

Saimaa University of Applied Sciences  
Business and Culture, Imatra  
Faculty of Tourism and Hospitality  
Degree Programme in Tourism

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## **Service Design for Russian Tourists in Finland**

Thesis 2012

## **Abstract**

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An objective of this work is to give a general idea about the service design; how service design can increase customer satisfaction among Russians; and how services design of Holiday Club Saimaa should be modified to become more attractive for Russian tourists.

The information about service design was gathered from literature, the Internet and by observation, as well as interviewing guests of Holiday Club Saimaa.

Results of the research show that Holiday Club Saimaa implements almost all aspects of service design. Hotel management understands that Russian tourists have huge potential and they are trying to improve services for this segment. However, they do not call it "service design", so basically they are using it without realizing it.

Keywords: service design, hotel, Russian tourists, segmentation

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## **1 Introduction**

Service economic is developing rapidly, tourism industry is especially booming, more and more companies are arising in the tourism sector. This companies want to provide high quality service to their customers, however quite often customer satisfaction is on the low level (Sputnic 2007). New management techniques and tools should be utilized in order to improve customer satisfaction. That is when service design comes to a stage.

Service design is a relatively new subject in service industry if we consider it as an independent concept, however it includes many aspects which have been used by companies for a long time already, without realizing that they are using service design. By employing this technique companies can improve their level of customer service, which leads to a higher customer loyalty. Competitive advantage is a main advantage which service design brings.

Despite all these obvious advantages only few companies are using it, because of lack of information on this subject. In this thesis I will try to give general idea about the service design, as well as evaluate service design level in the case company.

An objective of this work is to give general idea about the service design; how service design can increase customer satisfaction among Russians; and how services design in Holiday Club Saimaa should be modified to become more attractive for Russian tourists.

The aim of this thesis is to introduce service design as a concept to Finnish companies and evaluate to which extent they are using service design already.

What is more, to give general hints on how to utilize service design in their companies in order to attract more Russian customers.

### **1.1 Justifications for researching the topic**

During the academic year 2010-2011 we had a course called "Service Design" lectured by Mika Tonder. On this course we studied different service design characteristics and service design aspects. I found this subject interesting and after some time I realized that service design field is reach for possible thesis subjects. Due to the fact that I have a Russian background I decided that my subject should be about the Russian tourists in Finland. Another very important reason of choosing this topic is that it is actual and up-to-date subject, because every year more and more Russian tourists come to this region and many Finnish companies realize that Russian customer segment could be very profitable for them.

Companies are willing to know what they have to do to attract more Russian customers. South Karelia region has an especial need in such research, because it has 2 border crossing points with huge traffic capacity and thousands of Russians come to this region as the nearest foreign place, where they can have their holidays.

Another very important reason is employment in Holiday Club Saimaa, this is new spa resort on Lake Saimaa. There I realized that service design techniques can be used in this hotel at the maximum level, because the hotel is new and day-to-day routine procedures are not established yet, and management of Holiday Club can start employing these techniques from the very beginning, because it is easier to integrate service design procedures immediately after the establishment of the company.

### **1.2 Aims and delimitations of the research**

The main aim of this work is to find out how to develop service design in Finnish small and medium sized tourism enterprises in order to become more successful among Russian tourists. This is the main research aim, however to

find answer to this question several sub questions should be answered first. These sub questions should be both theoretical and practical. Here are several points that should be included in the research:

- What characteristics are used by SMTE in Finland?
- What are the most important service design characteristics for Russian customers?
- Which characteristics Russians would like to see in service design of the Finnish companies?
- How companies will benefit by using service design concept

Service design is a multi-disciplinary approach and includes a lot of aspects, that is why some delimitations should be used. Service design is a rather new field of studies; however this thesis will not include development of the service design concept as a separate field, because it is not relevant for the research.

Another very important delimitation concerning the research is region delimitation. Due to the fact that my place of studies is Imatra, I will take into consideration only South Karelia SMTE, particularly Holiday Club Saimaa , because in this case I will have access to these companies and there is no need to travel long distances. What is more, thesis partner project “Periscope” deals with South Karelia part of Finland, so there is no need to cover nearby areas.

### **1.3 Research methods**

To establish profound understanding of service design field various papers and books were reviewed and analyzed. On this step first difficulties arose, because it is very hard to find literature which deals with service design, due to the fact that it is quite a new subject. However after a short research several books about different aspects of service design were found in order to make wide picture of service design.

Data collection was done through the observation of existing SMTE companies. The main research method was qualitative research and particularly observation.

Qualitative research is a research method which is mainly employed in social studies. The main aim of the method is to gather in-depth information about the human behavior. This method tries to find out reasons why people behave in a particular way, it tries to answer why and how questions.

