



**LAUREA**  
UNIVERSITY OF APPLIED SCIENCES

*Prime Mover*

# Defining customer experience in four star hotels in Finland and in Russia

---

Jegorova Alena

Sindonen Ilmari

2013 Laurea Leppävaara

**Laurea University of Applied Sciences**  
Laurea Leppävaara

**Defining customer experience in four star hotels in Finland and in Russia**

Jegorova Alena, Sindonen Ilmari  
Degree Program in Hospitality Management  
Bachelor's Thesis  
September, 2013

Jegorova Alena; Sindonen Ilmari

### Defining the Customer Experience in four star Hotels in Finland and in Russia

Year	2013	Pages	96
------	------	-------	----

---

The main objective of this case study was to define customer experience in four star hotels in Finland and in Russia. The commissioners of the project are a Finnish hotel “Helka” and a Russian hotel “Helvetia”. Both organizations belong to the four star hotel category with a similar range of services. The hotels’ location allows easy access to all central places such as the central railway station, shopping malls, theaters and museums. From the commissioners’ perspective the main purpose of the case study is to identify the hotel services’ weaknesses and to develop improvement suggestions based on the research results. In order to obtain reliable results related to the drawbacks of the hotel service, it is essential to identify similarities and differences between hotel management systems. Furthermore, customer satisfaction research provides most objective and reliable information about the current situation in the hotels as well as customers’ opinions and attitudes toward the organizations.

Working on the project started with gathering information and building a theory base. In order to obtain additional information about the hotels, the managers were contacted and appointments were arranged for carrying out an interview. The theoretical framework of the thesis consists of theory about services and service design, consumer behavior and customers’ buying preferences, customer service and its interaction with customer satisfaction, as well as a definition of customer loyalty. Furthermore, the theoretical section provides information about service design, because the concept of service design was applied throughout the thesis working process. During the first stage of SID, Understanding, was applied in the format of a stakeholder analysis, blueprint and interview methods. The second stage, Creating, included benchmarking, 5 Why and personas methods. One of these methods, personas, was used for completing customer journey maps, implemented during the third stage. In the final stage of service design, Delivering, a customer journey map was drawn up, as well as mystery visitor and customer satisfaction research were conducted.

The customer satisfaction research was carried out based on the customers’ reviews in the web portals booking.com and tripadvisor.com. Customers’ accommodation experiences are very important for presenting a real situation in the hotels. Analyzing the feedback enabled an understanding of the current situation in the hotels and identifying positive issues of the provided services. The quality of the hotels’ services is almost on the same level, the average score for Helka was 8.2 and for Helvetia 9. Customers are satisfied with the customer service and with the employees’ “Yes, I can” approach. Differences between the hotels’ management systems were identified. The Finnish democratic style of management is not suitable in Russian hotels, due to a different mentality and culture. Based on the customers’ negative reviews, conclusions were listed, which determined the areas for improvement and improvement suggestions. Areas for improvement were related to customer service, hotel state, additional services, customer loyalty level and increasing customer satisfaction.

Key words: Customer experience, service design, customer service

Jegorova Alena, Sindonen Ilmari

## Asiakaskokemuksen määrittäminen neljän tähden hotelleissa Suomessa ja Venäjällä

Vuosi 2013 Sivumäärä 96

---

Opinnäytetyön päätavoitteena oli määrittellä asiakkaiden kokemukset neljän tähden hotelleissa Suomessa ja Venäjällä. Projektin asiakkaita olivat Suomen hotelli ”Helka” ja Venäjän hotelli ”Helvetia”. Molemmat yritykset kuuluvat neljän tähden hotelliluokkaan ja tarjoavat samanlaisen palveluvalikoiman. Hotellien sijainnit mahdollistavat helpon pääsyn kaikkiin tärkeisiin paikkoihin, kuten päärautatieasemalle, ostoksille, teattereihin ja museoihin. Asiakkaiden näkökulmasta tutkimuksen päätarkoituksena oli tunnistaa hotellien palveluiden heikkoudet ja kehittää niitä tutkimustuloksien perusteella. Saadakseen luotettavia tuloksia, jotka liittyvät hotellin palveluiden epäonnistumiseen, oli tärkeää tunnistaa erot ja yhtäläisyydet hotellien hallintatavoissa ja järjestelmässä. Sen lisäksi asiakastytyväisyys tutkimus tarjoaa eniten objektiivista ja luotettavaa tietoa hotellin nykytilasta, kuten myös asiakkaiden mielipiteistä ja asenteista hotellia kohtaan.

Hankkeen työskentely alkoi tiedon keräyksestä ja teoriapohjan rakentamisesta. Saadakseen lisätietoja hotelleista opiskelijat ottivat yhteyttä hotellien edustajiin ja järjestivät tapaamiset haastatteluja varten. Opinnäytetyön teoria koostui palvelusta ja palvelun suunnittelusta, kuluttajakäyttäytymisestä sekä asiakkaiden ostomielityksistä, asiakaspalvelusta ja sen vuorovaikutuksesta asiakastytyväisyyteen sekä asiakasuskollisuuden määrittelystä. Lisäksi yksi tärkeimmistä teoriaosuuksista liittyi palvelumuotoiluun, koska palvelumuotoilu- käsitettä on sovellettu koko opinnäytetyöprosessiin aikana. Palvelumuotoilu koostuu kolmesta eri vaiheesta: ensimmäisen vaiheen aikana ”Ymmärtäminen” on sovellettu sidosryhmäanalyysi, blueprint ja haastattelu-menetelmiä. Palvelumuotoilun toisessa vaiheessa ”Luominen” on käytetty benchmarking, 5-Miksi ja persoonat menetelmiä. Yhtä näistä menetelmistä, persoonat, käytettiin asiakkaan matkakarttoja laatiessa, mikä toteutui kolmannessa vaiheessa. Palvelumuotoilun loppuvaiheessa ”Tulokset” on sovellettu asiakkaan matkakarttoja, mysteerikävijä tutkimusta sekä asiakastytyväisyystutkimusta.

Asiakastytyväisyystutkimus perustuu asiakkaiden hotelliarviointeihin web-sivustoilla [www.booking.com](http://www.booking.com) ja [www.tripadvisor.com](http://www.tripadvisor.com). Asiakkaiden mielipiteet ja kokemukset majoituksesta ovat erittäin tärkeitä, jotta voidaan kuvata hotellin todellinen tilanne. Palautteiden analyysin avulla opiskelijat ymmärsivät hotellin nykytilan ja tunnistivat positiiviset kohdat hotellien palveluissa. Hotellien palvelunlaatu on lähes samalla tasolla, keskiarvopisteillä Helka 8,2 ja Helvetia 9. Asiakkaat ovat tyytyväisiä hotellien asiakaspalveluun ja työntekijöiden ”Kyllä voin” lähestymistapoihin. Opiskelijat tunnistivat erot hotellien hallintajärjestelmissä; Suomen demokraattinen johtamistyyli ei sovi Venäjän hotelleihin, koska mailla on eri mentaliteetti ja kulttuuri. Asiakkaiden kielteisten arviointien perusteella opiskelijat tekivät johtopäätöksiä, määrittelivät kehittämisalueita ja kehittivät parannusehdotuksia. Parannuskohteet liittyivät asiakaspalveluun, hotellirakennuksen kunnon parantamiseen, lisäpalveluihin, asiakasuskollisuuden sekä asiakastytyväisyyden kasvuun.

Asiasanat: Asiakaskokemus, palvelumuotoilu, asiakaspalvelu

## Table of Contents

1	Introduction .....	7
1.1	Working process .....	8
1.2	”Helvetia” hotel Saint-Petersburg brief information .....	9
1.3	”Helka” hotel Helsinki brief information .....	11
2	Service .....	12
2.1	Defining the customer segment .....	13
2.2	Service production, control and monitoring.....	14
3	Consumer behavior .....	15
3.1	Types of travelers .....	17
3.2	Tourist and hotel guest as a consumer .....	17
3.3	Purchase process .....	20
4	Customer service .....	21
4.1	Customer service from customer’s perspective .....	22
4.2	Defining ”quality service” .....	23
4.3	Customer satisfaction .....	23
4.4	Benefits of customer satisfaction .....	25
5	Measuring customer satisfaction .....	27
5.1	Methods of measuring customer satisfaction.....	29
5.2	Customer satisfaction survey at a glance .....	29
6	Service design .....	32
6.1	Service design development process .....	32
6.2	Service design experiences .....	34
6	Results of research .....	35
6.1	Interview.....	35
6.2	Stakeholder analysis .....	40
6.3	Blueprint .....	42
6.4	Benchmarking.....	44
6.5	”5 Why” method.....	47
6.6	Personas .....	48
6.7	Customer journey map .....	52
6.8	Mystery visitor method .....	68
7	Customer satisfaction survey ”Helka” hotel .....	70
8	Customer satisfaction survey ”Helvetia” hotel .....	73
9	Conclusions and improvement suggestions .....	77
	References .....	84
	Other sources .....	87
	Interview: .....	87

Figures .....	88
Tables .....	89
Photos.....	90
Appendixes .....	91

## 1 Introduction

One of the biggest tourist segments in Finland are Russian tourists. According to the Centre of Developing Tourism in Finland (Fontanka 2013), over the New Year holidays 2013, about 400000 tourists from Russia visited Finland. According to RosTur Union (2013), Finnish tourists are also interested in travelling to Russia, but not in such large volume. Finnish tourists mostly are interested in visiting the biggest Russian cities such as Moscow and Saint-Petersburg. Saint Petersburg is called “The capital of Russian culture”; its museums, theatres and other cultural entertainment attract Finnish tourists. It is difficult to measure how many Finnish tourists travel to Russia every year, roughly speaking less than 50% of total amount of Russian tourists in Finland. According to Russian embassy, about 8 million tourists cross the Russia-Finland border every year (RCT 2012). Russian tourists spend about one billion Euros in Finland in one year. Summer and Christmas holidays are very profitable seasons for the hospitality organizations to make income. One of the main criteria of successful holiday for the customers is quality of hotel services and customer service as well (Yle uutiset 2013).

The main objective of the thesis is to define customers’ experiences in Russian and Finnish hotels. The stakeholders of this project are students and supervisors from Laurea University of Applied Sciences, Finnish hotel “Helka” and “Helvetia” hotel in Saint Petersburg. The project will be concentrated on hotels’ customer service for Finnish tourists in Russia and in turn for Russian guests in Finland. Another important purpose of the project is carrying out a customer satisfaction research. It will include Russian and Finnish tourists’ reviews about the chosen hotels. The research will provide reliable information about customers’ opinions, expectations and accommodation experiences in the hotels in both countries. Based on the research and service design results, to the customers will be provided suggestions for hotel services’ developing.

Customer service is the main key to customer satisfaction and customers’ ability to enjoy their stay at the hotel. Excellent customer service is a prerequisite for the tourism’s grow and customers’ amount increasing in Finland and in Russia. One of purposes of case study is identifying the level of customer satisfaction among Russian tourists in Finnish hotels and Finnish tourists in Russian hotels. Customer satisfaction depends on service quality, and it is essential to determine the weaknesses and problems of customer service in the hotel sector, especially in the hotels, which were chosen as target organizations- “Helka” hotel in Helsinki and “Helvetia” hotel in Saint-Petersburg. The thesis has been created on a basis of service design methods. Service design methods have been used for analyzing the current situation in the chosen hotels and creating improvement suggestions for developing hotel services.

The main point of service design is making a service more usable, valuable, effective and demand among the customers. Service design is not a tangible process; it is about interactions between the customers and a supplier, which are usually called “touch points”. Service designers recognize the problem areas and make improvement suggestions. There are various ways of improving the service, for example space renovation for more efficient use; redesigning the products, which brings more value to the service; creating new methods, tools and generating ideas for service developing (Mager 2013).

