CUSTOMER SATISFACTION LEVEL OF S-CARD MEMBERS IN SOKOS HOTEL ILVES

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ABSTRACT

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Companies try to find point of uniqueness to differentiate themselves from their competitors. In order for the companies to differentiate themselves from competitors, they must measure their customer satisfaction level. This way they can take corrective action to strengthen their relationship with the customers. The main aim of this thesis is to measure the customer satisfaction of level of S-card members. The research is carried out in Sokos hotel Ilves located in Tampere Finland. The author also aims at measuring the service quality offered by the employees.

The theoretical framework of this thesis is concentrated on customer satisfaction, service quality and loyalty. Questionnaire feedback was analyzed using SERVQUAL service dimensions and employ service quality reports using employee customer service model. The results of the questionnaire and employee reports indicated the overall satisfaction to be high.

The author concluded that the S-card program is doing well against the ever increasing competition. Sokos hotel brand is trustworthy and reliable as seen from the respondent´s feedback.

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Key words: Customer satisfaction, service quality, loyalty

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1. INTRODUCTION

The phenomenon in this research is customer satisfaction in a hotel. Customer oriented organizations are required to listen to their customer's needs, meet and exceed them. They should be monitoring and constantly improving their customer´s needs in order to satisfy and retain them.

 The research measures the current level of customer satisfaction of S-card members. S-card members are part of a loyalty program sponsored by Sokos hotels. The research is carried out in Sokos hotel Ilves located in Tampere Finland. Sokos hotel has two types of loyalty members. The co-operative members have a loyalty card that can be used in all hotels called S-Etukorti. The second card is a specialized card for business guests in the hotel called the S-card. In this thesis, the author focuses on the latter and will be further discussed.

The theoretical framework of this thesis is concentrated on customer satisfaction, service quality and loyalty. The concept of this research is Loyalty. The most significant theories used are the SERVQUAL service quality dimensions, employee service quality model and loyalty dimensions.

The research conducted is quantitative. Questionnaires, observation and secondary data are used in collecting data. Data is processed using Tixel software before being analyzed using the theories mentioned above.

2. RESEARCH PLAN

2.1 Customer satisfaction of S-card members in Sokos Hotel Ilves

Companies and organizations are striving to find points of uniqueness with which to differentiate themselves from their competitors. This is especially difficult in the service industry such as the hotels. A majority of hotels provide a somewhat similar products and services, though the quality might differ. Guests in the case of hotels tend to look for cues, observe internal practices of the staff and external evidence including every facet of the hotel.

The reason why the author chose the topic is because there has not been a previous research on this topic. Due to the fact that the author has worked in the hotel, he was interested in knowing the present customer satisfaction level.

The main aim of the research is to measure the level of customer satisfaction in Sokos Hotel Ilves. The research will focus mainly on S-card loyalty card holders. Sokos hotel Ilves is part of the Sokos Hotel chain of hotels, the biggest hotel chain in Finland. In carrying out the research, the author aims at measuring the service quality offered by the employees. The author also aims at finding out if the loyalty program members are satisfied with the services and products offered.

The main objective here is to provide an immediate, meaningful and objective feedback from the S-card members and the employees. It is also important to see how the program is doing against other competitors. This will help confirm if the program is offering competitive benefits to the program members. Accomplishing the above objectives will help reach the goal. The goal is to determine, after interpreting and analyzing the guests and employees feedback, the level of customer satisfaction.

2.2 Customer satisfaction, service quality, Loyalty

The research theory is customer satisfaction. The concepts in the research will be service quality and loyalty. The author aims at researching how they both affect each other, and how they both influence the level of customer satisfaction.

A customer is satisfied whenever his or her needs, real or perceived, are met or exceeded (Machosky &Brenda1993, 126). Satisfaction is a customer´s emotional response to his or her evaluation of the perceived discrepancy between his or her prior experience with and expectations of our product and organization and the actual experienced performance as perceived after interacting with our organization and consuming its product (Vavra 2000.26)

 I will be using the SERVQUAL research tool to measure and analyze my questionnaire. When considering pure service such as education or health care, service quality is a major factor when customers evaluate the service. Whereas customer service and physical products are offered together, the quality of service might become a significant factor in determining how satisfied the customers are. Service quality is in other words is an important feature when concluding customer satisfaction (Zeithaml, Bitner & Gremler 2006, 116)

2.3 Servqual

Customers judge service quality on several factors.   In this research, the author uses five service quality dimensions as stated below:

1. Reliability. It is the company´s ability to perform the service dependably, accurately and consistently keeping given promises on delivery, service provision, problem resolution and pricing. Keeping promises about service outcomes and core service attributes is the most significant factor in the eyes of the customers. Reliability is

performing the service right the first time as promised (Zeithaml, Bitner & Gremler 2006, 117).

2. Responsiveness. It is the willingness to help customers and to provide prompt service. Responsiveness from the customer's view means how attentive to customer requests, questions, complaints and problems the company's personnel are. The level of responsiveness is judged based on the time these issues are dealt with. If the customers feel they have to wait a long time, the perception of responsiveness is weakened. This dimension of service also includes flexibility and ability to customize to a particular customer's needs (Zeithaml, Bitner, & Gremler 2006, 117-118).

3. Assurance. It is the knowledge and courtesy of employees and their ability to inspire trust and confidence. Assurance dimension is important to high-risk services such as banking, medical or insurance. The employees need to have a certain level of knowledge and skill to treat customers with respect and make them feel that they can trust their business to the company (Zeithaml, Bitner, & Gremler 2006, 119-120).

4. Empathy. It is providing caring, individualized attention to customers. Providing individual and personal attention to specific customers portrays empathy and lets the customers know their needs are understood. Companies that provide this personal service are able to have a competitive edge against other companies that do not treat the customers as individuals (Zeithaml, Bitner, & Gremler 2006, 120).

5. Tangibles. It refers to the appearance of physical facilities, equipment, personnel, and communication materials. Tangibles physically represent the service quality that customers evaluate. This dimension is especially important when it comes to new customers. Tangibles might be used to enhance the company image, provide continuity and signal quality to the customers but often tangibles have to be paired with another service dimension. For example, if no attention is paid to the appearance of tangibles such as the physical facilities, the responsiveness factor will have little effect on the customer's perceptions (Zeithaml, Bitner & Gremler 2006, 120).

Sometimes customers use all of the dimensions in determining their service quality perceptions but sometimes only some of them are relevant. For instance, in the case of phone service tangible factors are not include at all, yet other factors, such as the willingness to serve the customer and show responsiveness, still affect the customer's view of the service process (Zeithaml, Bitner & Gremler 2006, 117).

Figure 1 shows how the service quality dimensions leads to customer satisfaction and eventually to customer loyalty. Product quality, price and factors affecting customer satisfaction are discussed further in other chapters of the research.
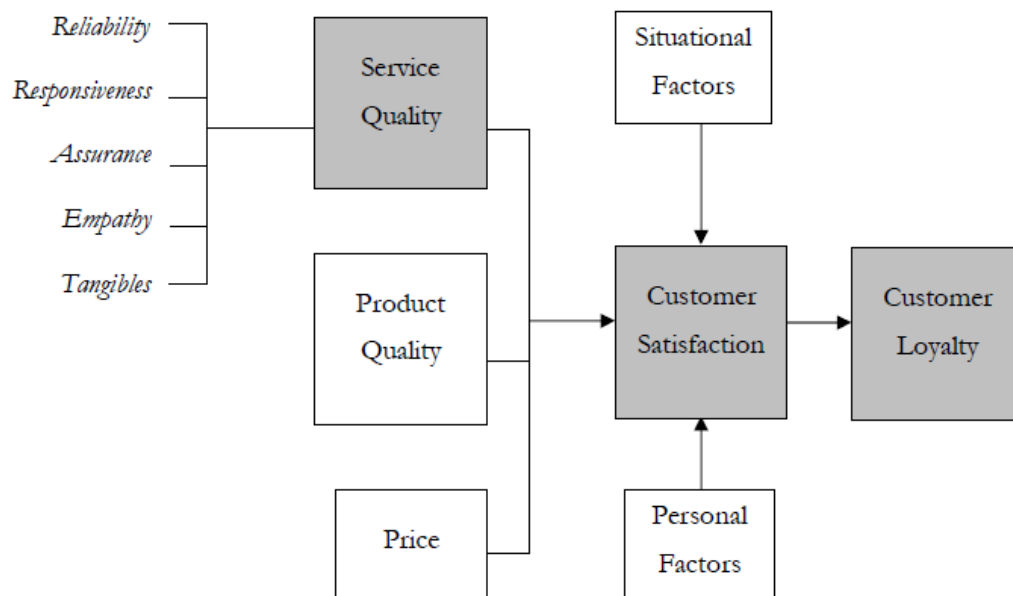
Figure 1. Customers Perceptions of Quality and Customer Satisfaction (Zeitham, Bitner & Gremler 2006, 107)

Loyal customers are customers who hold favorable attitudes towards the company, commit to repurchase the product/service, and recommend the product to others (Bowen & Chen 2001.) Loyalty is a very important marketing tool especially in the hotel industry. Customer satisfaction, service quality and loyalty are very dependent on each other.