Qualitative research method employs various data collection methods, such as interviews and group discussions, observation and reflection field notes, various texts, pictures, and other materials. Only observation and informal interviews will be used during the data collections in our case study. (Silverman 2000.)

Observation is a qualitative research method, which usually contains informal interviews, direct observation, collective discussions, analyses of personal documents produced within the group, self-analysis, results from activities undertaken off or online, and life-histories.(Flick 2006.)

Informal interviews were used in order to find out what Russians do not like in present services of the case company, and to find out what service design characteristics are the most important for them.

Observation method was used because of the simplicity and suitability of this method in our case company. Another very important issue why observation was chosen is personal employment in the case company; it gives me opportunity to compare planned customer service with the actual one, plus it was easier to organize informal interviews with customers.

#### **1.4 Content and stages of the report**

Thesis will have 2 main parts: theoretical and empirical. In the theory part I will try to give clear picture about the service design as a concept. Theoretical part will includes:

- General information about the service design
- What differentiates service design
- Service design benefits
- Service design framework
- Service design characteristics

Empiric part of the thesis includes:

- Observation of existing SMTE and analyzing the service design characteristics, which they use
- Analyzing which service design characteristics are the most important for Russians
- Possible development programs for existing SMTE

First, we establish understanding about the subject and then try to analyze our case company.

## **2 What is service design**

For many years design has been associated with how to make product look good (shape, color and package etc.). In service field design quite often has been associated with premises' layouts, furniture which is used in the company and color of the walls etc. However, nowadays service design is completely different thing. (Badke-Schaub 2010.)

Service design is the design of overall experience of the service, how it is delivered to a customer (Moritz 2005). Service design is based on a statement that all people are different, with their own needs and expectations about the service. It means that each service that company is providing should be modified for a specific customer.

“Service design is a process of four D’s – Discover, Define, Develop and Deliver” (Moritz 2005). It is all about understanding the client, finding out what exactly should be changed in service, developing modified service and ways to deliver it to a specific customer group.

Why is service design important?

Service design is extremely important both for a company and for company’s customers. For companies it creates additional value, it helps to be different from competitors. While for customers, service design improves overall experience of the service and improves customer satisfaction. In other words service design connects the desires of the client with the desires of an organization. Service Design is a mediator that understands how to build the bridge between company and customers. (Moritz 2005.)

### 3 Aspects of a Service Design

Service design is a rather new field and it includes many different aspects. So why service design is so unique and what exactly differentiate it? According to Moritz (2005) and Brown(2010)There are several things that differentiates service design:

#### 1. Service design fulfills customers' demands

In order to satisfy client with the service, first, his desires and wishes should be identified. Sometimes it is very difficult to identify customers' needs, because quite often even a customer does not know what exactly he/she wants. Such needs are usually called hidden needs, it means that these are issues and problems that customers face but have not yet realized. Fulfilling customers' demands means to provide a service which is designed according to his/her needs.

Another, very important issue is that it is not enough to identify customer's needs, the company should clearly understand which wants a customer has, because wants are how people communicate their needs (Kotler 2006). Wants are usually different for different nations, a simple example: a hungry person in China may want rice and chicken, while an American person may expect hamburger, fries and cola. (Kotler 2006.)

Usually services provided by organizations are thought and designed from this provider's perspective. For example, an activities company which provides boats for rent thinks that the customer needs a boat, but what the customer really needs are adventure and having fun. One of the main points of service design is a development of service systems which are focusing on clients as well as on the organizations.(Moritz 2005.) Without the client there can be no service.

#### 2. Service design helps to show uniqueness of service

In service field customers face with several touchpoints of a service. Touchpoint is a contact point with one of the elements of the service offering (e.g receiving confirmation letter) (Moritz 2005).

Figure 1 below is a simplified example of hotel's touchpoints, with which customers interact. Actual touchpoint map is much more complex and it varies for each particular hotel. Customer experience should be evaluated and measured on every touchpoint, not the overall stay at the hotel should be evaluated. This evaluation will help to increase customer satisfaction.