### 1.1 Working process

One of the first stages of thesis working process was collecting the information from different sources and building a theory base. Furthermore, it was essential to get familiar with the hotel customer service systems in Finland and in Russia. At the same time, hotel managers from “Helka” hotel and “Helvetia” hotel Saint Petersburg were interviewed in order to obtain additional information about the hotels. Working on the project occurred by cooperating with two four star hotels, which were chosen from the hotels top-lists. The students decided not to involve a large amount of hotels into the project, because otherwise it would be too extensive field to work. Both hotels are located in the center of the cities and provide the same range of services. After familiarization with the hotels, students developed a research plan. Due to the research it will be possible to define negative/positive sides of the hotels’ customer service.

Throughout the working process has been used a service design concept. In each stage-understanding, creating and delivering have been used coherent and suitable service design methods. During the first stage, for understanding the background, were chosen interview, blueprint and stakeholder analysis methods. Managers of the hotels were contacted for additional information and possibility to interview employees personally. An e-mail interview was possible too, but face-to-face communication is more effective method and brings more positive results. Interviewing “Helka” hotel’s manager was much easier, because it is situated in Finland. Interview contained questions related to different areas of customer service and hotel management. One of the purposes of interview is learning employees’ experiences and opinions about the customer service situations. Interviews have been recorded to audio recorder device, which made it easier to analyze the interviews afterwards.

In the second stage of service design process have been selected benchmarking, “5 whys” and personas-method. Benchmarking has been used for defining the strengths and weaknesses of two organizations with similar services in two different countries. Based on the results of benchmarking students analyzed the similarities and differences in hotels’ management systems. 5 whys method enabled students to identify the problems and resolve the issues, ap-



peared during the research period. 5 whys method is an effective tool in situations, when it is necessary to find a solution to the problems. One more service design methods, which have been used during creating phase, is personas. The profiles of possible hotel customers were designed and described in details. In the final stage of the process created personas were involved in the process of completing customer journey map.

During the final phase of service design “delivering” were applied customer journey map, mystery visitor and customer satisfaction survey methods. “Mystery visitor” is one of the most efficient ways of measuring hotel service quality. The services of the target organizations were consumed by the “mystery visitors” and the results of the visit were analyzed. Mystery visitor method enables to reveal problems and to ensure quality of customer service as well as other services in the hotels. This method provides an opportunity to check the employees’ behavior while they are not aware that they are being checked. Customer satisfaction survey enabled students to get familiar with the customers’ experiences and provided information about both positive and negative sides of hotels’ customer service, facilities and services. Customer satisfaction survey was conducted on the basis of information obtained from tourist review web-sites, such as [www.hotels.com](http://www.hotels.com), [www.booking.com](http://www.booking.com) and [www.tripadvisor.com](http://www.tripadvisor.com).

In the end of working process students generated ideas for customer service developing and improving the areas, which proved to be weak based on the results of service design. One of the methods, which were used in the second stage of service design- 5”Why” has been successfully implemented again in order to find solutions for encountered problems. Idea generation phase included different tools such as sticker votes, brainstorming, 6#6 and other methods of creating innovations and developing the services of target organizations. As a result of the project work, to the customers were provided suggestions for improving some details of the hotel services, proposals for improving customer service and updating some of the systems, which are interrelated to the customer service.

## 1.2 “Helvetia” hotel Saint-Petersburg brief information

Russian hotel “Helvetia” St. Petersburg belongs to four star hotel category. It is situated in the central location in few minutes walk from the Nevskij Prospekt. Hotel’s guests may reach the main places of interests by foot. The hotel is housed in building, which was designed by the Swiss architect Augusto Lange in 1828. “Helvetia” is a middle size hotel with 75 rooms. All the rooms are comfortable and cozy; the decoration of the rooms is in classic style with modern or baroque elements. The hotel features seven room types with a wooden parquet floor, new furniture, tiled bathrooms, coffee/tee facilities, TV and air conditioning. There is also Wi-Fi connection possibility. All the rooms are located in a hotel complex of three buildings.

Hotel provides a porter service, which assists the customers with a luggage (Helvetia Hotel 2013).

From a variety of rooms guests may choose compact, classic, superior, combined rooms, junior, classic suite or Helvetia suite room category. Compact room is a little room with parquet floor, one single bed and a work desk. It also features a mini bar, free Wi-Fi, tea/coffee facilities, room safe, TV, hair dryer and slippers. Classic room category is a room with twin or queen size bed with the look into inner court. Rooms are well designed and equipped with parquet floors. The bathrooms feature toiletries, fluffy towels and slippers. Rooms are equipped with a TV, hairdryer, tea/coffee facilities, safety box, mini bar and free Wi-Fi connection (Helvetia Hotel 2013).

Superior rooms are designed in a classic style with baroque elements. The windows overlook the Marata Street, which is one of the most famous streets of the city. All the equipment, which is available in the classic room, is also provided in superior room. Superior rooms are located in the building without elevator, but the porter delivers and collects the luggage, when it is necessary. Combined rooms are a good choice for the families. This room category has everything needed for a full family holiday. There is a king-size bed in one room and double or twin beds in another room. Combined rooms may be two classic rooms or one classic and one suite room connected through a small hall. Junior suite is a luxury designed room with the domination of classic style; it has an atmosphere of old Saint-Petersburg. Rooms' amenities include mini bar, free Wi-Fi, tea/coffee facilities, safety box, flat screen TV, hair dryer, slippers, bathrobes, cosmetic set and ironing board (Helvetia Hotel 2013).

Classic suite is a big apartment with a king bed and kitchen area. The rooms are designed in contemporary classic style. Dining room is separated from the bedroom by the glass wall. The kitchen possibility is a good addition for the families and "long stay" guests. In all the room there are handmade chandeliers made from Murano glass. The bathrooms are decorated by natural stone. Suite room has a large "king size" bed, two flat TVs, electronic safety box, free Wi-Fi, kitchen area (with cooking top, cooker hood, refrigerator and microwave), kitchenware, dishes, bathrobes and slippers, hair dryer, mini bar, hypoallergenic pillows, ironing board, shift of linen and towels daily. Helvetia suite is a stylish suite which comprises a drawing, a cozy bedroom, a walk in wardrobe and marble bathroom. The suite features the same amenities as the classic suite, but there is no kitchen in the room (Helvetia Hotel 2013).

"Helvetia" hotel offers two restaurants- Marius and Clairnet wine restaurant. Marius is a beer restaurant with European cuisine. It has a huge selection of different beers and wines with different starters. Clairnet is a traditional European cuisine restaurant with dishes that are suitable with wine; it is a restaurant suitable for romantic dinner or a business meeting. Also,

all the guests are welcome to use a meeting room, conference and banquet facilities, business room, currency exchange and concierge services for example ordering transfers and tickets, library, guarded street parking, laundry, luggage room, shoe shine service, ironing service, wake up service, visa support, all rooms are non-smoking (special places for smoking provided), Russian tea (Helvetia Hotel 2013).



Photo 1: "Helvetia" hotel Saint-Petersburg (Hotel Helvetia 2013).

### 1.3 "Helka" hotel Helsinki brief information

"Helka" is a three and half star hotel, located in the center of Helsinki, 250 meters away from Kamppi metro station. Hotel is located in a building, which was built in 1920 and later renovated. Hotel "Helka" was founded in 1969. "Helka" hotel's main segment of customers is business travelers. Hotel's location allows easy access to all central places, for example central railway station, shopping places, theaters, museums and other sightseeing places. Hotel is stylish and modern, interior and furniture represents Finnish style. There are 149 rooms in the hotel- 58 single rooms, 63 double rooms, 25 double rooms with extra bed, 4 suites and 3 apartments. All of the rooms are non-smoking, for smoking customers a special place for smoking is provided. All the rooms are bright and spacious, the interior contain elements of various Finnish designers' works such as Artek and others. There are air-condition, minibar, hair-dryer and flat panel TV in each room (Booking.com 2013).

In addition to standard hotel accommodation, "Helka" hotel offers three apartments near the hotel building. These apartments are suitable for travelers, who would like to feel like home in another city or stay for a longer period due to business/leisure trip. The apartments are spacious, about 60m<sup>2</sup>, and equipped with all necessary devices- home cinema, iron and washing machine. As well as in the hotel free wireless internet is provided free of charge. The apartment price includes cleaning service once a week. All the hotel services are available to the customers of the apartments, for example sauna department, conference rooms, restaurant and lobby bar. Guests are welcome to enjoy breakfast and dinner at the hotel, or they

have a possibility to prepare dishes in the apartment. Kitchen is equipped with everything needed, such as coffee-maker, electric kettle, toaster, microwave oven, dishwasher and kitchenware (Helka hotel 2013).

Hotel offerings include “Keittiö” restaurant for up to 120 customers, room service, business corner, laundry/dry cleaning, bicycle rental, shoe shine service, free Wi-Fi in the rooms, currency exchange service, lounge and a “cigar room”. Hotel features three conference rooms for 10-60 people. On the top-floor of the hotel is situated a sauna area with a panoramic view over the city. Sauna area is also equipped with a fireplace and offers to the guests an opportunity to enjoy a large Jacuzzi. Hotel offers a limited amount of parking places, for 10euros per day price. In the hotel’s a-la carte restaurant “Keittiö” guests can enjoy dishes, which are prepared using Finnish nature products -fresh meat, fish, mushrooms, vegetables and berries (Booking.com 2013).



Photo 2: “Helka” hotel Helsinki (Hotel Helka 2013).

## 2 Service

In the book “Managing service operations”(2006,8) Hollins represents Kotler’s(1986) definition of service: “Service can be explained as any activity or benefit that one party can give to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product”. The service is a combination of functions, which companies or business organizations provide to the customers. Service situation appears when the supplier and the customer interact with each other. The supplier satisfies the customers’ requirements.

Services are described as incorporeal equivalent of a benefit. It can be distributed, bought and planned. A service is such a “good” that customers, who consume them, cannot do independently or prefer that somebody do it for them. Also, the service organization possibly offers a better price, or provides the service more professionally. It is important to understand

differences between products and services. Products can be described as physical objects and services as actions. Products can be stored and services are bodiless. A motorcycle, a plate, a computer, and even a hotdog are options of the products. A visit to a dentist, a car wash or a pizza delivery -those are options of the services. Services might be involved into completing the process products' providing, as well as services may also include products (Kartzan 2008, 4-7.)

More and more companies begin to focus their attention on the customer's point of view, while they are developing a new service. It assists to explain customer's needs and enables organization to develop a better cost- and time effectiveness product. Customers' feedback represents to the company customers' opinion and expectations how the service should work and their participation in the service design might be useful in finding the most effective product/service concept. If the customers are involved in the new service development, there will be a bigger chance of the product to be successful and profitable (Jauhari & Dutta 2009, 54).

It is necessary to develop functional and competitive benefits to the customers. Information about production cycle will be not less knowledge for the service's user. Customers may be interested to know more details about the service, for example how long the production will take. Describing the strategy of operations for the new product is a long process and it must be developed before the production starts. It enables organizations to make correct investments in the right sectors as well as provides a more comprehensive vision of the operations, which are needed for successful service growing (Timmons, Zacharakis & Spinelli 2004, 93-95).

## 2.1 Defining the customer segment

For the existence of a service customers are required. The most frequent causes of new products failure will continue until the organizations will not produce the service in accordance with needs of the customers and also learn the market. The best way to know the customers' needs and to present the service that consumers will buy is to provide a market research. It is not right that a big part of organizations is not primarily focused on market researches. Market researches are designed for detecting the ways of delivering the products and services to the customers, determining how those services and products are used by costumers and understanding what leads a customer's choice. With market research assistance organization is able to evaluate and access the cost-effectiveness of new products and processes. Also, the market research plan enables organization to define the direction of future trends and to make a plan of actions (Hollins & Shinkins 2006, 81 - 82).

In customer segmentation and choosing the exact services to the proper persons, it is necessary to measure how allegiance and profitable they are. According to the author, several customers' characteristics might be used during the segmentation process. The first group of customers is called "strangers", with the segment characteristics of low-profitability and customers, which not stay with a company for a long period. This customer category has varying needs that the company can offer and also they own a small budget. It is good to identify such a type of customers as soon as possible and not to make any investments and relationships with them. The investments into the stranger customers-provider relationship may be disadvantageous because the first service situation with them could be the last one. Second group is "butterflies", which can be characterized by high-profitability and short-term customers. These customers are buying a lot in a short time and then after finding a better deal move to another organization. These customers avoid any relationships and longtime terms with the companies. Many companies are doing mistakes while they invest money in butterflies with the hope that these customers will use their service again in the future (Kumar 2008, 95-98).

