows the recording.
- Scene 4 (00:30 – 00:50): A closer look into restaurant’s food and ambience in compliance with the dinner.
- Scene 5 (00:50 – 1:00): Short interview with people who experience the dinner with simple question: “How was your food in one word?” and end the video by a greeting from hostel and restaurant staff, for example: ‘Welcome to O’Leary and Bakers Night!’.

In the video, CheapSleep will effectively involve all the staff as well as some hostel guests in the making process of the video. In that way, CheapSleep can make a positive impact on some guests’ experience, and the result of engaging people could lead to a meaningful working experience for the working team and with that experience, hostel’s staff would deliver more realistic and reliable recommendations to all hostel’s guests in terms of restaurant partners.

5.2.2 Social media posting about the campaign

In this thesis, a social media channel called “Instagram” will be mainly centralized as this is a best growing channel which allows business developers to exhibit and humanize its brand and product, company culture, delight its customers in the most relevant way based on their tastes and preferences. According to Digital Trends (2018), Instagram has reached 500 million users and over 95 million posts per day – this is the channel with the best audience growth recently and it undoubtedly becomes one of the most essential elements of social media marketing. Instagram is a unique platform where a company can constantly show off its human side and other wonderful unique aspects behind the scene. Instagram is also unique for its feature where people can share photos as the main thing, in that way, CheapSleep can open its window and spread the world the place where its staff and guests all come together, have a friendly chat in the premise, or every event that CheapSleep celebrates once it gets to point one higher of review score on Booking.com, etc. Using Instagram is one step closer for the hostel to offer a warm, inviting, friendly and most of all – humanity experience. This can be one competitive advantage for CheapSleep to understand its service quality through customers’ experience shared on social media and especially the experience of promotion campaign, thus both CheapSleep and restaurant partners can improve the promotion more effectively. Moreover, Instagram has introduced its function to integrate data with other channels like Facebook, Twitter, Youtube, Google and Linkedin – the most influential social media networks to grow
business brand awareness nowadays, therefore, focusing on Instagram and sharing contents to other platforms will be the targeted strategy for CheapSleep Top Choice Restaurant Promotion Campaign.

It is critical to build the right strategy to navigate the growth of promotion campaign showcase for CheapSleep in Instagram, to optimize time spending, to increase numbers of audience, followers, leads, customers and continue the way of becoming a lovable brand for CheapSleep Helsinki make an impact on the awareness of cooperated restaurants.

The first step of promoting a restaurant is to record a high-quality of video and take high-quality pictures. In 2017, many videos and photos from promotion campaign were taken with normal smartphone by general users who were not professional at visual images. As both restaurant and hostel have marketing specialists, marketing department from both parties should work together to create the highest quality of photos, videos, contents, typography, etc. Nevertheless, staff members can also be engaged on the process of taking and sharing photos and the less-high-quality of photos could be used later on Story function of Instagram to humanize the promotion campaign.

Second, both hostel and restaurant should involve in posting schedule on social media, which includes a planned frequency and time when to public a post. In terms of the right time when to make a post, it should start from the experiment which is made by management team or PR/marketing team and it should be followed up closely during some first weeks when promotion campaign can get the most engagement. This does not necessarily mean that staff member could not interact on Instagram using company’s account, yet it should be encouraged as a culture to have freedom to post anything relevant to promotion campaign from staff members. The more people in an organization are involved, the more support and interactions that we could earn with guests visiting company’s platform, which fundamentally generates more awareness of promotion campaign. For each posting from either hostel or restaurant, it should be re-posted on another side of partners and this activity should be emphasized as one necessity on marketing agreement.

Third, promotion campaign should be engaged in irrelevant contents from other postings. In order to capture audience’s interest on CheapSleep account itself, more creative themes and concepts should be actively posted, for example: product-centric, employee-centric and customer-centric (room in CheapSleep, events, other activities in house, etc), motivational posts, give-aways/contests, guests’ postings, etc. Next, on each post, a hashtag created only for promotion campaign should be effectively used, for example: #cheapsleeptopchoice, #bestrestaurantbycheapsleep and tag both
CheapSleep Helsinki hostel and restaurant partners on the post. Hashtagging is a basic key for a brand to have images aggregated and associated with relevant topics.

Last but not least, the promotion campaign should launch a small contest which offers small prize from the campaign. In this way, both CheapSleep and restaurant could expand their reach to more audience and raise more awareness of the campaign, and consequently boost virality, get more followers who want to hear more about the main products from the hostel and restaurants. Contest is a great way for CheapSleep and its partner to involve into emotional connections with its consumers, and this is an indirect yet real and authentic way of marketing and it helps both parties to spread the campaign reach beyond CheapSleep’s followers because when CheapSleep’s followers make their own post in their entries, other audience involved in their connection will have a chance to see it too.