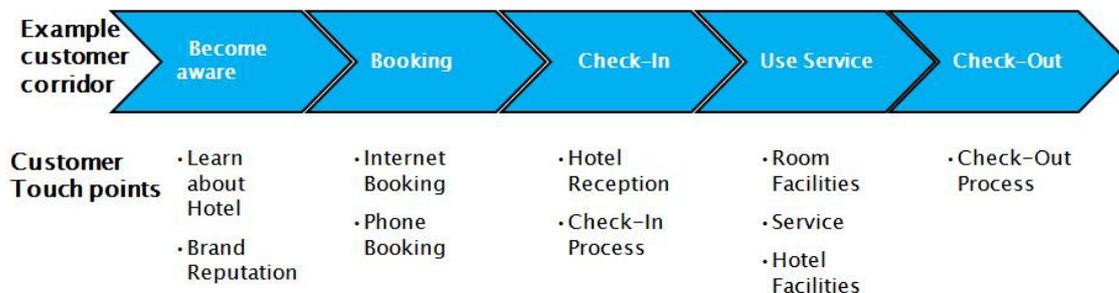


Figure 1 Hotel touchpoints (Kassinger 2010)

Touchpoints build service component and form the service itself. Actions on touchpoints could be different for each customer group.

### 3. Service design has multidiscipline approach

Service design includes different tasks; here is why knowledge, tools and skills from different fields are required to accomplish these tasks. So in other words, traditional design thinking is integrating in various fields of expertise. It means that service design utilizes traditional designing consumer products techniques into designing consumer experiences. (Brown 2010.)

### 4. Service design is interactive

Client is a core of a service; it is an integral part of a service performance. Customer has possibility to change service on the go, because usually company provides all the necessary resources and components for a client. Very important advantage of the service is that you can modify it according to the customer's wishes.(Moritz 2005.) It does not mean that service should be absolutely different for each customer, you can modify small things only, but these things make big difference for customers. Here is a small example. Some company X offers snow mobile safaris, in the product description it says that at 9 am safari starts, at 9:45 coffee break, 11 am lunch break, at noon safari finishes. Such strict schedule is not very convenient for every customer group, it

is better to make breaks when customers would like to have them, rather than fixed time breaks.

However, another type of customer interaction exists, according to which the degree of interaction between the customer and employees is much more higher (Jayawardena 2004). For instance, a company produces a plan of the activity and gives it for evaluation to the customer and he/she can make any changes to this plan according to his/her personal wishes.

#### 5. Service Design is ongoing

Service is perishable and simultaneous, this mean it cannot be pre-produced and stored until someone buys them, it is produced and consumed at the same time. Service is intangible, it can be only experienced (Tonder 2008). Unlike packaged goods, service cannot be owned by a customer, for example hotels provide service of overnight stay, customer does not own the room, it is rented for a short period of time, for the duration of the time that the customer has paid for.

When you book a holiday, you cannot see the product beforehand, you can see the photos of the room where you will live, but you cannot predict the overall experience of your holiday, because the evaluation of the holiday as a service is extremely subjective, that is why service cannot be the same for everyone (Patel 2010).

One of the advantages of the service design is that it helps to develop service constantly, so service is not staying completely the same during its lifecycle.

#### **Service design as multi-disciplinary process**

Service design is a multi-disciplinary field. (Moritz 2005) It takes and adopts the most important experience, information, knowledge and tools from several different fields of expertise in order to solve problems and challenges of service field. Service design mainly integrates management, marketing and design.