The third group of the customers is "true friends". This group is a high-profitable and customers are interested in the long-terms. These clients are satisfied with the company's conditions and are buying and using services steady and regularly. Companies should detect true friend as soon as possible and try to build with them long and strong relationships. True friend customers have a strong potential to bring long time income. In building relationships with them, organizations may offer different discounts and benefits to keep such profitable customers as clients. The final group is named as "barnacles" with the characteristics of low-profitability and long-term. The customers are buying very sluggishly, and the company may spend more money on marketing and keeping their accounts than get the income from these customers. In case of appropriate managing customer-organization relationship, there is a possibility that these customers may become profitable customers. Company has to try measuring their budgets and to detect the reasons of the small purchases. If the reason is a small budget, it is not profitable to make relationships with them. If the problem is a wrong offer from the company it important to find advantageous solutions and suitable offers (Kumar 2008, 95-98).

## 2.2 Service production, control and monitoring

After the service has been designed, it should be established into a concrete conception. One of the parts of service design is designing the delivery process and system. It should be designed very carefully ensuring the safety and smooth delivery of a new product. After the product has been designed and finalized, marketing strategy has been developed and the staff has got familiar with the new service, the next part is bringing the new product to the

market area. Before the introduction, it is necessary to test the new service on the few customers. This enables organization to get known about the marketing of the product, its problems and weaknesses. The next step, after test marketing has been conducted, is to enter the new product to the market area. There are four typical steps, for bringing a new product to the market: when, where, to whom and how. Answering to question “When” defines the right time of bringing the service to the market. “Where” is the question which is meant to determine the best area for bringing the service, for example national or international market. Also, it is necessary to know for whom is the service developed and how to organize it. Answering these questions assists the organization to find right marketing targets and to spend the budget of the service profitably (Jauhari & Dutta 2009, 57).

The main part of the service delivery to the customers is satisfying the customers’ needs. Service providers, who focus on customers’ satisfaction can build a long lifetime relationships with the customers and bring benefits to each other. Service delivery process involves different parts of the product, finally combined in what customer receives. The delivery process should be planned considering customers’ expectations. It is important to organize all the stages of the delivering so, that customer will receive the product on time as well as consider customers’ preferences while selecting the ways of delivering (Ramaswamy 1996, 18 - 20).

To control the service production it is necessary to remember about the product life cycles. After product has passed to the market it goes through four different stages: introductory stage, growth stage, maturity stage and decline stage. The first stage is an introductory stage, during this period product does not achieve high results in sales and makes a small profit. The second stage, which follows after introductory stage, is a growth phase. This stage differs from the first stage by growing sales and ascending profits. Customers get familiar with a new service and begin to accept it. Maturity stage means that all the potential customers have positive reaction regarding the product and the sales have achieved conceived results. Decline stage means fall in sales and profits of the product and as a result an organization incurs a loss (Jauhari & Dutta 2009, 57 - 58).

### 3 Consumer behavior

Consumer behavior is a research area, which explores individual’s shopping behavior. It can be considered as an important part of understanding consumers’ buying preferences. Consumer behavior can be illustrated as a process of customer or a group of customers choosing, buying, and using a product or a service. Behavior is alternating with time and with decision-making. Consumers’ behavior is important to the companies, because it is essential for organizations to understand how to sell the products to the right target group (Joensuu yliopisto 2011).

Different aspects impact on the consumer's behavior. Those are cultural, social, personal and psychological factors. Such cultural aspects as history, values, beliefs, religion, social structure and relationships influence each customer. The feature of a culture, which surrounds the customer, modifies his personality. Social actors, which impact on consumer, are family, friends, co-workers and people with whom the person interacts every day. Individual is a member of these groups and it impacts directly on the members' behavior. As a member of these groups customer has an own role and status and this also influences his behavior. Personal factors are age, profession, household and vicissitude. Personal, psychological and social factors have an impact on the lifestyle. Lifestyle causes individual's purchase behavior, purchase process and purchase decision making. Psychological factors which have an impact on consumer behavior are motivation, perception, learning and attitudes. Motivation is the reason which is leading to decision making, for example it can be based on the price, product itself and effectiveness (Joensuu yliopisto 2011).

Consumer behavior means the consumer's needs fulfilling with use of mental and physical activities, while the consumer is choosing, buying and using products or services. Understanding of consumer's buying behavior is a customer-oriented marketing prerequisite, because the marketing decisions are based on how they will effect on the consumers' behavior. In order that the company meets the customer's needs of the offered services, it is essential to understand the ways where the consumer will find the information of the service, purchasing channels, and the factors that influence the choice of service. Consumer behavior is a goal-oriented. Consumer purchases goods and services to meet basic needs of hunger, thirst and safety. Also, needs may involve personal growth factors such as self-realization and self-appreciation, for example consumer may want to satisfy a need of self-realization and goes to a hobby journey. Consumer's shopping is a process which includes many features, such as data acquisition, service's comparison, contacting the service organization and the actual process of using of the service (Ylikoski 2001, 77).

In purchase process consumer also has different roles. Consumer buys a service, for example for himself or either for his family. In business tourism it is usual, that the service subscriber is a different person than the consumer of the service. Therefore, to influence customers' decisions, there is a need of obtaining information about what kind of person the customer is. The service provider has to try influencing the service subscriber behind the process. It is hard to understand the quality and to choose the service for the consumer. Special features of the service may influence the choice of the customer. Service is an intangible asset, which makes it difficult to assess the services; because it does not own the concrete properties. The situation is further complicated by the selection of different services with different contents with the same purpose, because they can differ a lot. Each service event is unique. Also



Ylikoski points out that the service can be provided in different way, even within the same organization, for example service may be delivered at different times, for example during rush hour times in a different way than in more quiet time(Ylikoski 2001,78- 92).

### 3.1 Types of travelers

Business tourism is growing rapidly in economic terms all over the world. The reason of business tourism grow is a globalization and internalization. Finnish companies are also relocating to the global market very fast. For many companies, it is essential to seek the growth abroad. Furthermore, many foreign companies have acquired the holding of Finnish organizations. All this may be seen in reflection of new business and customer relationships. New global relationships provoked travel needs, which are increased at all levels. A similar situation prevails in Helsinki- business tourism has become an important part of tourism industry (Verheilä 2000, 9-10).

Business traveling may be explained as a work-related traveling. It is financed by the employer and implemented to treat company's needs and development. The entrepreneur or organization employee travels to another organization with purpose of creating new customer relationships and selling the products or services. Also, business tourism may include various courses and training sessions with learning and teaching new field issues. Business tourism may be related to the meeting and conference traveling. The business tourism's opposite is leisure tourism. However, very often this two travel categories contribute with each other because in business travel program there is always personal time intended for relaxation (Verheilä 200, 10).

Recreational tourism is mainly happening during leisure tourism, which is conducted outside of normal residence and environment. Short visits to neighborhood municipalities such as recreational areas and leisure centers are also leisure tourism. The leisure tourist is producing income to the target territory. Weekend and holiday leave are the actual initiator of tourism. In the past, weekend tourism was focused relatively close to the traveler's residence. Especially in large urban environment had consisted suitable tourism weekend areas for the leisure time activities. A good example is the Nuuksio range for the summer and winter recreational opportunities. Nowadays, the development of transport networks and contraction of time and distance due short-term trips can be extended to hundreds of miles away, even in neighborhood countries (Vuoristo 2002, 23).

### 3.2 Tourist and hotel guest as a consumer

For recognizing the nature of hotel visitors and their interests, it is important to understand the main characteristics of a target group. The aim of consumer's behavior research is to

recognize types of consumers' behaviors. It will enable organization to make appropriate marketing efforts to the correct travel group. Consumer behavior research may be used in order to optimize marketing measures and to identify the target group to whom to sell the concrete journey. Consumer behavior research provides information about how to interest the consumer to purchase a particular product, which is designed with considering consumer's needs and desires (Swarbrooke & Horner 2007, 3).

According to Vuoristo (2002, 4), the consumer has been interpreted in tourism research as a goal-oriented. The way in which the travel process is progressing and what kinds of choices a traveler prefers, depends on four interconnected factors, which are: a traveler's profile (age, education, income, attitudes, past experiences, motivations), database of the services in the target country, resources and characteristics of the target country and the journey properties such as distance, duration, possible risks of the target area, quality of the services and hotels (Vuoristo 2002, 49).

The behavior of hotel guests is not an exception and is driven by individual's factors and characteristics. People are different and react in the same situations unequally, that is why it is hard to make marketing efforts adapted to all customer levels. It is important to remember that hotel guests are influenced and stimulated by a combination of the hotel characteristics. One part of clients is stimulated by the marketing efforts and other has been influenced by technological, economic and political factors. Hotels' consumers as any other consumers are influenced by the interpersonal, personal and psychological factors while they are making decisions. Stimuli and factors are closely linked to each other, for example the economic situation in the world may be affected the customer to visit a 5 stars hotel (Salver 2005, 73-74).

At the same time, it may be the consumer's personal preference, because individual's situation may differ from the overall economic situation in the world. In order to improve the consumer behavior in hospitality market it is necessary to analyze the stimuli and factors that are leading consumer's decision. It is difficult to affect on the external stimuli such as technical, political and economical situations. In that case, analyzing the guest's behavior of target groups makes it possible to design the successful and effective marketing efforts. It is necessary to choose right distribution channels, types of advertising and style of its presentation (Salver 2005, 73-74).

There are three main types of factors that have an influence on the hotel's guests. Interpersonal factors such as cultural and social preferences have the strongest effect on the customers' behavior. Culture leads hotel's consumer's needs, wants and way of thinking and behavior. The hotel has to adapt guests' preferences with effort of the right services in the suitable form, for example, Japanese guests prefer professional and formal service providers instead

of friendly and polite. Culture is a big part of guest's habits. Culture determines the style of eating, the use of devices and the topics of the dialogues during the dining time customers discuss about. International hotels must to analyze accurately all the cultural factors that may influence their consumers and react on the service quality level. Also, it is good to remember about the possible subculture representatives, because these customers' behavior may differ a lot from other customers from the same country. In the United States of America there is a huge variety of different subcultures, for example Afro Americans, Hispanics and Chinese groups. (Salver 2005, 74-75).

Social class has also a strong effect on the consumer's behavior. Social class includes such factors as education and profession. Customer's income and status naturally influence consumer behavior. Also, influence is coming from the membership groups, such as a family, friend, coworkers, professions and the inspirational groups to which person is not belong but want to. For business customers, staying in a five stars hotel may be preferred, because of the status and reputation of themselves and the company that they present. Selecting a hotel is a visible action and it may be strongly influenced by the membership and inspirational groups (Salver 2005, 74-75).

Furthermore, hotel's consumer behavior can be influenced by personal factors, which are age, gender, occupation, guest's economic situation, stage of life, personality characteristics, hobbies and a lifestyle. Different age and gender hotel guests will choose different services, for example, younger guests will look for night life or sport activities. Older generation is more interested in museums, attractions and other cultural entertainment. Also, differences may be seen in males and females service requests. Guest's economic situation also influence purchasing behavior, for example, managers, manual workers and office workers have different preferences, needs and wants influenced by the budget and income of persona. Furthermore, personality's lifecycle is an important personal factor in the hotel's booking preferences. Younger consumers need impressions and unforgettable memories from the services and vacation while families with little children think about safety and convenience. Often the luxury hotels are selected by the professional consumers without children and elderly consumers, whose children grow up. (Salver 2005, 75-76).