Quality is a little harder to define than customer satisfaction simply because of the many definitions that all the experts have promoted and publicized. For our purposes, quality is based on the perception of the customer. Therefore, quality is defined as whatever the customer perceives as quality (Ritchard & Machosky1993, 126). Since services are offered through the staff, it is therefore important to understand the employee's role. The author addresses this more in the following chapters.

2.4 Employees contribution to customer satisfaction and loyalty

If the service organization wants its contact employees to do a great job with its customers, it must be prepared to do a great job with its employees. The employees´ effort and job motivation directly affects the service quality.

In the hotel majority of the services are offered through interaction with the employees. This can be either through face to face, telephone, emails or writing. The employs role in this case is to ensure that hotel has satisfied their loyal guests. This is so because the guest expects that the employ understands their needs and is competent to offer a pleasant experience.

It is therefore important that the employee is fairly treated by the employer. If the employees are not treated well, it is most likely the message will get through to the hotel guests. This can be costly to the hotel as well. Dissatisfied staff will take more time off thus shifting more burden to other employees. Employees can show less enthusiasm for the hotel´s products and services, which can be reflected in their work. Unhappy employees might also be bad ambassadors to potential loyal members.

Figure 2 shows factors that determine the employee's service quality. This will be used in analyzing the reports on employee feedback. This will help determine the employees' service quality.

1. Perceived organizational support (POS), meaning the extent to which employees perceive that the hotel in this case values their contributions and their well-being.
2. Perceived supervisory support (PSS) the extent to which the supervisors develop a climate of trust, helpfulness and friendliness. High PSS shows that important social and emotional resources are immediately available in the work environment.
3. Customer Participation, meaning the extent to which a customer is physically, mentally and emotionally involved in delivery of the services or product. The information and resources brought by the customer in the transaction and the behavior they engage in at this stage are of vital importance. This is depicted from the model below.
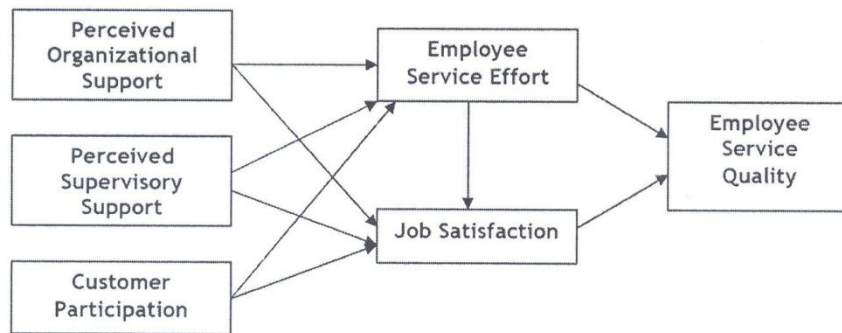

Figure 2. Employee customer service quality model **(**Yoon, Seo, & Yoon 2000, 403**)**

It is clear from the model that three antecedents affect employee service quality, employee service effort and job satisfaction. Empirical findings suggest that:

1. Perceived supervisory support is the single most influential.
2. Job satisfaction is a more important predictor of employee service quality than employee service effort.

As stated by (Mitchell 2003.90) you can have the best service philosophy in the world but if you do not have great players to execute it, you have lost the game.

2.5 Customer Relationship management (CRM)

Customer relationship management usually refers to system-based tools that enable an organization to manage the type of relationship it has with its customers.

S-card member's loyalty is dependent on the guests maintaining their belief in value of the points and benefits, and this can be seen through how they use them and renew their membership. So the hotel has two choices: they can watch and wait to see if the membership is renewed or the guests are frequenting the hotel as they are expected and then take 'corrective action', or they can try to manage guest behavior. If the hotel waits and sees, they might discover that the guest drift´s to their competition and it might be too late to rekindle the relationship hence the need for CRM.

2.6 Research questions

Previously no research has been undertaken in Sokos hotel Ilves to measure S-card customer satisfaction level. The main research questions are:

1. What is the current level of customer satisfaction of s-card members is?
2. Are the s-card members satisfied with their services? If not, which ones?
3. What is the employees' role in customer's service quality?

This will in turn help in determining the factors, contributing to the current satisfaction level.

2.7 Data and methods

Chosen research method for this study is a quantitative method. The empirical data was gathered using a quantitative questionnaire. Questionnaire or questionnaires designed for a customer satisfaction measurement should be as short, simple and manageable as possible. It should be viewed as a whole, not as a collection of individual questions. (Naumann & Giel 1995, 116)

The author constructed the questionnaire based on the five qualities of the SERVQUAL scale. They were aimed at a focus group that meets in one of the hotel restaurants once a month. They are hosted by the hotel and informed of the venue by the reception staff. In this case the guests were meeting in Pub Ukko Nooa.

According to Customer satisfaction and loyalty measurement, (Hill & Alexander 2006 115) .I should apply the following tests to my questionnaire:

- Will the responded have the information to answer?
- Will the responded understand the questions?
- Is the responded likely to give the true answer?
- Will the question bias the response?

The author also collected used secondary data from the Sokos hotel Ilves management. Since the author is also an employee of Sokos Hotel, he had access to secondary data that would help determine the employee customer service determinants. Secondary obtained data was useful as well as time saving. The only drawback was it was confidential and could not be attached to the research. None the less it would be analyzed using figure 2 antecedents.

The quantitative data from the questionnaire is processed through Tixel. Tixel is statistical software that integrates into Microsoft Excel providing a wide-range of statistics and charts for visualizing, describing, exploring and testing hypotheses against your data.

A good customer satisfaction model should at least include the following elements:

- Employee perceptions or satisfaction
- Customer satisfaction
- Brand values and image
- Price or value for money
- Advocacy and loyalty
- Competitive benchmarking
- Financial outputs (that is cost savings or gains in terms of new customers or incremental business)

3. SOKOS HOTEL ILVES, S-CARD AND LOYALTY

3.1 Sokos Hotel Ilves

Sokos Hotels is the largest and most well-known hotel chain Finland. The chain operates over 50 hotels in Finland, Tallinn and St. Petersburg. The hotels are located in city centres or at holiday resorts, with excellent traffic connections. The Sokos Hotels chain expands strongly abroad as well.

Besides accommodation, conference services and wellness services the Sokos Hotels offer restaurant services from early breakfast to partying into the wee small hours, conveniently under the same roof. The best-known restaurant chains are: Fransmanni, Sevilla, Torero, Memphis, Night and Amarillo.

The Sokos Hotel business is conducted in Finland by regional co-ops, and Sokotel, a subsidiary of SOK; in Estonia by A/S Sokotel, and in Russia by OOO Sokotel.

19 stories high, Sokos Hotel Ilves is a prominent landmark in Tampere. Classy Sokos Hotel Ilves is located at the bank of Tammerkoski, in the heart of town, close to all services and the lively cultural life and night life. The modern rooms offer modern luxury amenities. The hotel comprises 6 different restaurants (all non-smoking): Amarillo, Fransmanni, Masuuni, BallRoom, Pub Ukko Nooa and Ilves Bar & Night. The meeting facilities accommodate up to 300 people.