5.2.3 Customer engagement on social media

Engaging people on social media by answering questions, listening to good and bad feedbacks and responding to them shows that you care. And following up with the comments will keep you up-to-date with the flaws in the process and improve the whole process according to customers’ needs, which is the appropriate way to develop a service in hospitality industry.

CheapSleep has been following up with reviews on different booking channels very closely and thoughtfully to improve its products and services offered, by doing this CheapSleep has gained customers’ trust and show the next customers who might be the next one booking in CheapSleep that this hostel honestly cares about its customers, and this has led to a fairly good result on sales improvement. Similar “law of attraction” can be applied with marketing strategy for CheapSleep Top Choice promotion campaign. The customer survey questionnaire regarding promotion campaign from this thesis is one effective tool for CheapSleep to continuously monitor, analyse and justify customer satisfaction and from the results, modify, improve and develop the promotion campaign successfully.

5.2.4 Promotion demonstration in the premise of hostel and restaurant

There have been a lot of money and talent invested on creating contents for promotion campaign materials in 2017, however the result delivered was not what hostel expected. This is because technical dimension of the promotion campaign has been fulfilled yet functional dimension still has a lot of room to be improved. There are three main aspects that CheapSleep can do better to develop the functional dimension of promotion campaign. First, there should be one special area that is visible,
appealing to display the materials (posters/flyers/vouchers). This suggestion has been approved by Management Board of CheapSleep in 2018 and promotion materials have now their appropriate place in the premise where it can capture more recognition from all guests.

Figure 14. Demonstration of promotion flyers in CheapSleep Helsinki premise
Second, promotion video should be replayed repeatedly on hostel’s television because videos are the materials that cost CheapSleep the most so far, and this is the most influential way of marketing up-to-date. Moreover, most of CheapSleep customers know about CheapSleep’s social media channels once they arrive. Therefore, in order to attract more audiences to interact with hostel on social media, CheapSleep should acknowledge its guests that there are actually existed networks to follow.

Third, members of staff should be provided with more training of how to deliver information to the guests regarding Top Choice restaurant promotion campaign and how to take the advantage of all tangible materials around the hostel to acknowledge, involve and engage more customers to experience the promotion. Combining these three improvements together, it is a potential that this promotion campaign will be more aware and CheapSleep would be able to reach out a wide range of audience as expected from the beginning.
6 Discussion on the products and conclusion

The purpose of this thesis was to develop “CheapSleep Top Choice Restaurant Promotion Campaign 2017 - 2018”. The idea for the project is not new for the author and company itself, but the project is quite new before this development and there are much room to improve for the project and a lot of potential to grow from the project to make CheapSleep become more competitive in the market by taking the advantages of this promotion campaign to improve overall services provided through collaboration with restaurant partners. The main targeted question to develop in this thesis was: “How to develop CheapSleep Top Choice Restaurant Promotion Campaign to positively influence on service quality as an added value to hostel’s guests and effectively remain long-term cooperation with the nearby restaurant as competitive advantage?”. This thesis has developed a clear plan targeting on improving the weakness as well as developing potential parts of the project - and the suggested plan was just an idea to be proposed to Management Board of CheapSleep Helsinki as the duration to finalize this thesis was not long enough to actually implement and test the ideas. Nevertheless, the plan developed has much possibility to develop in the future, and the plan structure can be applied to set up collaboration with other areas in service and hospitality industry, for example, it can be applied to conduct partnership with amusement parks, game rooms, festival organizers, etc.

From the main question, three sub-questions were developed and the answers to them is going to be explained below.

1. What benefits will collaborate restaurants get from the promotion and will these benefits help CheapSleep to maintain long-term relationship with the partners?
2. What does CheapSleep benefit from the promotion campaign and does it add more value to service quality of CheapSleep?
3. What is the potential of promotion campaign to become one competitive advantage for CheapSleep hostel in the market?