The consumers are unique and each of them has own personal characteristics. Those characteristics make a picture of what consumer thinks about himself. First characteristic represents the real state of the client. Second represents the idea of his ideal, the imaginary view of the person, who the consumer would like to be. The third characteristic is other peoples' opinion about the customer, and the last one is consumer's personal opinion about himself. The choice of the hotel is a combination of those entire characteristic of personality, but only one of them is dominant. One part of consumers prefers visiting such big towns as New-York or Tokyo only because they want to make an impression on others. From their opinion, it is so

important what other people will say about their vacation, that they book the hotel based on this aspect. Other consumers are influenced by their imaginary ideal, and this factor is much stronger than other characteristics. They book a hotel with a wide range of sport services, because of their passion to body building and sports. Last part of consumers wants to spend their hotel in a luxury hotel with all-inclusive and to be just themselves (Salver 2005, 75-76).

Psychological factors are closely intertwined with personal factors of influences during the booking process. Psychological factors are personality, self-motivation, perception, learning, beliefs and attitudes. The psychological factors describe the person's sociability, deference, adaptability, self-concept and etc. Those characteristics influence consumers' booking behavior. Also, psychological factors include motivation which can be two types- biogenic motivation needs such as hunger, thirst and discomfort. During the booking process, consumers may be motivated by the all-inclusive possibility or possibility to book a bigger room as well as influenced by psychological motivation factors such as recognition, esteem and belonging. Psychological motivation factor influence the consumers desire to book a better hotel with a wider range of services and amenities (Tyagi & Kumar 2004, 47-48).

### 3.3 Purchase process

Tourism researchers have proposed a number of stages of the trip and hotel purchasing process. The starting point is always traveler's desire to visit another country or place and business traveler's need to travel. These aspects would result the need to acquire knowledge of the travel target and its hotels, as well as later decision making. As a fact, consumer is collecting level of satisfaction by the given trip and hotel for himself or to the company. It will significantly affect to the selection process of subsequent journeys and hotels (Vuoristo 2002, 49).

It is essential to understand that buying decision is always a unique and individual process. The same person's preferences in making decisions may vary according to circumstances. However, it is possible to detect some similarities in different types of consumers, forms of tourism and service products (hotels, interests, needs), for example consumer group may travel to satisfy their wants and fulfill the interests. Another group selects the hotels and journeys based on the price criteria. In that case selection process cannot be considered as a very rational. If the company offers a family vacation, it is important to know, what time of the year families usually begin planning the holiday. This information is required for marketing company of the travel agency or a family hotel. Also, the most important information is where the consumers search for the information and in which format it should be (Boxberg & Kompula 2002, 74).

One of the decision making factor in the purchasing process, is that different members of the family may have different roles. Each marketer should know how to influence on each family member. A variety of roles may include initiator, influencer, decision-maker and sponsor. For example, a sister finds a trip with a nice hotel, a brother gets excited about the idea, the mother makes the decision and the father pays. Every family member has their own motives in the decision making process. Especially in selling products to business and other organizations, it is important to know the roles of the customers in the decision making process and to allocate to each role their own image messages (Boxberg & Komppula 2002, 74).

#### 4 Customer service

Good customer service can be defined as a service, which is concentrated on customers' needs and preferences. It does not matter what kind of service is consumed by the customer, in every customer service situation customer expects to be treated as a special and valuable person. The level of customer service quality depends on service providers' ability to serve the customers. Customer service can be excellent, good, satisfactory, poor or even terrible. Organizational culture defines the value of customer service, in some cases it is a part of corporate culture, while in others the importance of customer service is not recognized (Fogli 2006,xiii).

Customer service differs from other products in hospitality field, because it is intangible. It cannot be measured, weighted, tasted or smelled. The intangibility of customer service creates a challenge to service provider. In most cases in hospitality field, services are interdependent, which means that services can be consumed by the customers in the same building. Service process consists of both tangible and intangible components. Delivering tangible products to the customer is easier, because the quality of products can be estimated, for example on the basis of food freshness or hotel room cleanliness. Intangible services depend on emotional side of the customer. It depends on people's expectations, thoughts, needs, wants, attitudes and communication skills. Employee's ability to understand the complicity of customer's social and cultural world is a key to operation's success (Martin 2003, 13).

Today customers have a wide selection of service providers- that is why the customer service's importance has been increased significantly. People prefer to deal with organizations, which have proven to be excellent in customer service, even the price of their services is higher. Successful customer service is essential for business suppliers, where customer-supplier relationship lasts for many years. It is proved, that it is cheaper to retain existing customers than to search for the new clients. It is much easier to keep in contact with regular costumers, because they are more easily understandable by the service provider and their desires can be predicated (Hayes & Dredge 1998, 3-6).

#### 4.1 Customer service from customer's perspective

Person or a group of people, who receive services or products, are costumers. Customers are the foundation of all businesses. Customers can be divided into a two types-internal and external clients of the organization. Costumer service is an interaction between the service provider and a client, and at the same time it is a main tool to let customers stay with the organization. Customer service can be defined as meeting client's needs and fulfilling the expectations of the customer. Customer determines the quality of customer service based on his current expectations (Fogli 2006,xiii).

Customer oriented service is a foundation of successful cooperation between the clients and a service provider. There are several issues, which are important from the customer's perspective. The first one is "timeliness"- the time, which is spent for waiting and receiving the service. The second is "flexibility"- customer would like to get precisely the service he wants, not the service, which is available. "Friendliness"- it is the environment within the organization and the ability of employees to be friendly with the customers. One more thing, which is important to the customers, is "honesty" - customers appreciate fair business. Fulfilling the "expectations"- customers expect that all, which is said in the advertisement, is true. Customers appreciate the "quality"-the service must be of high quality in all its forms. And the last thing that excites customers is "problems"- customers hope, that a service provider solves the problems quickly and professionally (Hayes & Dredge 1998, 7).

Customer service is considered as a component of successful business. To some customers, it is not a prevailing factor, because they appreciate more quality, value and speed of the service. In opinion of other clients, the quality of customer service is a decisive factor in evaluating the service in general. Customers perceive services and define them based on two priority factors- quality of customer service and satisfaction level. On those two factors organizations should focus their attention in the first place. The relationship between customer satisfaction and service quality is described in the following figure:

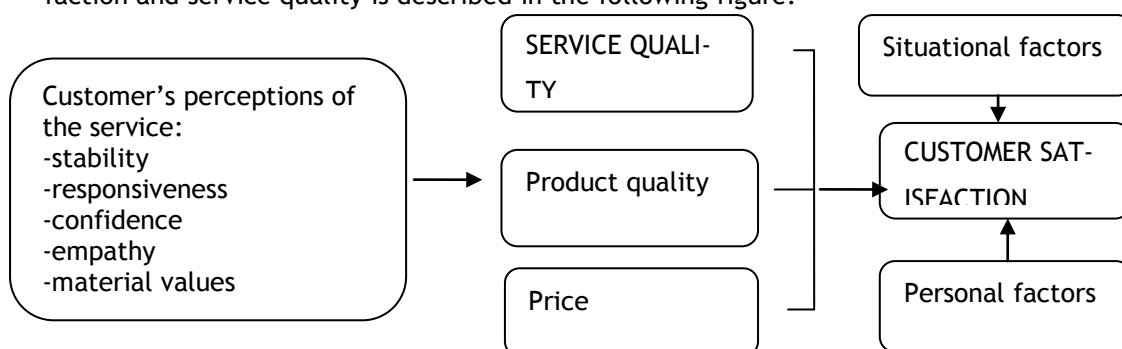


Figure 1: Relationship between service quality and customer satisfaction (Brink and Berndt 2004, 59-61).

As it can be seen from the figure 1, the specific dimensions, which impact on perceived service quality, are stability, responsiveness, confidence, empathy and tangibles. Organizations must provide the same quality of the services in every customer service situation. It should fulfill the promises, which were given to the customers. The organization managers have to be able to help the clients with any problems or concerns. The employees should be polite, qualified and able to respond to client's queries. It is important to understand the customer's problems and strive to solve them. In addition to specific dimensions, product quality and pricing have an impact on customer satisfaction as well. Customer satisfaction level can be affected by personal and situational factors (Brink and Berndt 2004, 59-61).

#### 4.2 Defining "quality service"

According to William Martin (2003, 29) "Quality customer service is the ability to consistently meet external and internal customer needs, wants, and expectations involving procedural and personal encounters". Author assumes that defining the quality of services is based on three main issues- consistency, customer expectations and procedural/personal sides of the service. One of the main characteristics of a qualified service is sustainability. Customers expect that the quality of delivered service will be on the same level constantly, not occasionally.

It is clear, that in some cases the quality of service may be affected by situational factors, but it is important to remember that the number of successful service encounters should exceed the number of service failures. Customers' expectations should be fulfilled-this is an indisputable rule of a qualified service. Organizations should focus on a customer-oriented service and consider customer's point of view in all stages of service production. It probably may bring more challenge to the service providing process, but eventually it will have a positive effect on customer-service provider relationship(Martin 2003, 30).

Customer expectations can be divided into two types: personal and procedural. Personal side of service can be evaluated based on service provider's personal qualities, such as attitude towards the clients, behavior and ability to use communication skills. Procedural side of the service is completely mechanical and consists of processes and equipment, used for service/product producing (Martin 2003, 30).

#### 4.3 Customer satisfaction

Organizations' success is directly related to customers' satisfaction and loyalty level. Customer satisfaction can be achieved by fulfilling customers' needs and expectations. People avoid organizations, which have been provided poor quality of the products or services. In turn, they will use again and recommend the services of the company, which has proved to be

professional and competent. Customers' behavior is based on customer service experiences, which basically means that satisfied customers will buy more products and stay longer with the company in which they can be sure. Satisfied customer behavior is very profitable for the company that is why it is crucial to consider this fact when making decisions or organizational changes. For describing the customers' satisfaction have been used different combinations of words, such as customer loyalty, customer-organization relationship, customer experiences, the loyalty effect, quality of service and others. All of these words describe customers' attitude and feelings towards the organization, which appeared as a consequence of service consuming situation. The term "customer satisfaction" embodies all of above mentioned word combinations (Hill, Roche & Allen 2007, 1-2).

Loyalty is a behavior of customers, which has a significant importance in customer-organization relationship. In the book "Customer satisfaction: The customer experience through the customer's eyes" Hill and Roche represent Harvard Business School's 3R explanation. According to Harvard Business School, loyalty can be described as 3Rs- Retention, Related Sales, Referrals. 3R can be described in other words as follows- customers remain with the organization for a long time, make more purchases and recommend the organization to others. Customers' loyalty is linked to organization's profitability; furthermore loyal customers increase organization's income over time. Measuring the loyalty by monitoring customers' satisfaction is an effective way to optimize the relationship with the customers. There are four main reasons for monitoring the customer satisfaction:

1. Customer satisfaction/dissatisfaction forms the behavior of the client in the future.
2. Level of customer's satisfaction has an important impact on customer's loyalty - it is more likely that more satisfied customers will use organization's services subsequently.
3. The income of organization is related to the level of customer satisfaction.
4. The main goal of measuring the customer satisfaction is obtaining the information for its improving and later implementing the improvements in life (Hill et al. 2007, 3-7).

Customer satisfaction improving is a very difficult task for any organization. Some of organizations understand the significance of insertion forces and resources into the customer satisfaction developing. Most of organizations still do not consider it necessary to spend a decent amount of money on customer satisfaction improving. For minimizing the costs, organizations usually base "Customer service" department, which is responsible for customer satisfaction monitoring and increasing. In most cases, the work to improve the customer satisfaction is not carried out gradually and consistently, but rather the method of "quick wins" is preferable. For maximizing the customer satisfaction and loyalty, each organization should understand that one of the major factors is meeting the customer's needs and expectations. In the first place, the client should be given the service he wants and considers the most important.



In order, when organization provides an excellent service or product, can be used additional actions for stimulating customer satisfaction (Hill et al. 2007, 8).