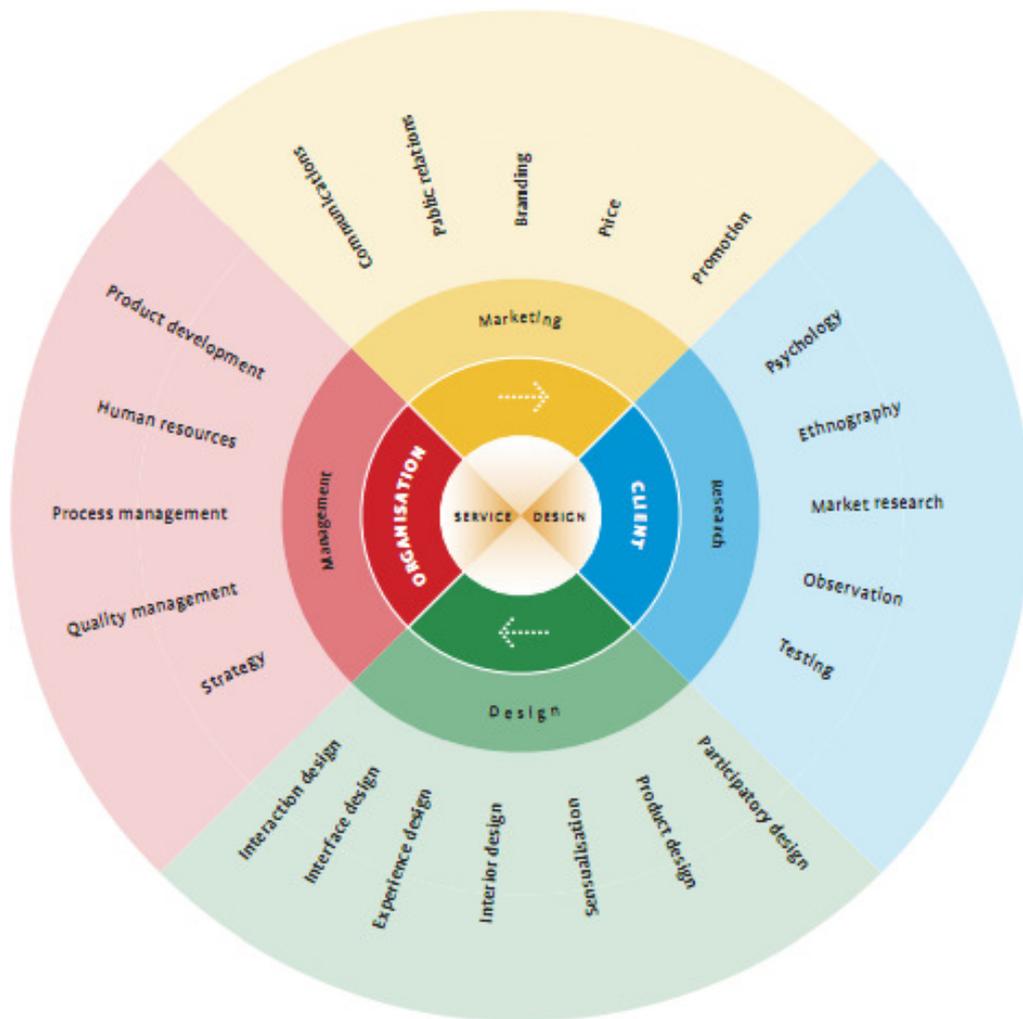


Figure 2 Service design fields of expertise (Moritz 2005)

Figure 2 above shows how many fields are integrated into service design. All those fields should be integrated together in order to establish a good connection between the organization and client.

## 4 Service design benefits

Why should companies use service design? There are several benefits, which service design brings; below I listed several examples:

### 1. Higher effectiveness

In order to implement service design, the company should constantly examine customers' needs and the market. It helps to create the better service and to make the service process more fluent. Thus customer satisfaction increases. (Moritz 2005.)

### 2. Service design makes the company and client to be closer

The customer is an important source of information for a company; that is why service should be made from a perspective of client, not the company (Moritz 2005). Company should realize what exactly they offer for a customer in terms of customer value, not by focusing on the product, but focusing on customers. In many cases customers are looking for the solutions rather than for a product, the firm should realize that they are offering solutions. (Patel 2010.) In such case customers will be more satisfied and they will become loyal.

### 3. Higher quality of service

Service becomes more targeted for particular customer groups and this improves customer service. Quality of service is very dependent on every interaction between service provider and customer, so it is vitally important to have educated and trained personnel, who can work with different customer groups and not just offer standardized product to all customers. Employees should be motivated to provide customer satisfaction; service culture should be created in a company. (Patel 2010; Jayawardena 2004.)

### 4. Competitive advantage

Kotler (2006) stated in his book that competitive advantage can come in one or a combination of the following factors: price, service, quality, location, or imbedded customer base. Service design deals only with quality and service

factors, for instance, two companies can provide totally similar service, however, the way how they provide this service could be totally different. In order to gain competitive advantage you have to make an extra step in your service. Let's take a hotel industry as an example: if you have only one customer at the check-in, why not lead the customer to his room, instead of just giving the directions how to get to the room, customers will appreciate it. Here is why service design helps to differentiate against competitors.

#### 5. Changes the organizational culture

Almost all the departments in a company should be involved in service design, because in order to offer a good service, people from different departments should work together to make overall experience of the service more solid (Moritz 2005).

What is more, customization of service requires higher level of employee's empowerment, they have to have freedom to make decisions in order to address customer's problems and meet their unique needs. Basically it means that standardized services require more rules and regulations, while service design approach require high employee's empowerment. (Jayawardena 2004.)

## **5 Service design processes**

As it was mentioned before service design is a process of 4 d's(discover, define, develop, deliver), it is a crucial part of service design theory, in other words it is a base of service design. However, 4 D's do not include all the essential and important tasks of service design, here is why Stefan Moritz in 2005 developed 6 categories instead of the 4 original ones. He named them SD Understanding, SD Thinking, SD Generating, SD Filtering, SD Explaining and SD Realising. Stefan Moritz's service design model covers almost everything what service design delivers, however, still it is a simplified model, which was designed in order to give clear overview about the service design even for a non-professional reader.