It can be seen from overall promotion campaign that CheapSleep’s partner restaurants would receive greatly benefits from this promotion campaign, and these benefits would attract newer restaurant to collaborate with CheapSleep and maintain relationship with CheapSleep in a long-run. First of all, restaurants would receive a high-quality marketing video - which normally costs few hundreds to few thousand euro to have a one-minute-video. CheapSleep would use its own marketing specialist team to do marketing promotion in the hostel, which includes marketing designer, front-desk receptionists as well as staff from other department to involve in the campaign. Basically, one restaurant would
have few thousand euro less to spend on marketing promotion and it would have the opportunity to attract customers from a hostel with the capacity of 300 people - and with the occupancy of CheapSleep in previous years, one restaurant could approach more than 70 000 guests throughout the whole year for free. Moreover, personal recommendation from staff member of an hostel will make a huge impact on customers' choice as it’s far more trustworthy and valuable than any random source on the internet like TripAdvisor - this is one thing that restaurants could not do by themselves without collaboration with CheapSleep Helsinki Hostel.

Answering the second question, CheapSleep seems to spend a lot of money running the promotion campaign to satisfy the customers - although this assumption is not entirely precise. For the fact that CheapSleep would use its own workforce to do the marketing which is already on the payroll, it would not cost CheapSleep too much spending to run this promotion campaign. Moreover, Top Choice promotion campaign will help CheapSleep to fulfil its weakness of not having food and beverage facilities and offer its guests more choices of cuisines in the region - this extra service could also add to value for money of every guest purchase and turns into one competitive advantage by its unique feature that no hostel in the region has done the same service before. Last but not least, by running this promotion campaign, CheapSleep has also approached four main criterias for competitive advantage on previous theory development: valuable, rare, costly-to-imitate and non-substitutable.

In conclusion, this thesis has developed a lot of improvements for CheapSleep Top Choice Promotion Campaign, and it should be beneficial for the partner restaurants to attract more customers and for CheapSleep hostel itself to satisfy its customers in a higher level. The improvements focused on small things but could drastically change the promotion into more positive results. This development could effectively be taken into consideration as a framework for further development even for other kinds of promotion campaign beside food and beverage restaurants for CheapSleep Helsinki hostel.
7 The author’s learning outcomes and further development.

This research has been an extraordinary learning experience for the author. During the investigation and development on the project, the author has learnt a lot about service quality, competitive advantage and collaboration theory as well as its practise in real working life. As a manager of CheapSleep Helsinki hostel, this thesis has provided a concrete insight of hostel operations in a different angle and helps the author to develop her business mindset as well as service mindset to support company’s development. It was also a remarkable training for the author due to thesis’s nature combination of work and study – there have been many pressures to balance working time and thesis writing time as thesis is the huge final project for every student to complete their study which requires a lot of effort and time to complete it in a satisfactory result. Nevertheless, the project has proved for the author her great passion about her job and bought to the author a number of important skills: researching, writing, interview conducting, etc. The project itself has been a meaningful learning experience for the author and at the same time beneficial material for company to develop further in the future.
8 References


9 Appendices

Appendix 1: Questionnaires

Appendix 1/1

This is a short survey concerning your recognition and satisfaction of CheapSleep Top Choice Restaurant 2017 made by student from Haaga-Helia University of Applied Sciences. The answer takes approximately 5 minutes of you, we really appreciate your time invested to make CheapSleep become a better place!

1. Nationality:
   - Finnish
   - Russian
   - German
   - Dutch
   - Japan
   - Others, what? __________

2. What is your age? ______

3. Your purpose of travelling:  [ ] Leisure  [ ] Business

4. You come to CheapSleep:  [ ] Alone  [ ] With friends  [ ] With partner  [ ] With family

5. Do you know about CheapSleep Top Choice restaurant?
   - [ ] Yes (continue to next question)  [ ] No (your survey ends here)

6. What restaurant from promotion campaign have you visited? (select one or more answers/choices)
   - [ ] Coco Grill
   - [ ] Wersuksa
   - [ ] Hanko Sushi
   - [ ] Kekoro Sushi
   - [ ] Nosta Vaasa
   - [ ] Addio
   - [ ] Alpoitori
   - [ ] Moshire
Appendix 1/2

7. From where do you know about this promotion campaign? (select one or more answers/choices)
   □ Posters
   □ Vouchers
   □ Marketing video on social media
   □ CheapSleep Reception
   □ Friends
   □ Others: ______________________

8. Why did you decide to visit the restaurant(s)? (select one or more answers/choices)
   □ You want to try new food.
   □ You find the content from promotion interesting.
   □ You want to make use of the value (voucher) that includes in the price.
   □ Receptionist recommended me to go there.
   □ Others. what? ______________________

9. Did offers from restaurants add more value for your stay?
   □ Yes, because ______________________
   □ No, because ______________________

10. What grades do you give for CheapSleep Top Choice Promotion Campaign?

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Appendix 2: Demonstration of marketing materials

Appendix 3: Demonstration area of marketing materials