Picture 1Sokos Hotel Ilves (http://www.vastavalo.fi/sokos-hotel-ilves-hotelli-sokos-hotel-ilves-291514.html)

3.2 S-Card

It is a business traveler's loyal customer card. The S-Card adds flexibility and comfort for business travelers´ trips, and provides them with a number of valuable benefits. With the personal S-Card, business travelers` can earn various service benefits with accommodation and S Points through hotel and restaurant purchases. Business travelers can enjoy versatile service benefits and S Points on business and leisure-time trips.

The S-Card is a personal loyal customer card. If you collect and receive various benefits with your S-Card during business and private trips, you are obligated to agree upon the use of the card and its benefits with your employer.

You can use your S-Card benefits at the following:

- All the S Group's hotels
- Hotel restaurants
- The S Group's national chain restaurants in Finland
- Single restaurants within the scope of the S-Card.

The fully updated S-Card also acts as a payment card from which members may directly use their accumulated benefits. The benefits will always be on the go with the member, conveniently available whenever needed.

With the personal S-Card, you can still earn the familiar, versatile service benefits with accommodation and S Points worth money through hotel and restaurant purchases. S Points right are accrued from the first purchase. They are then transferred to your benefit account at the end of the month.

The www.scard.fi online service provides even more answers to your questions, and easily available information concerning topical offers and benefits. It is also easy to know the account balance by means of a new SMS balance query, enabling you to obtain information about your available benefits through one SMS message. Send the message "SALDO" to

the number 13135 – you will get a response message indicating the validity of your membership and the number of your meal benefits and S Points.

3.3 Service benefits:

- The value of a meal benefit is EUR 12. One meal benefit per each day is given. It is activated at the beginning of a new hotel day at 2:00 p.m. When registering to the hotel, the first meal benefit is activated immediately. The meal benefit is valid for six months and can only be used for paying for your food and drinks.
    - The meal benefit is a valid payment instrument for restaurant services at the restaurants of all S-Group's Hotels, the S Group's national chain restaurants in Finland, and single restaurants within the scope of the S-Card.
    - Purchases paid with the meal benefit does not add to S Points, and coop member-priced products cannot be paid with the S-Card mealbenefit.
    - Sokos Hotels in Russia use a separate meal benefit worth RUB 500 which can only be used locally. It´s not possible to use the S-Card as a payment instrument in St. Petersburg and Sokos Hotel Viru.

        Sokos Hotel Viru, Tallinn uses a separate meal benefit worth EUR 10 which can only be used locally. Meal benefits must always be used one benefit (i.e. the full EUR 12) at a time.

- Tabloid (Iltalehti or Ilta-Sanomat) of your choice.
- Family benefit. A family member living in your household will be accommodated free-of-charge in your double room on your business trip. You can utilize the family benefit when making a reservation through the hotel sales service or directly at the hotel. Unfortunately, we cannot guarantee the family benefit for reservations made through third parties.
- Various hotel-specific benefits. These benefits are various products and services that are specifically priced to be paid with S Points.

In addition to a number of service benefits, you earn valuable S Points with your loyal customer card. You can earn S Points for a maximum of EUR 3,400 at a time for all hotel, restaurant and conference purchases at the following locations:

- all the S-Group's hotels restaurants
- the S-Group's national chain restaurants in Finland
- single restaurants within the scope of the S-Card
- You can also earn S Points for meetings and events organized at hotels or restaurants.

S Points are valid for 12 months and can be used for purchases in the aforementioned locations. The points can be used for various purposes: you can buy food, drinks and accommodation services or purchase gift cards. You can also use S Points for the benefit of other people.

When your purchases exceed EUR 7,000 or 30 accommodation days during the validity of your card, you will receive the S-Card Premium. Your S-Card Premium will be ordered automatically. If the balance limit is exceeded in the middle of the period, the replacing Premium card will be mailed to you for the remaining period. Once the validity of this card ends, you will receive a new S-Card Premium with a full validity of 12 months. You also get additional benefits such as no annual card charge, room upgrade to Superior class if available, primary availability for a bonus night paid with S Points and Special offers.

The S-card can be acquired at the reception of S Groups Hotels or S-Card Web Services at a cost EUR 25/year.

S card premium

S card

Picture 2 ((http://www.scard.fi/en/front-page/)   Picture 3(http://www.scard.fi/en/front-page/)

3.4 Hotel´s Competitors Loyalty programs

Sokos hotel Ives and hotels in the figure below offer the same basic goods and services to business travelers like Sokos hotel Ilves. The author wanted to know how Sokos hotel ilves compares with its direct competitors.

Hotel Group	Name of Scheme	Benefits of Scheme
Scandic	Frequent guest program Free to join	• Benefits and points earned per stay • Daily newspaper • 20% discount for the guest and friends for food in hotel restaurants • Restaurant vouchers • Better rates for holidays • 50% discount on pay T.V • Gym use even when

		not staying in hotel.
Hilton International	Hilton HHonours Free Memberships	• Dedicated HHonours reservation service • Expedited check in • Late checkout upon request • Express checkout • Spouse stays free • Ongoing communications • eFolio • Online reward reservations
Inter-continental Hotel & Resorts(Holiday Inn, Crown plaza, Intercontinental hotel, Staybridge and candlewood suits)	Priority club	• Upgrade to a superior room • Priority waitlist reservations • Late checkout until 4:00 pm • Instant check-in Instant checkout • Complimentary Weekend • Night Certificate upon enrollment and

		renewal
		• Fresh fruit and mineral water upon arrival
		• VIP greeting and in-room welcome gift
		• One free pay TV movie per stay (where available)
		• Complimentary standard newspaper delivered to members' room every day
		• Airport chauffeur service (at published rate)

Figure 3 Competitors (https://www.scandichotels.com/Frequent-Guest-Programme/, http://hhonors1.hilton.com/en/hh/home_index.do,http://www.priorityclub.com/hotels/us/en/home/).

3.5 Loyalty

Most customer loyalty programs offer primarily financial (hard) benefits. In essence, they provide price discounts – and discounts are the last thing that creates loyalty among customers. Customers who buy your product or service merely because of its price will not continue to do so if they can find a better price elsewhere. The only way to create long-term customer loyalty is to establish a true relationship with your customers based not only financial incentives, but on emotion, trust and partnership. Most of the loyalty programs are built on price-related benefits such as discounts, rebates and special offers. These programs are nothing other than price cuts. During our research for this edition, we revisited many of these programs, only to find that just a few had learnt their lesson. But those who did had shifted their focus to service elements, special treatment and other soft benefits. They understood that if any customer loyalty was built in the short term it was mostly a result of the discounts offered, rather than stemming from a strong emotional relationship to the product or service. The only way to build long-term loyalty is to establish real relationships based on emotions and trust, by offering uniqueness and high perceived value in your loyalty program. Financial benefits may be part of this, but they are not enough on their own. (Butscher, Stephan 2002, 3-4)

The main goal of the s-card loyalty is to increase the guest´s loyalty by offering true value. The s-card membership has been initiated by Sokotel Oy. It is planned and managed by an organization and not by the guest themselves.

Business travel originating from individuals, conference and incentive travel events contribute a major source of revenue for Sokos hotels. In this case Sokos hotel Ilves due to its location having most incentive and conference travels from mostly information technology, automotive industry, telecommunication, insurance, banking and pharmaceuticals. Therefore it is very important for the hotel to continue and develop the market by having priority club such as the S-card.

Due to the growth of the global hotel industry it is easier to brand hotels across national boundaries therefore business customers can be encouraged to be loyal on a global, rather than purely national level (Swarbrooke & Horner 2001.265).

3.6 Type of loyalty program

Customer loyalty programs can be split into two groups namely limited and open. The suitable program depends on the loyalty program's goals, target groups and individual context. Limited loyalty programs require a membership fee together with a completed application form, and they try to channel membership towards the primary target groups. Criteria often have to be fulfilled in order to qualify for membership. This ensures a better focus on the primary target groups, and helps to keep out freeloaders.

Open loyalty programs have no entry conditions, but as a result often include many members who are of no benefit to the company. They are ideal if extremely wide target groups have been defined, or if potential and competitors' customers are also primary target groups. The lack of an entry condition will make membership more attractive and easier for a larger number of people.

Loyalty programs can be further split into end-user loyalty programs and business to-business or distributor loyalty programs, depending on their primary focus and target groups.