### **5.1 SD Understanding**

In order to provide highest possible level of service, first, it is absolutely essential to get deeper understanding of your clients, business environment, and industry in general. It does not mean that it is enough to find out only what clients do not like, it is very important to go beyond this simple characteristics, to find out their needs, wants, motivations and real desires.(Moritz 2005.) Many companies make the same mistake, they design services from the perspective of developers of these services, and do not try to find out about the real client's needs.

Additionally, external business environment should be examined. External business environment includes: political situation, legislation, economic situation and cultural background of clients.

Customer's segments and business environment are not the only factors that influence on quality of services. Deep understanding of one's own company should be developed, because a company should clearly estimate its resources, it should be aware of technology that is available, personnel, finance and languages, which are spoken by employees.

Service design understanding reveals a big amount of subjects, which should be examined. These researches about different subjects could be done in many

ways, such as benchmarking, market segments, context analysis, expert interviews and experience test and several other. (Moritz 2005.)

## **5.2 SD Thinking**

Service design thinking reveals the overall objectives of the service design process. It sets the parameters for other categories. (Moritz 2005.)

SD thinking is strategy for service design development, which is based on the data and information received in SD Understanding.

As all strategies SD thinking starts with objectives, goals, mission and vision. Then problems, focus and motives should be identified. Additionally, competition analysis should be done more properly. At the end clear directions such as time plan and design guidelines should be made. What is more, at this stage service design team should be set.

## **5.3 SD Generating**

SD generating is about developing, coming up with ideas and concepts. On this step service experience should be designed in detail. SD generating is based on SD thinking and SD understanding.

This step should be done by a good and creative team in a suitable environment, in which better ideas could be developed. For example, sd generating for an opening hotel should be done in another hotel, because team in a hotel environment can produce better ideas.

SD generating includes many tasks, such as developing ideas and processes about the service. Several scenarios should be made in order to addressing possible future problems more smoothly. Already on this step unique ways of how to work with different customer groups should be designed.

Those tasks could be done with quite simple tools and methods, such as brainstorming and simple team discussions. (Moritz 2005.)

## **5.4 SD Filtering**

All the ideas developed on the previous step should be carefully examined and only the best, most appropriate and relevant ones should be chosen.

The next step is to test all the chosen ideas for further filtering. During this step quality is tested and measured. All the services should be evaluated from economical, legal and technical points of view.

## **5.5 SD Explaining**

During this step solid picture of the future service is shown. SD explaining is necessary for shaped understanding and to test service experience.(Moritz 2005.) Furthermore, decisions about the different details should be made, for example, it could be any small detail such as the decisions on exact words for greeting the customers or the instructions how to find a room.

In general, it is like producing the very first alpha-version of the product, so all the main components of the service are already there; however, several important details should still be created.

Role playing is an excellent tool to walk through all the possible service scenarios and to make crucial decisions about the service in order to make service process more smooth and to address possible problems in advance.

## **5.6 SD Realizing**

If we continue analogy from a previous chapter, SD Realizing is like producing the beta-version of the service. SD realizing makes a service happen, SD realizing is taking service to market. (Moritz 2005.)

Final testing on processes and experience is done during this step. New companies are producing the business plan, while the existing ones just introduce the new services. Company should organize training and guidelines for staff in order to ensure that staff is able to put the service into action.

This is the last step of service design, however the process is not finished, because service design is an ongoing process, there is always room for development.

## Service design order of implementation

Unlike in product development, there is no strict order of service design process. Service design can start with an unique idea or with particular goal to attract more clients. Additionally, service design is used not only for making new services, but also for improving already existing ones. In this case several steps of service design process could be skipped. In figure 3 below, there is a simple model, created by Stefan Moritz, which shows how all six steps of service design are connected and tied together, because of that, no matter how company starts its service design process it will cover all the steps of SD process in some way.