Most of organizations provide the services to the customers through the employees, for example shop assistants assist the customers to choose a product, managers of travel companies offer to the clients different options of holiday trips and waitresses serve the customers in the restaurants. In recent years, some of the services become e-commerce oriented, and can be provided to the customers without direct interaction with the company's workers. However, there still a lot of companies, which offer the services on the old scheme using a direct contact between the customers and employees. Some of the customer service situations happen in face-to face interaction, such as visiting a restaurant or transferring money in the bank office. Customers also can make a call to the company, send an order by e-mail or fill a form and send it via mail (Szwark 2005, 13).

Paul Szwark in his book "Researching the customer satisfaction and loyalty"(2005,14) assumes, that employees make a great contribution to the clients' attitude towards the organization. Customer satisfaction level and loyalty depends on employees' skills. It is clear, that satisfied with the work and company's management, employee achieve better results in customer service than dissatisfied employee. Therefore, organizations should pay attention to the ways of treatment the employees. Dissatisfied employees may be passive, unwilling to strive excellent results, which can lead to negative consequences at the organizational level. Employees' play the most important role in service delivery to the customers; thereby the success of all company depends on them. According to Paul Szwark(2005, 14) "You don't give service in vacuum. People give service. You can give the best service philosophy in the world, but if you don't have great players, you've lost the game".

#### 4.4 Benefits of customer satisfaction

Phenomenon "Customer satisfaction" is not new, it is well known among suppliers and retailers for over 200 years. Already in the 18<sup>th</sup> century the importance of customer satisfaction was clear to the sellers. Regardless of the time, customers stay with the organizations, which meet their requirements, provide the best service and in some cases even exceed the expectations of the clients. Organizations also benefit when customers are satisfied with the service/product. 230 years have passed, but nothing has changed, the same situation prevails on the market over the world- companies strive to make a maximum profit; customers tend to get the best quality on a low price. Relationship of satisfied customers and organizations' profit is obvious- satisfied customer spend more money on services (Hill et al. 2007, 18-19).

Organizations successfully use well-known psychological aspects of consumer behavior, such as people's desire to repeat a pleasant experience, and in turn the effort to avoid negative aspects. Based on this principle, organizations consider the importance of keeping already existing customers than searching for new ones. There several periods in the customer- service provider relationship. During the first period "acquisition" organizations spend some money on attracting customers; usually it happens during the first year. Second stage is "base profit", during which the organization reaches the level of the basic income, mostly during the second year or later. After that, comes a stage "revenue growth", when satisfied customers increase the amount of purchases (Hill et al. 2007, 19).

Next period is "cost saving", which means that organizations reduce costs providing services for long term customers. This is due to the fact that long term customers are familiar with the products and know exactly which services or products they want. Long term customers become "referrals" and recommend the organization to the friends, colleagues and relatives. The last and the most valuable for organizations level is "price premium", when the customers are willing to pay an extra price, because they trust the supplier and they know the quality of service provided to them. Besides the benefits of organizations, customer satisfaction influences the level of the economy in the country in general. The economy improves when the consumers make more purchases and use more services, allowing economic development (Hill et al. 2007, 19).

Customer satisfaction has an important role not only in commercial organizations, but also in organizations, which belong to public sector. Overall, public organizations are not interested in making profit, although the financial aspects are still involved in their activities. Those customers, who are not satisfied with the services of public organizations, may lead the organizations to additional costs, arising during resolving their problems and complaints. Another group, which may cause additional costs, is disgruntled employees. According to Hill et al.(2007, 25), it has been noticed, that customers and employees influence each other, thus in the organizations where customers are satisfied, the majority of employees are more motivated and feel more comfortable at work. Otherwise, there is more absenteeism and the level of enthusiasm and desire to work is lower. Customer satisfaction creates a positive reputation of the public organization and has a positive effect on its image. Thereafter, a positive reputation enables customers to trust the organization. The aspect, that organization has a positive reputation among customers, also attracts the employees and makes the recruitment process easier (Hill et al. 2007, 25-26).

## 5 Measuring customer satisfaction

According to Hill et al. (2007, 34), measuring customer satisfaction is important in order to determine the current situation in the client sector and as a consequence to improve the areas, which customers are dissatisfied with. One of the tools of measuring customer satisfaction is providing a statistical research of client's point of view about the effectiveness and quality of provided service or a product. While measuring customer satisfaction it is essential to consider the feedback from all the customers of the organization, not just one sector clients. For example, in case of measuring customer satisfaction in international company, analyzing the reviews should not remain on a general level, but should be considered all the customers reviews from the local operating units as well. Therefore, measurement of customer satisfaction can be more effective, when it is carried out by employing external agencies.

It is obvious, that the information collected for customer satisfaction measurement, should be reliable and comprehensive. Otherwise, the organizations may fail in decision making stage and will be unable to develop improvement suggestions for more efficient customer service. Previously, the measurement of such intangible things as customer satisfaction was considered inaccurate and not providing reliable results. Despite the fact that customer satisfaction is based on customers' emotional state and feelings, modern methods of its measuring have proven to be objective and veracious. Hill et al. (2007, 36) explain the main principles of measuring customer satisfaction of 1980 years, called SERVQUAL approach. Afterwards, it has been developed and improved, but the main principles remained the same. The authors represent fundamentals of SERVQUAL model as follows:

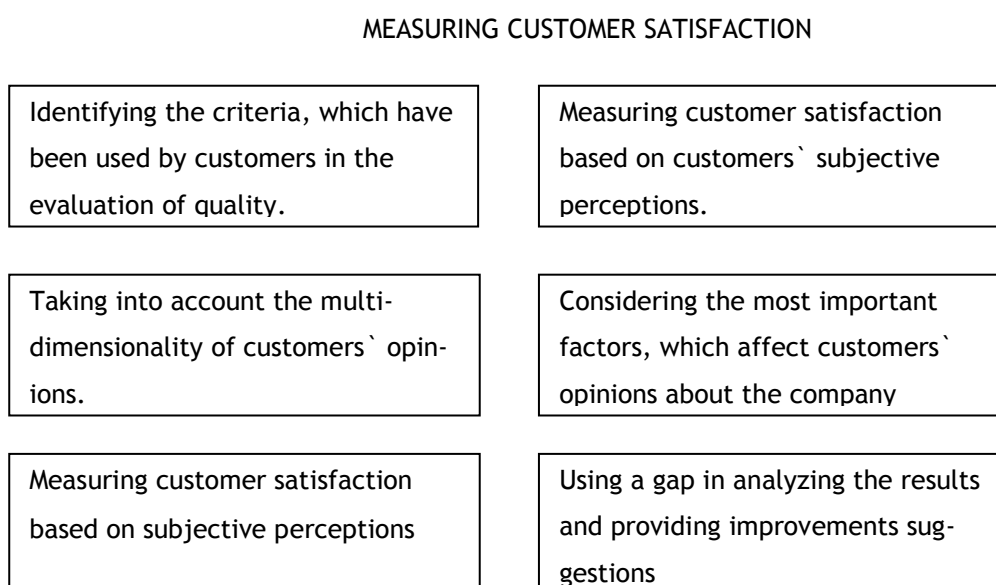


Figure 2: Measuring customer satisfaction - SERVQUAL model (Hill al. 2007, 36-37).

According to SERVQUAL approach, five main criteria, which are used in measuring customer satisfaction, are the accuracy of information, tangible values, reliability, responsiveness and empathy. The SERVQUAL model has been discussed in scientific community, and later was tested both in its original and modified forms, leading to different conclusions. The scientists, who have tested the model, concluded that the model can be modified in accordance with specific characteristics of the sector. Subsequently, the findings achieved by testing this model, were used for developing a new concept “the lens of the customer and the lens of the organization”(Hill et al. 2007, 36-37).

The main idea of “the lens of the customer and the lens of the organization” concept is considering how the customer perceives the service and how it is perceived by the supplier. In most cases, customer considers the service in different way than a supplier. The things, which are the most important to the customer, are the benefits, results and outcomes. Based on those dimensions, customer evaluates the supplier and makes a decision to use the service in the future or not. Supplier, in turn, perceives the service on the other side, usually he thinks about the products, which are distributed to the customers, the employees, who are hired to deliver the products and other processes, involved to the service delivering process. According to “lens concept”, during creating a survey it is essential to consider the main criteria, which are used by the customers for evaluating the service (Hill et al. 2007, 36-37).

Hill et al.(2007, 38) maintains, that service quality is in direct relation with customer satisfaction. It has been determined that improving service quality has a positive influence on organization expansion and profitability increasing. However, more preferred method of measuring customers satisfaction is based on more complicated customers’ satisfaction surveys, than limited measures of service quality. As it can be seen from different customer satisfaction surveys, customers have a much more criteria for evaluating the service than just a price and quality. In order to organize customer satisfaction research properly, it is necessary to consider different aspects of organization work (Hill et al. 2007, 38-39).

One of the most common failings is hiring an employee, who has no experience and is not able to prepare the research correctly. The errors, made by the employee during the survey development stage, may affect the results of the survey and enable the organization to monitor the relationship between the customers and a service provider. The most common mistakes, which prevent the organization to achieve positive results, are asking wrong questions, choosing wrong measuring criteria and wasting resources. Even the organization has a professional and experienced researcher in the team, it is still difficult to improve the customer satisfaction. Improving customer satisfaction is a long and challenging process, which is carried out many years, providing that the company has developed the strategy of measuring customer satisfaction, particularly suitable for this organization (Hill et al. 2007, 38-39).

## 5.1 Methods of measuring customer satisfaction

The main objective of customer satisfaction measurement is providing the reliable information about current situation in the client sector, in order to determine the fails and successes of organization. Measurement of customer satisfaction can be performed using different research methods such as surveys, scientific experiments, customers' and employees' feedback analysis, monitoring sales` increasing or decreasing as well as determining customer defections. Furthermore, it is useful to analyze organization's internal processes, which are involved into service delivering, for example speed of answering to customers' phone calls, time spent on customers' problems solving and the number of items delivered on time. These actions may be implemented on the basis of information, which the organization already has, and do not require high expenses (Hill et al. 2007, 11).

Internal dimensions are not so effective in cases of measuring inconcrete issues, such as friendliness and complaisance of the employees. One of the methods of defining customer experience is mystery shopping. Customers' future behavior forms on the basis of previous experiences and attitude towards the organization. One of the best ways of understanding clients' feelings is consulting the customers; otherwise the organization will be unable to manage the relationship with the customer or influence customers' attitude. It is important to realize that customer satisfaction measurement methods are imperfect, and not always provide complete information about the clients (Hill et al. 2007, 11).

Thus analyzing the complaints from the customers and ways of resolving the problems are important parts of customers' experience, but in general it does not come close to understanding the customers. Also the opinions of customers, who are no longer consuming the service, can not be considered as an opinion of majority, because of small size of this customer segment. Collecting the feedback from defecting customers is not advantageous anymore at the stage, when they already leaved, because the reasons of dissatisfaction and the situation should be analyzed before the clients stopped using the service. Organizations should gather the information about the areas of customers' dissatisfaction much earlier than customers decide to quit (Hill et al. 2007, 11).

## 5.2 Customer satisfaction survey at a glance

Customer satisfaction survey can be considered as a part of long and difficult process of improving relationship with the customers. Customer survey provides information about the fails and successes of organization. In most cases, carrying out a customer satisfaction survey is a beginning of significant organizational changes in order to improve the customer satisfaction level and make the service concept more customer-oriented. In addition to providing surveys,

it is essential to analyze the situation within the organization; maybe there is a need for organizational changes or staff trainings. Making customer satisfaction survey requires such resources as time, money and energy, but as a result the organization will get information how to influence customer satisfaction and get the financial benefit. Customer satisfaction survey consists of six main areas, which should be researched (Hague P. & Hague N. 2013).

In the beginning of customer satisfaction survey development it is essential to determine for which customer segment the survey is being developed. Customer satisfaction surveys may be designed for Business to Business and Business to Customers organizations, in both cases client community may consist of different types of customers. For example in Business to Business service delivering are involved different departments of organization such as shipping, production, marketing and sales department. The employees of these departments participate in different parts of service process delivering, thus they evaluate the service and its supplier based on their own vision of the situation. In Business to Customers cases the clients' attitude towards the service and its provider is based on his personal preferences, expectations and needs (Hague P. & Hague N. 2013).