3.7 Loyalty Dimensions

Loyalty may have two primary dimensions as shown in figure below. The affective dimension of loyalty has emotional underpinnings and involves human interactions. In contrast cognitive dimensions of loyalty include evaluations of the business relationship that involve price, proximity, and timelines etc (Allen & Rao200.8).
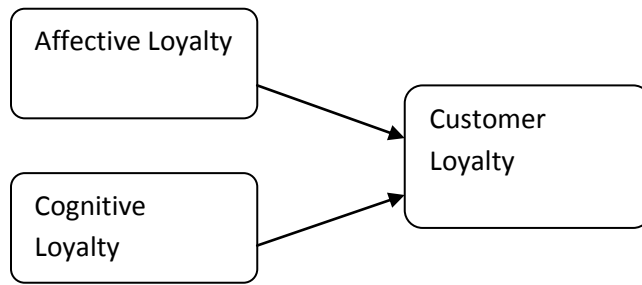
Figure 4 Loyalty dimensions (Allen & Rao200.8).

Satisfaction and loyalty are two different constructs. Satisfaction is directed specifically at product or service attributes and maybe a more dynamic measure. In contrast loyalty is a broader, more static attitude towards a company in general. This is clearly shown in the figure below (Allen & Rao200.9).
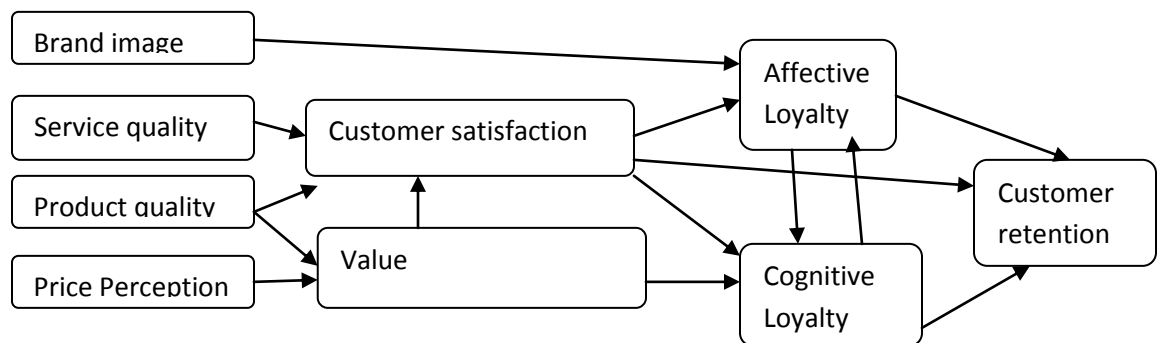

Figure 5 Satisfaction and loyalty constructs (Allen & Rao200.9).

3.8 Benefits

The loyalty program will only be successful if the right benefits are chosen. Benefits must have a high perceived value for members. To find the right combination of hard (financial)

and soft (non-financial) benefits, it is necessary to take a value-oriented approach. A customer loyalty program should primarily offer benefits that are related to the core products and services of the sponsoring company. Co-operating with external partners is a good way to expand the loyalty program's range of benefits by including others that are not product-related and increase the loyalty program's attractiveness. Other companies are often willing to pay commission so they can approach loyalty program members with their products in addition to those of the sponsoring company (Butscher, Stephan 2002, 7).

A customer loyalty program has a life cycle and must be constantly improved and further developed. Therefore, you should keep some of the top value drivers in reserve for future. This will ensure that the programs stays dynamic and doesn´t lose its attractiveness.

3.9 Pricing

No loyalty program should rely on discounts or other price breaks to create loyalty. Customer loyalty cannot be bought, but must be earned. Consequently, the key benefits should be non-financial and based on service, special treatment, and communication. However, discounts are popular, and might significantly increase the value of the program. If you want to offer discounts, use one of the several smart pricing strategies that are available that create a win– win situation from which both supplier and customer benefit.

Rather than simply giving away discounts, they should be earned by customers and given to them as a reward. Several sophisticated pricing strategies are available that do this in an intelligent way.   Precise analysis is necessary to install these strategies the right way, but the advantages are huge (Butscher, Stephan 2002, 7).

In general, expenditure on a loyalty program should not be seen as a 'cost', but rather as an investment in a marketing tool that is a strategic necessity in today's competitive environment (Butscher, Stephan 2002, 7).

3.10 Communication

A customer loyalty program mainly communicates in three areas: with loyalty program members, with the personnel of the sponsoring company, and with those in its external environment, such as the media. There are a variety of communication methods, such as a loyalty program magazine, regular newsletters or mailings, a loyalty program hotline, a Web page, loyalty program meetings and events, or loyalty program outlets. Communication with members should not be limited to sales information and special offer brochures. Members will want to know what is happening in the loyalty program, to receive information on new products, and to read about topics of general interest (Butscher, Stephan 2002, 8).

Internal communication with the sponsoring company's personnel and management is important, as they need to be informed about the loyalty program's existence and its goals in order to support the loyalty program concept to the full. Internal support is very important, and includes everybody from top management to those at the customer interface. Only if the loyalty program is supported at every level can it be a success (Butscher, Stephan 2002, 8).

4. QUESTIONNNAIRE SURVEY ON FOCUS GROUP AND EMPLOYEE CONTRIBUTION

The survey was carried out on 22nd of February 2012. The meeting took place in the evening at Pub Ukko Nooa from 17:00hrs -1800hrs. The final amount of responses was 14 filled questionnaires. The results were satisfactory for a focus group. Firstly, the researcher describes the background of the questionnaire design and its actualization. This is followed by the questionnaire results, presented in separate sections. Finally, the results will be analyzed.

I asked a total of 16 questions. 9 questions were multiple choice, two open questions and five questions with a scale from 1-5. In the scale 1 was bad, 2 fair, 3 good, 4 very good and 5 outstanding. The questionnaire can be found as an attachment at the end of the research.

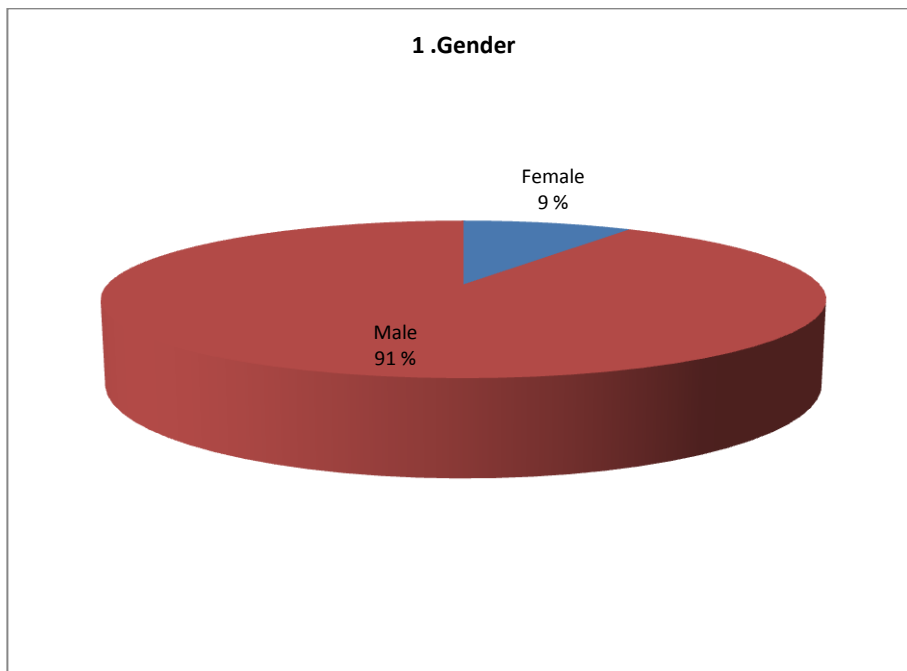## 4.1 Background information of the respondents

Figure 6. Gender pie chart

The gender distribution among the focus group is shown in the pie chart in figure 6. Majority of the respondents were male. As observed by the staff majority of the s-card members are males. This was disappointing as it would have been interesting also to have more female respondents. This would give a more balanced feedback across both genders. The reason might be that the s-card is not as appealing to women. Providing personal attention to women would portray empathy and let the women know that their needs are understood.