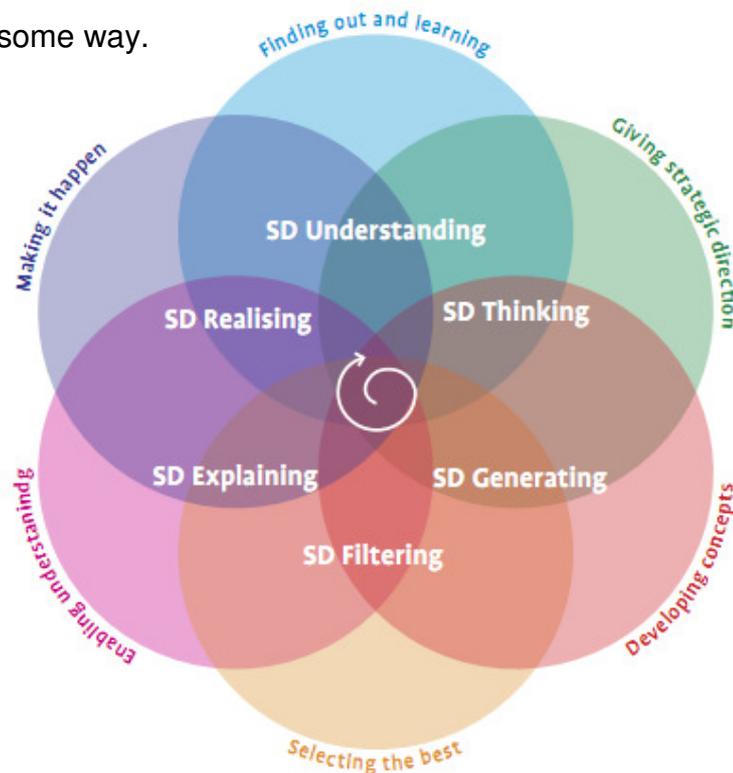


Figure 3 SD order of implementation (Moritz 2005)

## 6 Case company

Case company is Holiday Club Saimaa. This is a new resort situated on the Lake Saimaa, particularly in the Rauha area. It is a brand new resort, which was established by Holiday Club Resorts Oy. Holiday Club Saimaa is a big part of Saimaa Gardens.

Holiday Club Resorts Oy was established in 1986 and now has 588 employees. It has 24 destinations in Finland, 2 in Sweden and 5 in Spain. Holiday Club Resorts Oy has 45,000 shareholders. According to the web-site of Holiday Club Resorts Oy (2012) the company is the largest vacation ownership enterprise in Europe.

The concept of Holiday Club Resorts Oy includes the following aspects: spa, hotels, time share accommodation and Holiday Club villas. Inside the premises the company follows a set of several components: meetings, activities, treatments, food and wine and entertainment and shows (Holiday Club Resorts Oy 2012). The mission of the company is “to create dream holidays” and the vision is “to be the leading timeshare company in Europe and the leading leisure-time housing and travel provider in the Nordic countries” (Holiday Club Resorts Oy 2012).

Holiday Club Saimaa is a new hotel, which was opened 14 October 2011, it offers not only accommodations of different types, but also it has:

- Ice arena (with ice skates rental),
- Cirque de Saimaa spa: fountains, water-park attractions and the sauna world, waterslides and roof-terrace wooden bath tubs
- Wellness area with pampering treatments
- BowlCircus bowling arena
- 18-hole golf course
- 3 restaurants(Easy Kitchen, O’Learys and Le Biff)

Hotel has wide choice of conference facilities, such as different sized conference rooms as well as meeting rooms, what is more, ice arena can be

turned into conference hall/concert hall which can host up to 1,750 persons.  
(Holiday Club Resorts Oy2012.)

As you can see the resort is very big, and in this thesis I would like to pay my attention only on one department. I would like to focus on guest activities department, which includes waterpark zone, saunaworld, bowling, badminton, gym and partly "Beatles bar". I take this department because I am employed in it and I have access to all necessary information and resources inside this department.

## 7 Guest Activities' touchpoints

As it was discussed earlier customers face with different touchpoints, main interaction between customers and company happens at those touchpoints. Let's think of the touchpoints with which Russian customers are facing in guest activities department.

As an example let's take Russian family from Wyborg, who decided to visit Holiday Club Saimaa as a day trip. First touchpoint is Holiday Club Resort's website, where they gather information about the hotel. In my opinion, website is designed very well and it has Russian language version, which is very crucial for Russian customers. Overall experience of this touchpoint is on average level, because it provides all the necessary information about the hotel in Russian language, however there are things that should be improved in order to leave good image about the hotel. The main problem that Russian customers notice is the translation of the website, although you can understand all the information, there are a lot of of translation mistakes and misspellings. Russian version of site gives the impression of sloppy work.

Our imaginary Russian family can easily find address of the hotel, and they would like to use their GPS navigator to find the way to the hotel, however due to the fact that the hotel is new, it is still missing on quite many maps, so this is where next touchpoint comes to the stage. The next touchpoint is road information signs, which helps to find the resort. I think that this touchpoint is on a good level, because there are plenty of signs on the way to the hotel, and it is quite easy to find the resort by following them.

Next touchpoint is parking place. Holiday Club Saimaa has a big parking space, however, every month we receive complaints, that our parking lot is not big enough. We receive such complaints because we have another very small parking place just in front of the main entrance, and the big one is behind the hotel. However quite many people do not know about the big one. This problem could be solved by putting the parking signs in the appropriate places.