In the first stage of creating customer satisfaction survey it is significant to identify who exactly should be interviewed, considering the multiply views of different customer segments. It is also important to analyze the service and develop the questions for the right persons, for example in case of measuring customer satisfaction in transportation company; the person to whom the questions should be addressed is a transport manager. In case, when organization has more resources and a possibility to interview different persons, the survey will enable management of the company to get familiar with the situation from a boarder range. During the process of drawing up the survey should be considered not only the direct customers, but also all the clients involved into the service providing process, such as intermediaries, wholesalers and individual entrepreneurs. Also, lost and potential customer segments, which are usually not considered in the research, may provide information about organization's fails and inconsistency in comparison with other organizations (Hague P. & Hague N. 2013).

Second stage of creating customer satisfaction survey is drawing up the questionnaire. First, it is important to identify what exactly should be measured. Assessing customer satisfaction is based on criteria, which are specific to the organization, for example airline companies evaluate customer satisfaction including to the survey questions about in-flight services provided by the company. For defining the areas of research and developing questions it is important to consider a service from customer's perspective- to imagine what exactly is important from his point of view. Customer satisfaction survey may include questions related to several research areas, such as product itself and its quality, delivery, organization and staff as well as the product price (Hague P. & Hague N. 2013).

One of the stages of creating a survey is selecting a method of carrying out the interview. There are three main options, which can be used separately or can be complemented by each other- postal/e-surveys, face-to-face interviews and telephone interviews. Each of them has its own advantages as well as disadvantages, for example postal or e-survey can be described as an easy and low-cost option with use of possible visual explanation, which can be completed at any suitable time for the respondent. At the same time respondents may not understand the questions, do not answer to the questions, which require more detailed answers or do not have a desire to answer the questionnaire at all. Face to face interviews are more expensive in cases, when the interviewees are not located in the same place, and also this method may require more time and money resources. On the other hand face to face interview is more effective in order to get responses to open ended questions and queries and in general to get more information from the respondent. Telephone interviews are not expensive, easy and quick way of interviewing the customers. It also has strengths and weaknesses, for example customers prefer to use more modern ways for leaving feedback and some of the customers are hard to reach by phone, but at the same time its advantage is quick turnaround of field-work and high control of interviewer standards (Hague P. & Hague N. 2013, 4-5).

After the previous stages have been completed, it is necessary to identify the way of measuring customer satisfaction. In most cases is used the concept of numerical scores, for example the scale from 1 to 10, which basically means that number 1 represents the lowest level of satisfaction and number 10 indicates the highest. Such a scale can be used for evaluating importance of vital issues such as quality, price, delivery and other factors related to the service. Customer satisfaction index -CSI includes the scores, which were obtained from the surveys. It can not be said that CSI consist only of one measuring criteria- performance evaluation, some of organizations measure another important factor-the loyalty of customers based on their intention to re-buy the product (Hague P. & Hague N. 2013, 7).

According to Hague Nick and Hague Paul(2013,7), from different surveys have been revealed the following definition: the organization, which have been evaluated by the customers and received a rating of 8-10 points can be described as excellent supplier and a leader of the market. The organization, which has been given 7-8 points can be considered as adequate service provider, but needs attention in dealing with it. All the organizations, which has been evaluated by the customers and from their opinion get less than 7 points, have a serious cause to concern, because it is likely that in the future they will not be able to compete with organizations, which are choosing more customer-oriented methods of management.

## 6 Service design

According to Moritz (2005) service design is a combination of four D's, which are discovering, defining, developing and delivering. This means that service design is developed for understanding the situation on the market, identifying company's goals and customer's needs. Understanding these factors enables organizations to develop new ideas concerning services' improving and making them more effective. After making concrete conception of designed service, the last step is its implementing. Service design is made from structures and processes with thinking of both side's advantages. New service must be useful, valuable and desirable from the client's point of view and effective, competent and distinctive from supplier's point of view (Moritz 2005, 39-41).

Stickdorn & Schneider(2010, 14-18) mentioned that there is no clear and comprehensive definition of a service design. Service designers are working in different backgrounds and use different methods and tools during the working process. Service designers have founded the communities, where they can discuss and share their opinions and also to join the international service design projects, such as service design books creating (Stickdorn & Schneider, 2010, 14-18).

Service design includes service innovations, a development process, design and design methods, which are focused primarily on the consumer. Service designers develop the service in accordance with the needs of the users based on their experiences and also in order to bring income to the service providers. Service design importance has been increased after social services' usage grows. Service designers develop services with purpose of creating better and more innovative services (Koivisto 2007, 64, 77).

### 6.1 Service design development process

The process of service design follows the principles of creative problem solving. Service design process consists of logical steps and repetitive activities. During the service design process, service designers use the same basic principles, but each of them selects the most suitable for the current situation ways, which also depend on the backgrounds and designer's personal attitude and visions. Designers use standardized schemes of service design for saving resources and time, which will be needed during the process of creative work. There is no need to develop a chain of events every time again. Design and development of the services is a process of creating something new and unique that is why there is no perfect template for the service design process. The process differs in each case, because of different service design methods use, as well as the expenditure of financial and time resources (Tuulaniemi 2011, 127-128).



According to Fitzsimmons & Fitzsimmons (2000) the process of service design and development includes three main steps, which are- planning a service, making a concept and concretizing of a service and implementation. The first step is planning a service, which basically means that during this stage the idea should be generated, formed and evaluated. During the following stage the concept of a service should be planned. Making the concept of the service enables designers to understand the new service and its main characteristics. The last phase is implementing the new service and bringing it to the market (Fitzsimmons & Fitzsimmons 2000, 17-19).

According to Tuulaniemi (2011, 127) the process of service design includes five phases. First phase is a defining a problem, which basically means that service designers detect the problems that should be resolved and identify client's goals. In other words the aim of this stage is to create an understanding of a service and its goals. Second phase is a research, which is conducted through the interviews, discussions and customer surveys. The goal is to identify a common understanding of the development's specifics, environment, resources and the consumer's needs.

After two first stages have been completed, the third phase is a service design, during this stage service designers generate new ideas and concepts to different alternative solutions and test them quickly with a small number of customers. This phase provides an opportunity to define the scope of provided service. Fourth phase is bringing beta-version of the service or product and its conception to the market with purpose of its evaluation and developing for customers. After the new or designed service has been tested and developed, it finally appears on the market. The last phase is evaluation, during this stage the service is measured all the time and developed in accordance with received feedback and gained experiences (Tuulaniemi 2011, 127-128).

Service design tools are essential part of service design process. Developing new methods makes it possible to create new services, to concrete and test them. A wide variety of service design tools and methods enable service designers to select the most suitable method for implementing to each process stage. Many methods can be applied during several stages of service design process (Stickdorn & Schneider 2010, 128-135).

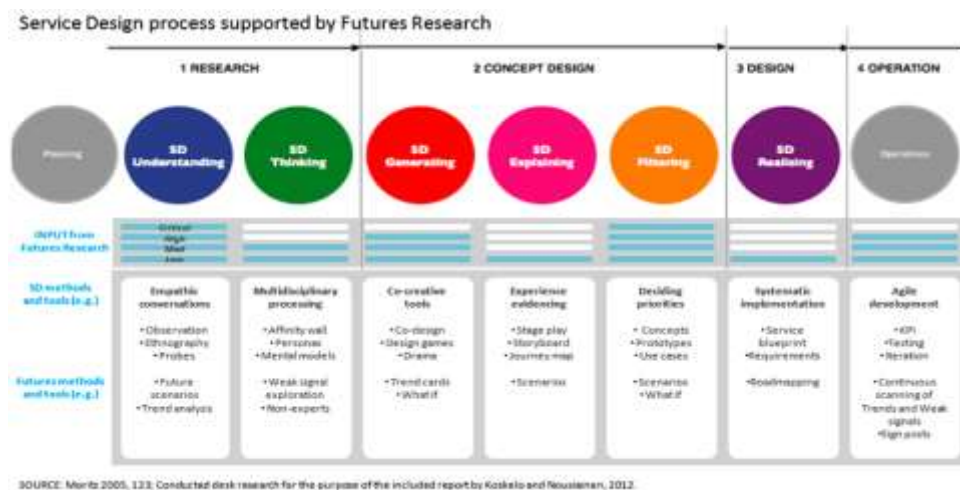


Figure 3: Service design process supported by Futures Research (Moritz 2005, 123).

According to Moritz (2005), it is important to apply service design methods during each stage of service design. During understanding and thinking stage suitable methods might be for example benchmarking, client segmentation, interviews, focus groups, mystery shoppers, 5W's, Lego serious play and parallel thinking. During generating and filtering stages suitable methods are brainstorming, brain writing, sticker votes, card sorting, character profiles, personas, and SWOT analysis. During the last two stages, which are explaining and realizing, may be implemented such methods as scenario, experience prototyping, storyboarding, business plan, simulation and blueprint (Moritz 2005, 123-147).

Developing a new service is a very expensive process. The price of its developing and production will grow up to the time when the service will rise on the market. If the service develops in a positive way, the organization will begin to make profit. The part of new products and services, that begin to bring profit, has to repay the investment that was spent on their development and also to discharge all the investments that were lost on the past failures (Hollins 2006, 60-61).

## 6.2 Service design experiences

One of the main tools of creating a good service is building a strategy. It is important to work in accordance with customers' expectations and to develop service delivery processes so that it will be comfortable for customers. Familiarizing with customers' needs and wants will be much more effective than using special diagrams and design literature in service building. It is essential to build a pleasant and reliable partnership between service organizations, providers and customers (Hollins 2006, 73-75).

In the past, theoretical models of service design did not provide enough information about what kind of service experience of a particular customer group should be planned. There were no particular studies about consumer and service behavior. The design of service was focused on the organization's internal operations and productivity enhancing and not on the customer's experiences. Customers were not participated in the development and design of the services rather organizations involved customers only in the process of testing already developed services. Also, services were designed to all customers groups and not multidisciplinary because it was not seen as valuable (Koivisto 2007, 77).

Service design thinking enables organizations to develop a new service, which is truly designed with considering consumers' needs and expectations. It is also important to observe customer's invisible needs and to take them into advantage of the service innovation. Service design companies are planning and prototyping services with potential customers and stakeholders, so that the best possible designed solution could be found. In addition, it is important to visualize services so that all the employees involved in the service design have got a common understanding of the services they are creating (Koivisto 2007, 77).

## 6 Results of research

Service design concept has been applied as a basis of the thesis. During the first stage of service design process "understanding" have been applied three service design methods- interview, stakeholder analysis and blueprint. During the second stage "creating" students implemented benchmarking, "5 whys" and personas methods. Thesis working process was completed by the last phase "delivering", which consisted of customer journey, mystery visitor and customer satisfaction survey. As a result of service design to the customers were provided hotels' services and customer service improvement suggestions.

### 6.1 Interview

Hirsjärvi, Remes and Sajavaara (2009, 204-212) assume that interview is one of the main ways of gathering information. It is usually the main method used in a qualitative research. Interview is an especial method of gathering information, because it involves a direct interaction with an interviewee. This method includes both positive and negative aspects. Interview might give slightly fictitious results. It is easily shaped but it is not the only good aspect of an interview (Hirsjärvi et al. 2009, 204-212).

Interview differs from other methods because of its flexibility in gathering information. In the interview there is a versatile scale of how to interpret the answers. The positive aspects of an interview include for example when the interviewees take part in the study themselves. Usu-

ally it is possible, when necessary, to contact the people who have taken part of the study and use this for example in a follow up study. Interview is a time consuming research. Interview must be planned well and the conclusions part afterwards takes a lot of time. Personality of the interviewer and possible cultural differences might affect the answerer's results. Interviewee might also give different answers in the interview than in some other situation (Hirsjärvi ym. 2009, 204-212).