All the respondents were over 24 years old and 55% of the respondents were between the ages 34-35 as shown in figure 7. The results are supported by the author from observation having worked in the hotel on an internship. 25-34 years age brackets seem to be the lowest with no one from the 18-24 age groups. This can be due to the fact that at that age most people are mostly finishing school or early in their careers. As the age increases and as their career develops people tend to travel more on business. To build a long term loyal relationship, the s-card should use their equipments, personnel and communication materials to reach the 18-25 age groups. The aim would be to enhance the company's image, provide continuity and signal quality. This can be done by having workshops or representatives in venues with potential business travelers.
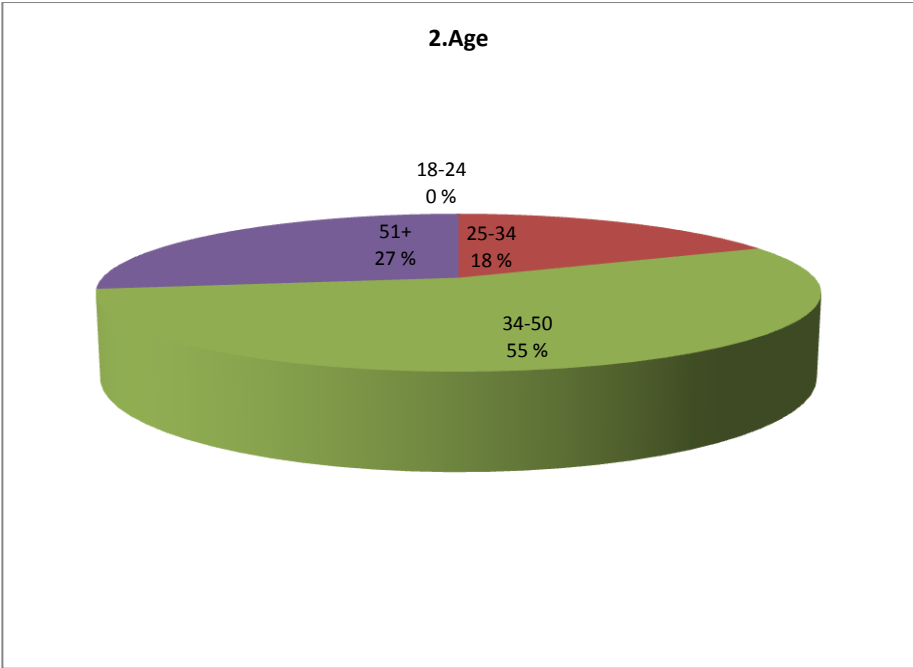
Figure 7 Age pie chart
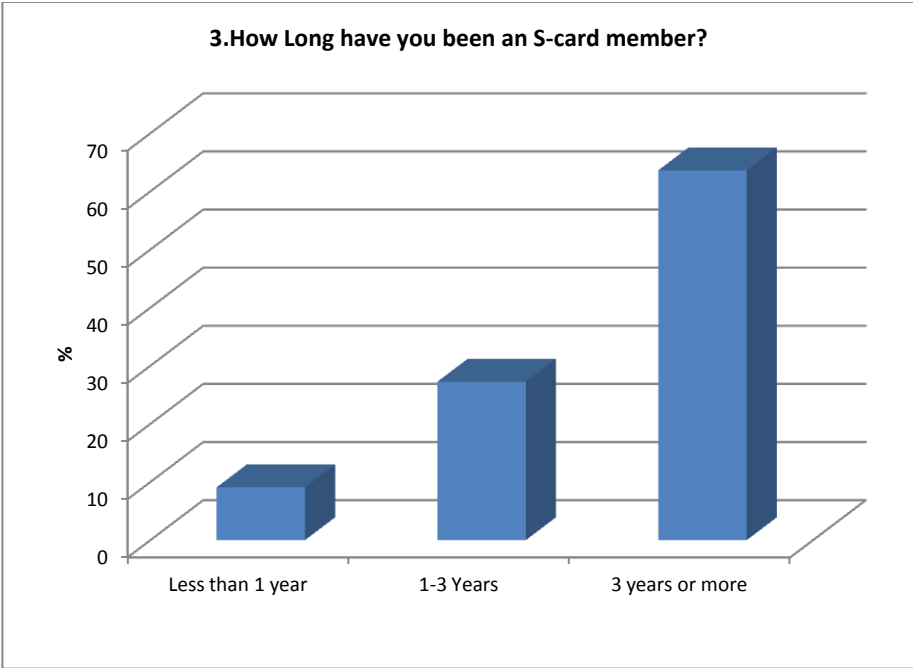
4.2 Behavioral questions

Figure 8 Membership duration

From the bar graph in figure 8, it is clear that majority of the respondents are long term members. Loyalty is not only a program but a strategic business goal l. If the hotel has right benefits and the loyalty program is constantly improved, it will be possible to achieve long term partnership as seen above. This can only be achieved if the S-card membership is renewed.

What is the length of your stay on average per visit?

I also asked an open question about was the length of the average stay per visit. The response was 1- 5 nights with an average of 2 nights. The author wanted to see the pattern of the guests. Understanding this would help serve the S-card members better. This can be done by proving benefits that can be enjoyed throughout their stay.

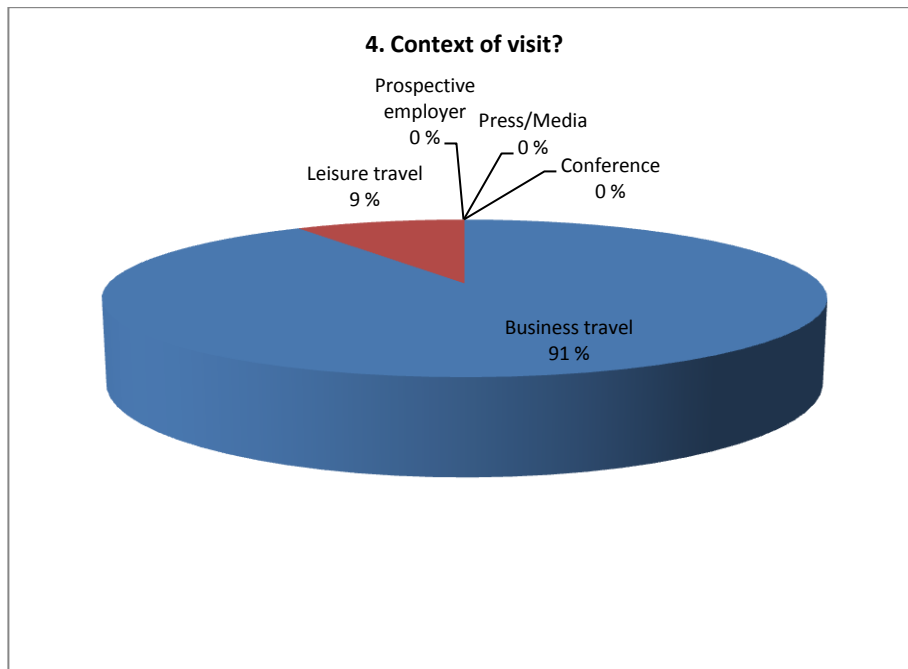## 4.3 Customer satisfaction and loyalty

Figure 9 Context of visit.