As soon as the customers get inside the hotel they face with the next touchpoint -indoor signs, this thouchpoint is on the high level, because signs are very

simple and informative. By following them customers can find guest activities department quite fast.

Finally customers get to one of the most important touchpoints - guest activities reception, here they can buy tickets to the waterpark, book a bowling line, buy tickets to the gym, rent badminton/table tennis equipment, book group lessons and to book place in a kids' world. I think this touchpoint is on the high level, for many reasons. In my opinion, guest activities department uses service design, without realizing it. There are several reasons for that, let's start with the employees. There is always a Russian speaking person at the reception, because we have 3 Russian speaking employees in our department, and shifts are designed in such way that almost every day there is at least one Russian speaking staff member. Next very important issue is that all printed materials are available in Russian language. Additionally, when a Russian customer rents a bowling line, we can set the scoring computer to be in Russian language, to make sure that Russians feel comfortable while they put their names to the bowling computer.

As you can see, language issues are very important, because they allow Russians to use all the services in the hotel. Other very good examples, which deal with language issues are gym and kids' world. If customers book group sport activities one day before the actual training, a Russian speaking personnel trainer/instructor will be present in the training session. The same issue with kids' world, if parents would like to leave kids for few hours in kids' world with Russian speaking personnel, they should inform about that one day before the actual stay.

Another good example of service design at the guest activities reception is that quite many Russians are coming with families, and they in contrast with Finnish customers do not know about the existence of family tickets, and all the time we have to mention that it is economically better to buy family ticket for them. We have to mention how much do they save with family ticket in order to increase customer loyalty.

Next, customers face with other touchpoints in the waterpark, however these touchpoints are pretty much standardized, and nothing special can be changed.

As you can see from this chapter, hotel management clearly understand that Russians are big and important customer group, and that customer service for them should be provided in a little bit different way.

In my opinion Holiday Club Saimaa is using service design concept in some way, however they just do not call it "Service Design".

## **8 Interview results**

In order to find out what Russian customers like and dislike about the hotel, four informal interviews were organized. Two respondents were hotel guests, they stayed in the hotel overnight; and two were walk-in spa guest and bowling guests. Sample group is four persons, this is quite a small sample group, but this is enough for observation research method, which is the main method in this study. This method requires a sample group which adequately answers the research question (Marshall 1996). Additionally, this sample group represents typical customer groups: guests who stay in the hotel overnight and guests who come just to use hotel services.

Interviews helped to confirm results which I obtained during the observation and to gather new information about the services for Russian customers.

Interviews were absolutely informal; there was no special structure for them. I asked simple questions like:

- Likes/dislikes about the hotel
- What is the most important issue about the services
- What they would like to change/add
- Comparison with competitors

Respondents were not very talkative about the likes, they just told that they are satisfied with the hotel and services and they just mentioned some basic things such as layout and design of the hotel, food and activities.

All the respondents mentioned that language issues are extremely important for them, and that it is huge advantage for them if hotel has Russian speaking

employees and they are happy to see that we have plenty of them in Holiday Club Saimaa.

The most informative and valuable part of the interviews are dislikes about the hotel, almost all the complaints/dislikes were based on comparison with other hotels.

Walk-in customers mentioned that 2-hour session in the spa is too short for them and that for the value of money it would be nice to have longer time limits. (single visit to the aqua zone for walk-in customers is limited to 2 hours)

Women told that they did not feel confident in the changing cabin, because it is impossible to lock it from inside. I would like to add that it is not the first time I hear such complaint, quite many people had already told about it.

One person had recommendation for a saunaworld, he said that he was in saunaworld with a small kid, who was embarrassed as some Finnish people who went to saunas naked, this respondent recommended to use sheet/towels all the time. I have to say that it is not allowed to go into saunas in swimming suits, you should go either naked or wrapped in sheet/towel.

People who stayed in the hotel overnight told that they would like to have a morning swim before checkout from 7 till 10 like in Imatran Kylpyla, however spa in holiday club is open only from 10 till 22. Another very important issue is that Imatran Kylpyla offers spa entrance tickets for half price for people who have already checked-out.

Three respondents, who played bowling, complained that we do not have disposable socks. In Russia all bowling centers have disposable socks, so it is very unusual for Russians not to have them, and they expect to see them in our bowling, too.

Above were mentioned only the most relevant answers that are more or less connected to the guest activity department.

## **9 Service design implementation in Holiday Club Saimaa**

As it was described in “Service design processes” chapter, service design follows simple idea of 4 d’s (discover, define, develop, deliver) and by following these steps it is quite easy to implement service design even in already existing company. We can use the simplified model of service design implementation which was developed by Stefan Moritz in 2005. According to this model, one of the steps is service design understanding.