In the beginning of the project student arranged interviews with managers of the hotels in order to obtain additional information related to the hotel, which is not mentioned on the hotel's website. Students have chosen an interview as a method of collecting the most valuable for the project information. The list of interview questions is attached as appendix in the end of the thesis. Interview consists of questions from 7 different hotel management areas, such as marketing, customer service, additional services in the hotel, staff motivation, feedback system, world crisis influence as well as questions about the restaurant. Marina Rakhmanina is a project's stakeholder from "Helvetia" hotel in Saint-Petersburg. She has been working in the hotel in a front-office manager position for two years. Due to the hotel's location, students were not able to conduct the interview personally, Mrs. Rakhmanina has answered to the questions by e-mail. She told about herself, that she has a master's degree in the hotel and restaurant management. After she has graduated, front-office manager Rakhmanina moved to Germany and worked there as a receptionist for 4 years. In the 2010 year she came back to Russia and got a job in Hotel "Kempinski" reservation department. "Helvetia" hotel is her last workplace since 2011. Mrs. Rakhmanina is accurate, diligent and consistent at work. She believes that professional success lies in the fact, that it is crucial to use time-management in the daily work life. In her opinion, planning the schedule facilitates the workflow. She also believes that all of the most difficult tasks should be performed in the first place (Rakhmanina 2013).

The first part of the interview was related to the marketing. Marina Rakhmanina told the students, that there is a PR manager in the hotel. His job is to attract the customers with a variety of promotions and other advertisement. Hotel "Helvetia" provides information about the special offers on the hotel's web-site. "Helvetia" hotel uses different marketing channels, mainly direct sales- "Business to Business" and "Business to Customers", cooperates with travel agencies, sells via internet web-sites such as booking.com, hotels.com. To keep track of the competition between the hotels in Saint-Petersburg, the hotel has a revenue manager (Rakhmanina 2013).

According to Mrs. Rakhmanina, the overall situation in the hotel field in Saint-Petersburg recently has stabilized. There are three main types of accommodation seasons in the Saint-Petersburg: high, medium and low. The most profitable season is "White nights" time in

summer, in turn the lowest amount of customers is observed in winter time. Hotel occupancy rate depends on events, exhibitions and other actions in Saint-Petersburg. About the global financial crisis, front-office manager Rakhmanina said that there were problems a couple of years ago, but in recent years the profit has been grown. The occupancy rate is the same as last year, but customers spent more money on accommodation and additional services in 2012. Marina Rakhmanina also notes that during the crisis hotel did not save money on customers, but rather has invested in rooms' renovation and improvement (Rakhmanina 2013).

Second part of interview consisted of questions about customer service in "Helvetia" hotel. Mrs. Rakhmanina believes that the most important factors in the hotel customer service are courtesy, foreign language skills and knowledge of service standards. In her opinion, it is absolutely forbidden to be rude and violate the standards of customer service. "Helvetia" hotel provides a customer service in two languages, English and Russian. Paying attention to the fact, that the thesis is written in order to define Finnish travelers' experience in Russia, there were included into interview few questions about Finnish tourists. Marina Rakhmanina told the students, that Finnish tourists made a positive impression. In general, Finnish customers are not different from other clients, so they don't need any special approach in customer service situations (Rakhmanina 2013).

Customer service success depends on employees' attitude towards the work and clients. One part of the interview contained questions related to the staff motivation. Students asked front-office manager Rakhmanina about motivation system in the hotel. According to her answers, there is no staff motivation monitoring system, because of its needlessness. Hotel is small and employees' attitudes and behaviors is not difficult to recognize. Mrs. Rakhmanina assumes, that hotel staff is motivated and interested in their work. Motivation of staff is supported through the bonuses, organization parties and other entertainment during the free time as well as providing opportunity for career growth. Once a year each department selects the best employee of the year, based on sales results (Rakhmanina 2013).

Customer satisfaction also depends on employees' ability to solve the problems and find solutions for the issues raised. For example, Marina Rakhmanina told the students that not all of required services are available in the hotel. Hotel provides such additional services as room service, concierge, luggage porter service, free "welcome drink". In every situation hotel's staff tries to provide a solution, if something is missing at a hotel. There is no fitness center in the hotel, and some of the customers are dissatisfied with this flaw. Hotel managers found a solution- signing an agreement with a fitness center nearby. Customers' satisfaction is accessed by hotel guests' reviews. There is a feedback system in the "Helvetia" hotel, which consist of questionnaires and "review/suggestions books". Questionnaires can be found in every room, and there are also two different "review/suggestions books", one is provided in

the hotel's restaurant and other at the reception. Customers' feedback is analyzed by the guest relations manager (Rakhmanina 2013).

Second interview was organized with "Helka" hotel's sales manager Marko Virtanen and it took a place in the "Helka" hotel in a live interview format. The first part of interview contained questions about Marko Virtanen's education, work experience and working responsibilities. Mr. Virtanen started his hospitality career working at the hotel in Tampere at the age of 15, he worked in the restaurant. Before "Helka" hotel Marko Virtanen was also an entrepreneur in own inn. Nowadays he is an owner and his brother works in the company as a manager. In the year 2005, Marko Virtanen has graduated to the master of economic sciences and began his career in "Helka" hotel. "Helka" has been recently renovated and modified into a Finnish design and nature style hotel (Virtanen 2013).

Because of the size of the hotel there is no strict trade for the "Helka" hotel's employees. Mr. Virtanen is responsible for different functions of the hotel, for example his responsibilities include sales, sales improvement, marketing, revenue management, guest relation management, PR-management. Responsibilities of PR and guest relation management belong not only to Marko Virtanen, but also to president and secretary. Also, Mr. Virtanen is a contact person for business and contract stay apartments customers. Marko Virtanen responsibilities include elaborating special offers for business customers; he collects the information considering room demand, price ratio, and competitiveness. After the information has been collected, the prices for the rooms and apartments can be calculated. Mr. Virtanen mentioned that they have an automatic counting computer program in "Helka", but sometimes programs can cause a mistake (Virtanen 2013).

Second part of the interview concerned marketing, Russian tourists and methods that sales manager Virtanen is using in his daily work life. Mr. Virtanen told the students that he uses Microsoft programs such as outlook and contact manager for following customer's projects situation. Also, he mentioned that there is no strict hierarchy in the "Helka" hotel. Every day, there is from 23 to 45 employees and all of them have an opportunity to make decisions independently, for example receptionists ask for the manager's suggests only in the situation, when a big group of customers arrives to the hotel. In Mr. Virtanen opinion freedom of action gives to employee's reliable sense of collective. He also told students that there is no special approach in customer service for the hotel guests from Russia (Virtanen 2013).

Russian customers are not the main customer segment of "Helka" hotel. During the summer and Christmas holidays there are a lot of Russian tourists in the hotel. On average, there is about 5,4% of Russians in "Helka" hotel during the year. According to Mr. Virtanen, the hotel is more suitable for Russian business customers. Free time travelers from Russia prefer hotels

with spa and entertainment facilities. In summer, “Helka” hotel management decided to offer electronic discount coupons, which will be directed specifically for Russian guests. The biggest group of “Helka” hotel customers is Finnish tourists. Also, guests from Estonia, Sweden, Germany, Holland and Japan visit the hotel quite often. Marko Virtanen told the students that priority marketing channel of “Helka” hotel is “Business to Business”. Hotel cooperates with travel agencies and sells via internet web-sites such as booking.com and hotels.com. Third part of the interview contained questions related to customer service. Sales manager Virtanen told the students that there are no strict customer service rules in the hotel. Employees have to follow normal bounds of decency and to be positive. “Helka” hotel’s employees provide a customer service on Finnish, Swedish, English, Russian, Spanish and Dutch languages. Also, Mr. Virtanen mentioned that in the evenings guests usually have a lot of questions, so receptionists have to be social, casual and be ready to resolve possible problems (Virtanen 2013).

Next part of the interview concerned the world crisis’s influence on the hospitality market and especially on the “Helka” hotel. Marko Virtanen told the students that in the year 2008, there were no worries about the world crisis. Problems have started in the beginning of the year 2009 and measures have been taken into the price ratio. The hotel had to reduce the average apartment’s prices to the 80€-115€, as a consequence it affected income growth and attracted more customers. Marko Virtanen mentioned that they do not save budget on the employees and on customer service quality. In the situation of small number of customers at the hotel, hotel will not order extra employees. One employee is able to serve ten customers without fails in the customer service quality. Also, Mr. Virtanen added, that “Helka” hotel is saving budget on the renovation, marketing and unimportant repairs (Virtanen 2013).

One of interview parts contained questions about staff motivation. Mr. Virtanen mentioned that the collective of the hotel is small and in the team there is a friendly and confidential atmosphere. Management of the hotel organizes various celebrations during leisure time, for example sport activities, bar visits, Christmas parties and etc. Sales manager Virtanen assumes that the main motivation at work is a good spirit of its collective. Of course, they do have performance-based paying and bonuses, but money motivates people only for a short period of time. Feedback system is an important part of hospitality market. Marko Virtanen told the students that receptionists collect the feedback in oral form and write them down for further analyzing. Also, oral feedback is collected by the employees in the bar and restaurant (Virtanen 2013).

Marko Virtanen demonstrated to students internet feedback page provided by “Helka” hotel. Every computer, I Pad (in the hall) or a mobile phone which is connected to the Wi-Fi network of “Helka” hotel automatically open a feedback questionnaire. After the visit to the hotel, all

the customers receive a message to their mobile phones with a request to complete a feedback form. Marko Virtanen told the students that once a year, hotel orders customer satisfaction survey from the external company, which is specialized on the feedback. Feedback experts organize questionnaires and receive answers from 200-300 customers for further analyzing. Hotel management follows customers' opinions via internet booking pages as tripadvisor.com and reading customer's feedbacks. Negative feedback often is related to the small size of apartments. (Virtanen 2013).

Last two parts of the interview contained questions concerning additional services and restaurant. Sales manager Virtanen told the students that there is a bar, restaurant, congress hall, sauna and additional services (postcards, souvenirs) in the hotel. Hotel management is developing new additional services in case of their profitability. One of ideas is organizing theme nights in the restaurant for the hotel guests. "Helka" hotel's restaurant offers to the hotel guests local cuisine (Lapland, Åland Islands) and world cuisine. Employees of the restaurant prepare the food only from local ingredients (Virtanen 2013).

## 6.2 Stakeholder analysis

Stakeholders of the project are all the private persons and legal entities, which are involved into the working process. Stakeholders are also those people which are affected by the process in any way. Stakeholders can be divided into two groups-internal and external. Internal project stakeholders are usually employees, managers, sponsors and members of the management. External stakeholders are people, who are interested in the project, are involved to the project or cooperate with the organization, for example customers, suppliers and representatives of government (Schwable 2006, 70-71).

Stakeholder analysis is a useful tool of managing relationships among major stakeholders. The information, which is required for stakeholder analysis, is the names of stakeholders, their roles in the project; significant additional information related to the stakeholders; relationship with the project; suggestions for successful communication with each of stakeholders. Stakeholder analysis should be prepared in the beginning of working process. Stakeholder analysis may contain personal information about stakeholder -that is why it should not be published in official version of project plan (Schwable 2006, 70-71).



Stakeholder analysis 15.08.2013

Project Name: Thesis

Laurea Leppävaara

Ilmari Sindonen &amp; Alena Jegorova

	<b>Alena Jegorova &amp; Ilmari Sindonen</b>	<b>“Helvetia”, front-office manager Marina Rakhmanina</b>	<b>“Helka”, sales manager Marko Virtanen</b>	<b>Stakeholders</b>	
<b>ORGANIZATION</b>	Students of Laurea University	Customer of the project	Customer of the project	Clients of the hotels	Owners
<b>ROLE ON PROJECT</b>	Creators of the project	Customer of the project	Customer of the project	Consumers	Persons, who are interested in the project results
<b>ADDITIONAL INFORMATION</b>	creative diligent interested in the outcome	responsible responsive professional	responsible responsive professional	demanding strict different types thrifty	mercantile demanding seeking to develop
<b>LEVEL OF INTEREST</b>	very high	high	high	secondary	very high
<b>LEVEL OF INFLUENCE</b>	project’s overall results depend on students	provides information, feedback, gives suggestions	provides information, feedback, gives suggestions	information, provided in customers’ feedback	investments improvements decision making

Table 1: Stakeholder analysis

Stakeholder analysis- table contains a description of the most important participators of the thesis project. The organization of the project consists of two students of Laurea University of Applied sciences, Alena Jegorova and Ilmari Sindonen. Their role in this project is creation and implementation. Students’ level of interest in the work’s success is very high, because diploma of education depends on this project. Student’s creativity, diligence and interest are the most essential factors, which affect the project results. Level of influence on workflow is high and also depends on students; without the motivation and interest towards the case study the overall result will be insufficient and inaccurate. The success of the approach is that students divide all the given tasks equally and perform the tasks in time. Supervisors of the project assist students, give them instructions during the thesis working process, forward in the right direction and give important suggestions. Project supervisors are professionals in

different areas of business management. From students' opinion in order to achieve positive results, it is important to attend the lectures, listen to the instructions and to perform the tasks accurately.