The results of the reason for visiting the hotel were not surprising. The author wanted to know if the S-card members could be classified into specific groups. The groups would

have helped to better understand and serve the S-card members. This could not be achieved since the only result was business and leisure travelers as seen in figure 9.
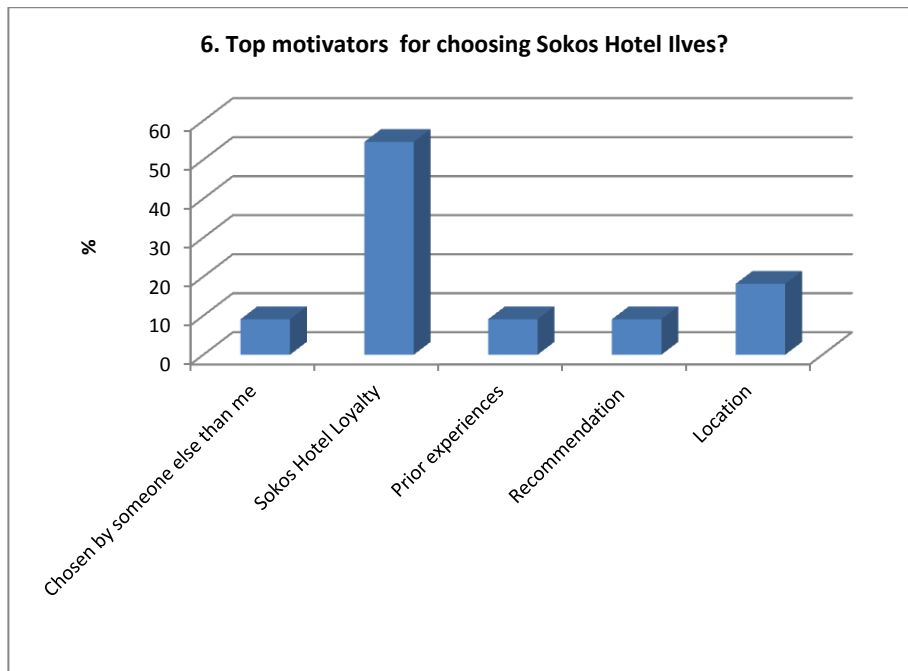

Figure 10 Motivation

Since Tampere has three Sokos Hotels it is important to know what influenced their choice of Hotel. From figure 10 it is clear that hotel loyalty was their biggest influence. This is positive feedback as it shows majority of the respondent's think of themselves as loyal to the Sokos hotel brand. This affective dimension of loyalty is based on emotions and trust. The author can conclude that majority of the respondents were loyal to Sokos hotel Ilves.

Location influenced 18% percent of the respondents which was not surprising. According to the staff, the view of the Koski rapids and city view are quite popular with the guests. Loyalty is also built on prior experiences and recommendations. The feedback from the focus groups was disappointing since only 9% of the guest were influenced by prior experiences and recommendations. None the less this is understandable considering the size of the focus group. Service quality and price perception were what the author expected the focus group to think of when considering this option.
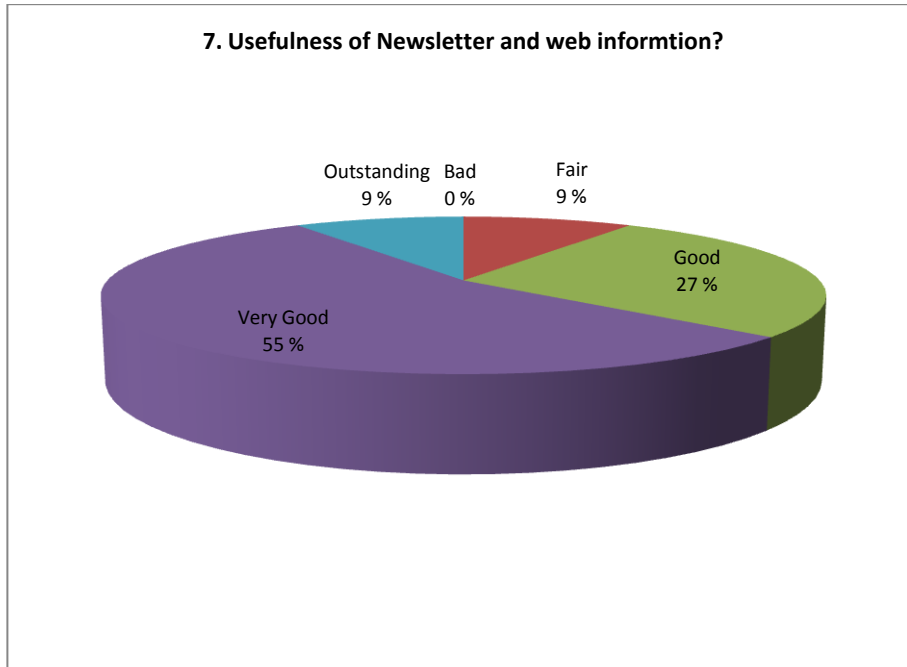
Figure 11 Newsletter & web information pie chart

Communication between the s-card members and the personnel of the s-card loyalty program is importance. In usefulness it should not only be limited to sales and promotional material. It should also include topic of interests and information on new products. The author found the newsletters to include all of the above. The respondents seemed to be satisfied with access to information as shown in the figure 11.

8. Information availability

Outstanding 9 %   Bad 0 %   Fair 9 %

Good 36 %

Very Good 46 %

Figure 12 Information availability
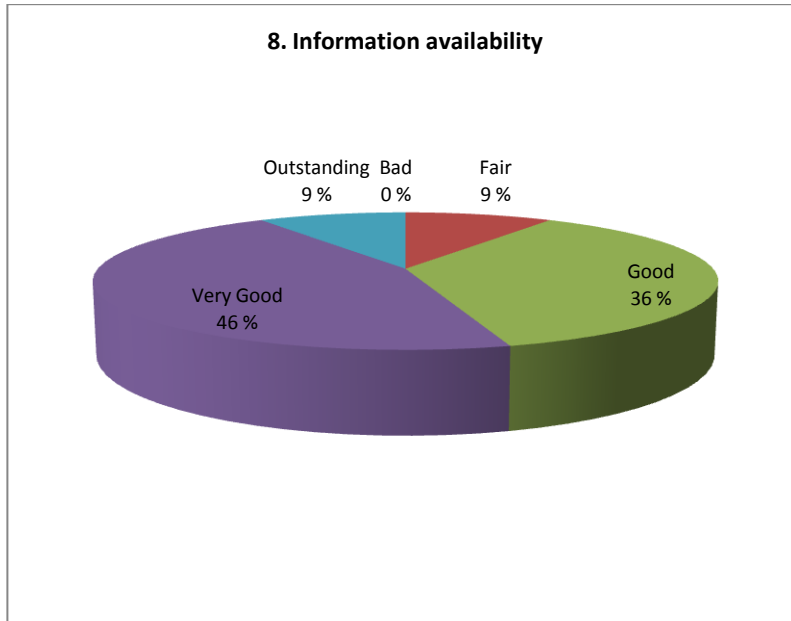
The author wanted to know the willingness of the S-card personnel to help the members. This includes flexibility and ability to customize the S-card member's needs. The author can therefore conclude that level of responsiveness based on the respondent's feedback is strong according to figure 12.

9. Do you have any other Loyalty membership?
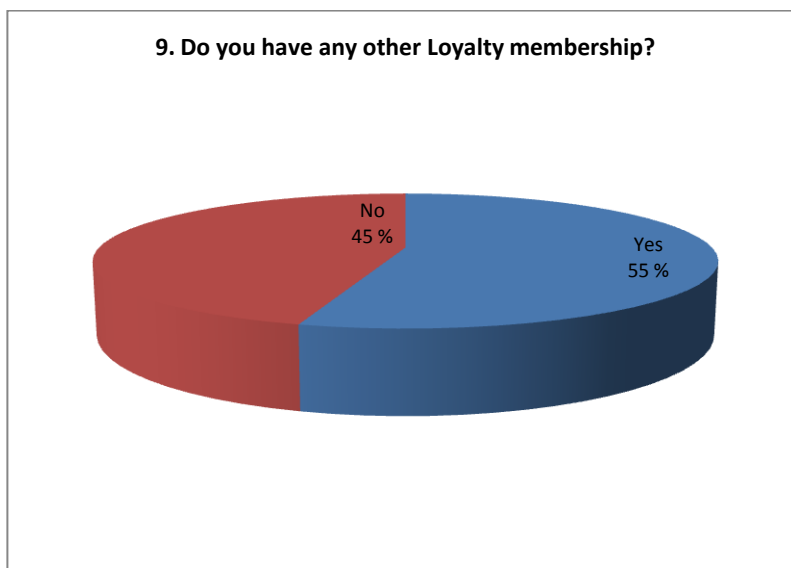
No 45 %

Yes 55 %

Figure 13 Loyalty memberships

45% of the respondents said they have other hotel loyalty cards, while the rest claimed to be only loyal to Sokos hotel. It´s clear that a number of the respondents have other loyalty members. The S-card program is limited; therefore the efforts to attract and maintain the members can be channeled towards them in order to have an edge over the competition. S - card offers competitive benefits in comparison to other loyalty clubs as seen in previous chapters. They aim to achieve their goal of increasing guest´s loyalty by offering true value

10. How did you find out about the s-card membership?

	%
From the Hotel staff	55
Promotional materials	0
Hotels website	0
Recomendation	45
Total	100

Figure 14 Introduction

The hotel personnel seemed to be the most effective in marketing the Loyalty club. This shows the employees ability to inspire trust and confidence by assuring the guests to trust their company. Furthermore since 45% of the respondents were recommended to join the club; this shows that the members find the loyalty membership to be reliable otherwise they wouldn´t recommend the program.