One of the most important steps in service design is to discover/understand clients and business environment.

Let’s start with clients. Hotel has been operating for already half a year and a lot of feedback has been collected. Management should carefully study this feedback and they have to concentrate not only on negative feedbacks, but also on positive, because it will help to establish understanding what Russian customers really like; and it will help to implement these positive issues among all departments. As an example let’s take what was mentioned during the case interviews, all respondents expect disposable socks in bowling, in my opinion, these socks should be bought by a company, because it is not an expensive purchase, however it makes additional value for customers, thus it increases customer satisfaction.

Cultural background of clients is a very important issue, employees should know at least something about the Russian culture, for example it would be nice to know about the main Russian holidays in order to greet Russians on their holidays. For example, unfortunately not all employees know that Christmas and Easter do not match with Finnish holiday dates. This small issue, like greeting on Russian holidays, will make customers feel more comfortable.

Next step is competitors’ analyze. Holiday Club should analyze Imatran Kylpyla, because Imatran Kylpyla is a hotel with similar concept, it provides accommodation, spa and bowling services and it has been operating in this field of business already for 20 years. In my opinion the only thing that Holiday Club should implement in their services is morning swimming times for hotel guests, which was mentioned during the case interviews.

Next step is to estimate company's resources and technologies. Personnel is one of the most important resources of the company, they have to be motivated to provide high quality service. It was mentioned several times before, that for Russians it is extremely important to have Russian speaking employees, so hotel management should carefully design working schedule, once again they should be aware when hotel will have a lot of Russian tourists (for example during the Russian holidays) and they should put more Russian staff on those days.

Hotel should clearly estimate technologies that they have, a small example is TV panel in the rooms, TV's interface language should be changed according to the customer group, technically it is possible and holiday club has such opportunity.

SD generating/SD Filtering/SD explaining: these steps are not very suitable in our case because it is for new/not established companies, because here the ideas and concepts about the service should be developed, then they should be filtered and only the best ones should be chosen.

However, I would like to mention, that before opening, Holiday Club Saimaa organized massive education for all future employees, where each department was developing different ideas and concepts for the future services. We went through different scenarios in order to address possible future problems more smoothly. We used role playing, brainstorming and team discussions as tools to go through all scenarios. Then all ideas were filtered and only good ones stayed.

What is more, we used even testing technique, all employees stayed in the hotel overnight before the grand opening, we were using main services of the hotel, we had to evaluate our stay and wrote feedback.

Basing on observation and interviews, Holiday Club Saimaa should go through possible scenarios and use "prototypes" before launching and introducing new products to customers. As an example, this summer, golf field will be opened, and before that time management should organize meetings with employees in order to discuss future golf operations.

As you can see, Holiday Club Saimaa successfully utilizes service design concept from the very beginning. They designed their services both for Finnish and Russian customers. Holiday Club Saimaa was built with the aim to attract more Russian tourists to this region, that is why all services have been developed and designed so they are suitable for Finns and Russians.

## 10 Conclusions

The research gives a general idea about the service design; particularly service design for Russian tourists, because there is not enough reliable data so far. First the theoretical framework of the study was determined. Various books and internet sources were reviewed.

When I started to research this topic, I thought that service design is a completely new field of studies, however, later I realized that service design follows old ideas of segmentation, but just uses new techniques and approaches.

The same issue with empirical part, I thought that almost no one uses service design concept, however, after researching service design approach, I came to conclusion that quite many companies are using it already. Results of the research show that Holiday Club Saimaa implements almost all aspects of service design. Hotel management understands that Russian tourists have huge potential and they are trying to improve services for this segment. However, they do not call it “service design”, so basically they are using it without realizing it. Of course, I listed quite many particular things, which should be improved in order to satisfy Russian customers better, but we have to keep in mind that the hotel is new and it is still developing, I think that these issues will be fixed in the near future.

Research showed that for Russian tourists, language issue is still obstacle number one. Luckily, majority of tourism companies understand it, and they employ more and more Russian speaking employees. Company should translate web-site and all available printing material, if they cannot afford to hire a new employee.

Already existing SMTE in Finland should understand that service design does not have strict order of implementation, they can start to change only the most important issues in the company first. Service design does not require changing companies' organization culture in one day, it could be a long process. However, the most important issue, which company should keep in mind, is that they must listen to their customers, company should understand them; they

have to make changes according to customers' wishes. What is more, services should be made from a perspective of client, not the company.

All in all, service design is an extremely useful concept, because it helps to increase customer satisfaction, which leads to a competitive advantage.

However, this field as a solid "Service Design Concept" is not studied enough, further researches are required.

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