12. Service at checkin?

Outstading
9 %

Bad
0 %

Fair
18 %

Good
37 %

Very Good
36 %
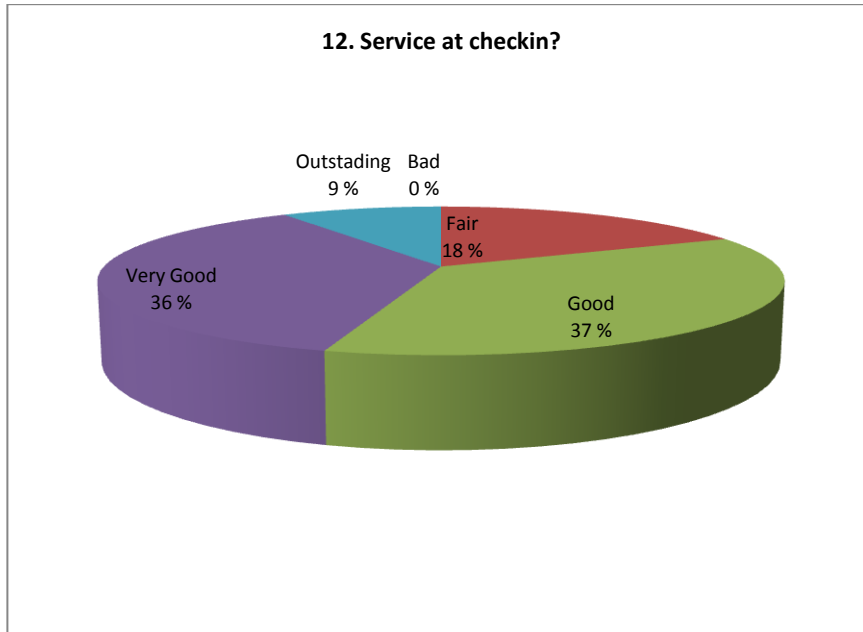
Figure 15 Checking service quality

Majority of the guests seemed pleased with the service at check in. With only 18% saying they found it fair. The author asked the respondents whether in addition to service at check in, they were notified of the express benefits available at that particular time. As shown in the figure 15 78% were more than pleased. This improves the service quality giving the S-card members a chance to experience all the benefits.

13. Has everthing been done to assist you concerning s-Card matters?

Bad
0 %

Fair
0 %

Outstanding
10 %

Good
50 %

Very Good
40 %
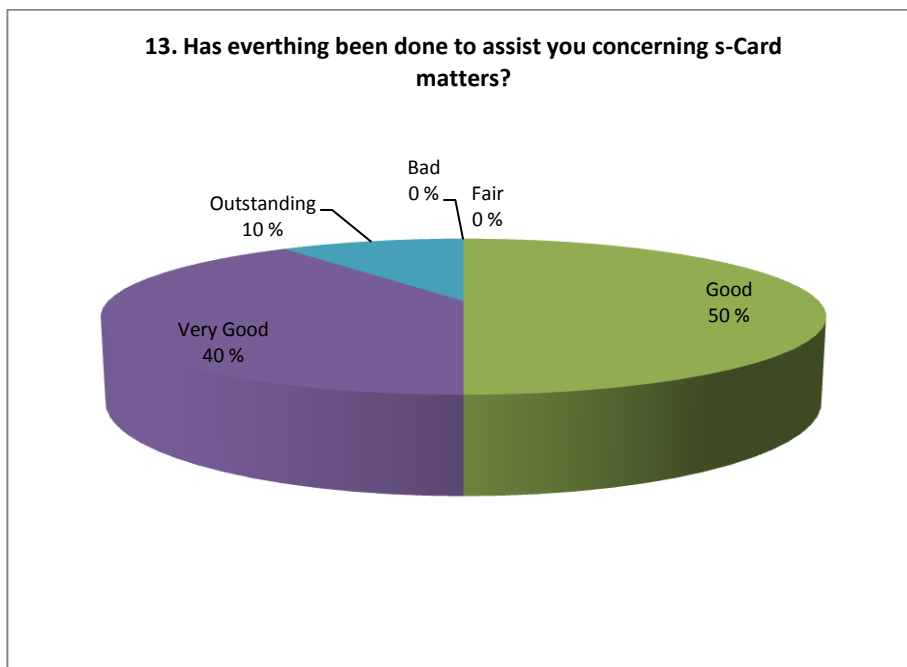
Figure 16

Complaint handling and prompt action is very significant to the customer. The manner and response in which a complaint or situation is handled dictate the fate of loyal a customer. The response from the respondents was very positive. All the respondents seemed to have been pleased with the response from S-card sponsors.

Figure 17 Overall experiences

Majority of the respondents were pleased with the product. With 9% finding it fair. This goes to show there is room for improvement. Further analysis of this question is done on the next chapter.

15. Would you recommend the S-card Program?

No
0 %

Yes
100 %
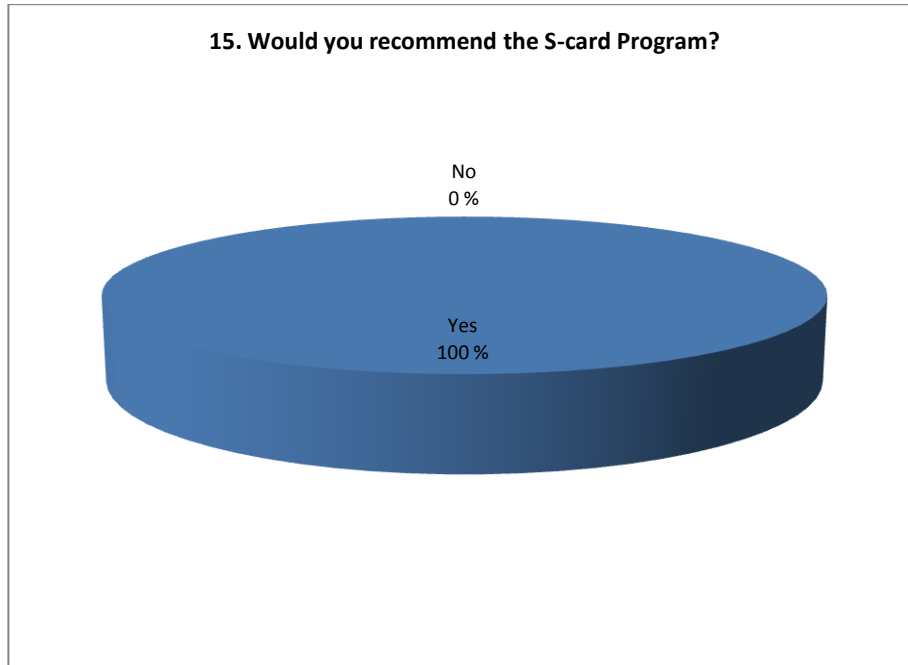
Figure 18 recommendation

All the respondents said they would recommend the S-card program.   This is very important since most guests are dependent on each other. The reason for this might be that the respondents found the program to be reliable and assured t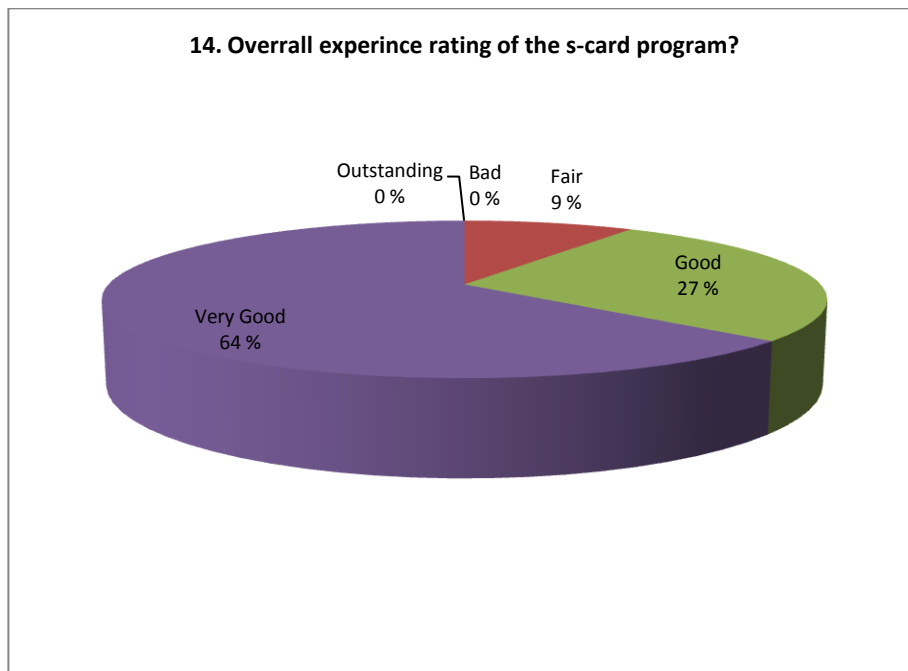hat it understands their needs. Recommending the hotel by loyal members is an effective marketing tool. The author can therefore conclude loyalty has been achieved.

16. In what areas do you think there is need for improvement concerning s-card services?

This was an open question in which guests were free to express their opinions and areas of improvement. Out of the 11 members of the focus group 6 of them answered this question.

Their suggestions were:

- More information about benefits
- Complimentary drink vouchers should not be limited to one hotel
- Fast check In and check out for S-card members
- Car washing services
- Not so much information on the same newsletter

- The S-card member's holder should get their vouchers and points on time i.e. before they check out.

Information on benefits is readily available at the reception and the internet. The respondent that requested to receive their vouchers and points on time was an international guest. The respondent explained to the author that he would prefer to use the benefits before his check out. The author can conclude that the respondents were not well informed and didn´t fully understand how the program works.

Suggestions to have a car washing services, fast check-in and check-out services would help make the benefits more relevant to the guest. This will help the S-card in achieving their goal of offering true value.

4.4. Customer employee engagement

Customer and employee engagement affect each other and influences whether the guest leaves satisfied. If the services are not executed well, satisfaction and loyalty won't be achieved. Thus the need to also look at how service effort and job satisfaction influence service quality.

The hotel management gave me access to a job satisfaction survey results. 13 Front Office staff answered the questionnaire. Unfortunately due to the confidentiality of the material I can only state my conclusions and analysis.

In perceived organizational support majority of the staff said they would recommend Sokos hotel Ilves as an employer. In perceived supervisory support the staff found their supervisors to be competent, efficient open, and trustworthy. In general the staff felt they were competent enough and were satisfied and felt their jobs were safe. Using the model by Yoon, Seo & Yoon (2000) in figure 1 we can conclude that since supervisory support and job satisfaction are positive. Good service quality improves guest satisfaction.

5. SUMMARY OF THE RESPONDENTS AND REPORTS

Respondents

The feedback by the respondents was satisfactory. The feedback from both respondents and from the hotel management was meaningful and objective. The fact that majority of the respondents have been members for more than three years was good. Their experience mattered since they have seen the S-card program transform during that period. The respondent nationality also gave diverse answers. The only drawback was the lack of more women. Their contribution would have improved the perspective of the research.

As observed by the author and from the company reports, information is shared between the management to those at the guest interface. The respondent's answers showed there was good communication and availability of information and assistance.

6. CONCLUSION AND SUGGESTIONS

6.1 Conclusion

The author concluded that the S-card program is doing well against the ever increasing competition. As seen on figure 4, the awards and benefits of S-card program measures well in comparison to Scandic Hotel, Hilton International and Inter-continental Hotel & resorts. The S-card is certainly offering value for money.

The S-card members seem to be satisfied with services which can be seen from their feedback. The respondents view the Sokos hotel brand as trustworthy and reliable and can be seen from their willingness to recommend it. This further proves their loyalty. Although some of the respondents have other loyalty cards, Sokos hotel seems be doing good as far as competitive bench marking goes. This is seen by the number of nights spent per stay. This is also evident from the S-card member's willingness to renew their membership yearly, with majority of them having been members for at least three years. The author can therefore conclude that a long term partnership exists. Long-term customer loyalty is not based on financial incentives only. It is based on strong emotional relationship to the product or service (Butscher, Stephan 2003, 4).

The major aim of the research was to measure the satisfaction level of S-card loyalty members. In this case customer relationship management is important so as to take corrective action if needed. If the S-card members are not satisfied with the services provided they might choose to take their business elsewhere. The company will lose valuable income; furthermore the brand will lose its value leading to financial repercussions.

The current level of satisfaction is very good as evident from the respondent's feedback. The aims and objectives of the research were fulfilled. Research questions were answered and the questionnaire survey and supplementary information about staff effectiveness were

successful. The research plan was clear due to weighing of issues and direction guide by my tutor.

6.2 Suggestions

Further research should be carried out on customer satisfaction. This will be to ensure satisfaction level is monitored continuously. This should focus on Sokos hotels in Russia, Estonia and Nordic choice hotels.

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http://www.ichotelsgroup.com/ihg/hotels/us/en/reservation

scandic hotel loyalty club. Read 12.12.2011

http://www.scandichotels.com/

Sokos Hotels is the largest and most well-known hotel chain Finland. Read 6.4.2011

http://www.sokoshotels.fi/en/

The S-card can be acquired at the reception of S Groups Hotels. Read 5.4.201

http://www.scard.fi/en/front-page/

Attatchment

Dear Guest,

I'm a student at the Tampere University of applied sciences studying Hospitality Management. I'm carrying out a research on current level of customer satisfaction of S-card loyalty members in Sokos hotel Ilves. I hope you will take a moment to answer the questionnaire below. Your responses are greatly appreciated.

1. Sex
    A. Female
    B. Male

2. Age
    A. 18-24
    B. 25-34
    C. 34-50
    D. 51+

3. How long have you been an S-card member?
    A. Less than 1 year
    B. 1-3 years
    C. 3 years or more

4. Which of the following describes in context this visit?
    A. Business travel
    B. Leisure travel
    C. Prospective employer
    D. Press/ Media
    E. Conference
    F. Other…………………………………………………………………………………
        …………………………………………………………………………………………

5. What is the length of your stay on average per visit?......................

6. What are your top motivators for choosing Sokos hotel Ilves?
    A. Chosen by someone else than me
    B. Prior experiences
    C. Sokos hotel Brand
    D. Recommendation
    E. Location
    F. Price
    G. Other ……………………………………………………………………….

7. How useful is the web information and newsletter?

Bad	Fair	Good	Very Good	Outstanding
1	2	3	4	5

8. How would you rate availability of S-card information?

Bad	Fair	Good	Very Good	Outstanding
1	2	3	4	5

9. Do you have any other hotel loyalty membership?
   A. Yes
   B. No

10. How did you find out about the S-card membership?
    A. From the Hotel reception staff
    B. Promotional materials like pamphlets, or elevator and reception display screens.
    C. Hotels website
    D. Recommendation
    E. Other…………………………………………………………………………
       …………………………………………………………………………………

11. Do you know how to achieve premium membership?
    A. Yes
    B. No

12. Service at check-In. Were you notified of express benefits (free pay TV or free refreshment drinks depending on the month)?

Bad	Fair	Good	Very Good	Outstanding
1	2	3	4	5

13. Has everything been done to assist you concerning S-card matters Sokos hotel Ilves?

Bad	Fair	Good	Very Good	Outstanding
1	2	3	4	5

14. How would you rate overall experience with S-card membership in Sokos hotel Ilves?

Bad	Fair	Good	Very Good	Outstanding
1	2	3	4	5

15. Would you recommend the S-card loyalty program?

    A. Yes
    B. No

16. In what areas do you think there is need for improvement concerning S-card services?

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………

………………………………………………………………………………………