The organization's commissioners are Russian and Finnish hotels. Russian hotel's stakeholder and contact person is "Helvetia" hotel's front-office manager Marina Rakhmanina. Mrs. Rakhmanina is a responsible, responsive and professional manager; her interest of this project is on a high level, because she is interested in students' work results. The results of the project may impact on improving the hotels' customer service and finding new solutions in service from customers' perspective. It possibly affects the hotel's service quality overall. Front office manager Rakhmanina provides important information and gives feedback about students' work process. Finnish commissioner of organization is a "Helka" hotel, and Marko Virtanen is a contact person, he is working in a hotel as a sales manager. Marko Virtanen is interested in the project in a sense that research results may yield valuable information about customers' experiences and based on the negative reviews, it will be possible to improve the deficiencies.

Owners of the hotels can be characterized as stakeholders as well. In the same way as Mrs. Rakhmanina and Mr. Virtanen they are interested in the results of case study. It can be assumed that owners' level of interest is even higher, because hotels' income directly depends on customers' loyalty and satisfaction. During the project owners are not involved into research, but after the research will be completed, they will make decisions about investment in services' and property improvements. Hotels' owners can be described as mercantile, demanding and seeking to develop hotel services'. Another important group of stakeholders are hotels' customers. Their role in the study is important, because on the basis of hotel guests' reviews students make conclusions and determine provided services' weaknesses and flaws. Clients of the hotel are different, but most of them can be described as thrifty- people, who do not want to overpay for the service. Level of interest towards the project results is secondary, because hotel guests do not even know about it, but at the same time the importance of the project is on a high level, because all the improvements will be developed in order to make customer experience more pleasant and increase customer satisfaction level.

### 6.3 Blueprint

Blueprint is a useful tool for describing the main characteristics and the nature of the service. With its assistance it is possible to check, implement and maintain the service. It could be used for service improving as well. Blueprint is based on the graphic table that shows all the visible processes and touch-points, visible and invisible actors as well as back-stage processes. Traditional blueprints are usually used in architecture, product design and engineering. Blue-

prints can be successfully used in a service design as well. Blueprint gives an accurate representation of how a service works, describing in details processes and actions, without taking into account the emotional side of the process. Understanding the service and main principles -“how service works”, makes it easier to develop it. Blueprint is a very useful tool in the service design process (Blueprint tool 2012).



Figure 4: Hotel services blueprint

As it can be seen from the blueprint, hotel services consist of multiple processes as well as visible and invisible actors, for example for making a reservation may be required a personal assistance of a manager or customer makes a room reservation via booking web-sites independently. The process of consuming a hotel service starts when the customer decides to book a hotel room. He makes a reservation via internet himself or refers to a travel agency with a request of hotel room booking. According to blueprint, there are two options of booking a hotel room. In the first case customer managed to book a hotel room without customer service manager's assistance. Booking was done through a system of reservation, which is a part of hotel service support processes. Another option is booking via travel agency, which means that in this case has been involved a travel agency manager.

Second stage is customer's arriving to the hotel. Customer may arrive to the hotel by car, then a parking is required, or by taxi/by walk. In case, when customer needs a parking, he expects that the hotel offers a guarded parking. In that stage, there is no visible interaction between a customer and security guards, because parking control is carried out through the video cameras. After parking a car, customer moves to the hotel's hall. In most hotels, reception employees make out registration of a client or in other words check-in the customer. Front office manager communicates directly with a customer, so this part of a hotel service is one of the most important. Customer goes to the room on the elevator or walks up the stairs.

In both situations, backstage processes are involved- either elevator condition maintenance or cleaning. In the room customer takes a shower, watches a TV and goes to sleep. For maintaining the cleanliness and equipment functionality, such support processes are required as technical support and cleaning. In the morning, customer wakes up and goes to breakfast. Breakfast serving is a complicated process that involves chefs, waiters and customers. It consists of both invisible and visible interactions with a customer. After joining a meal, customer picks up his luggage from the room and goes to the reception. The final stage is checking out and paying a bill. The process of consuming “Helka” and “Helvetia” hotel services will be described in more details in following parts of the thesis- Personas and Customer journey map.

#### 6.4 Benchmarking

Benchmarking as a management tool is currently used in different areas of a business world. It has been successfully implemented in several hospitality sectors such as restaurant business, hotels, catering services and attractions. According to Wöber(2002,14-15), the role of benchmarking in hotel management is significant, especially in measuring hotel service quality. He also identifies the importance of benchmarking in comparing different levels of discounting in various lodging companies. In the UK was tested a managerial tool called the “strategic planning index” or “marketing planning index”. It was meant to measure the effectiveness of strategic planning activities and also to facilitate a company’s benchmarking process. Three main measured things were effectiveness, efficiency and adaptability. On the basis of research results, has been concluded that performance has an important place in strategic planning and marketing effectiveness. At the same time adaptability has a significant impact to organization`s efficient operations. Benchmarking is also used in accommodation sector, a few attempt were made to apply benchmarking for defining the effectiveness of regional tourism management and for comparing the popularity of tourism destinations. Furthermore, the importance of benchmarking has been considered in tourism destinations competitiveness (Wöber 2002,14-15).

One of the most efficient management methodologies to compare different organizations and to find out their internal strength and weakness is benchmarking. Due to benchmarking it is possible to learn how the business activities, processes and management work as well as to define the ways for improvement. Benchmarking is a useful tool in proposing and implementing performance improvements, which are based on other companies’ achievements. One of the most important parts of benchmarking process is selecting the partners. In the beginning of benchmarking process the organization should decide which comparison partners will be chosen, and this decision should be made with answering to three key questions: “Who is the best practicing company? Who can my company be compared with? What are the goals which are most advantageous and achievable for the company?”(Wöber 2002, viii).

Benchmarking can be divided into four groups. The first method is an internal benchmarking, which means in practice that organization compares internal functions, analyzes the results and makes further decisions based on benchmarking conclusions. Competitive benchmarking is a method in which the functions are compared to the similar competing business. Comparison of the activities of rival organization can be challenging in terms of the information access. The third method is a functional benchmarking, in which benchmarking targets are similar processes within an industry. The last method is called generic benchmarking, which compares operations between unrelated industries (Hokkanen etc. 2008, 88).

In order to determine the differences and similarities of target organizations, the students decided to use a benchmarking method. It was revealed, that the hotels have a lot of similarities. In the beginning of the project target organizations were chosen with purpose to compare two four star hotels in Russia and in Finland. Both hotels are located in the centre of the cities and near the main transportation and entertainment activities, such as railway station, metro stations, museums, theatres and shopping centers. Both hotels are design hotels, hotel "Helka" represents Finnish nature style and hotel "Helvetia" is designed in the classical style of the Russian tsars- barokko and rokoko architectural styles. Hotels offer accommodation in comfortable single, double and suite-rooms. All the rooms in "Helvetia" as well as in "Helka" hotels are non-smoking, special place for smoking is provided. In addition to traditional accommodation in the hotel, "Helka" offers a possibility to stay in the apartments, which are located next to the hotel. "Helvetia" hotel provides apartment accommodation, located in the hotel building. Furthermore "Helvetia" has a vast selection of luxury rooms- Junior suites, Classic suites and Helvetia suites.

Hotels feature the same range of the services such as conference and meeting facilities, currency exchange, laundry, luggage room, shoe shine service, ironing service, wake up service and parking. The employees of the hotels are available 24 hours 7 days a week and the customers can take advantage of a consierge-service. However, there some differences in the range of hotels' services, for example there is no sauna or Jacuzzi and no lobby-bar in "Helvetia" hotel. "Helka" hotel does not provide a porter service as well as there is no "free drinks" for the customers, when they arrive at the hotel. Both hotels do not provide a fitness centre or gym amenities, but "Helvetia" hotel has found a solution, they signed a contract with a gym, which is located nearby. Hotel "Helka" features a-la carte restaurant "Keittiö", where guests can enjoy dishes, prepared from fresh products of Finnish nature. "Helvetia" hotel offers two restaurants- Marius and Clairet wine restaurant. Marius is a beer restaurant with the European cuisine. It has a huge selection of different beers and wines with different starters. Clairet is a traditional European cuisine restaurant with the dishes that are suitable with wine.

“Helka” hotel’s main customer segment is business travelers. According to Marko Virtanen(2013), there are five major customer segments- Finns; neighboring countries- Russian, Estonian and Sweden customers; Germany and Holland ; Japan. Both hotels’ representatives stated that the most profitable seasons are summer, Christmas time and various events, exhibitions and holidays. Last two years the profit of the hotels has been increased. According to Marina Rakhmanina(2013) from “Helvetia”, the profit has been grown, because the customers of the hotel spent more money on additional services and booked more superior and suite rooms than two years ago. In general, the number of hotel visitors remained on the same level. At the hotel “Helka” the situation is different; customer occupancy rate has been increased, which in turn influenced the decline in the average price of the room. The customer service in the hotel “Helvetia” is provided in two languages Russian and English. “Helka” hotel employees provide a customer service in six languages: Finnish, English, Spanish, German, Swedish and Estonian.

The most significant differences were identified in the management of target organizations. “Helvetia” hotel has a basic functional structure, which is headed by the CEO. Hotel staff consists of 20 employees, which include top management, PR manager, guest relation manager, marketing and sales managers, porter, reception employees as well as cleaners. The management structure of “Helka” hotel is different. The hotel is not managed by traditional organizational system with a clear separation of departments and head managers. Hotel conquer democratic system, in which all the employees are responsible for overall result and there is no department heads. There are no PR and guest relation managers, and their responsibilities are distributed among the employees of sales department and reception employees. Cleaning activities are outsourced. Both organizations do not use any staff motivation monitoring system, because of its uselessness, the hotels are quite small. Employees’ motivation is stimulated by the system of bonuses and rewards, based on previous month sales results. In addition to bonus-system, hotel “Helvetia” holds rewarding “The best employee of the year”. The management of the hotels arranges for the employees various corporate and sport events.

Feedback systems of the hotels are different. Hotel “Helka” has already moved to a more modernized method of collecting feedback. Feedback form is provided to the customers at the moment, when they start to use a Wi-Fi at the hotel. Feedback form opens on a first page, and after customers have fulfilled it, they can continue using an internet. The feedback can be leaved in an oral form to the employees or responding to SMS message that is sent to the client after his visit to the hotel. There is an I pad in the hall and customers can leave a feedback using this device too. Hotel “Helvetia” does not provide to the customers any of feedback electrical devices,paper questionnaires can be found in the each room, and in the

hall of the hotel customers can leave a feedback in “Review/Suggestions book”. The feedback form is also sent to the client by e-mail afterwards.

### 6.5 “5 Why” method

The “5 why” method is an easy tool to identify reasons of weaknesses and to find solutions to the problems. The method assists to discover the problem in depth. The person or a group of people ask an interviewee for five times question “why”. The questions may be asked more than five times, until the answer for the “why” begin to be difficult. Each “why” is leading another question “why”, modifying the deeper understanding of a problem. After many “whys”, the questions may change the topic and to lose relevance, but a new answer may provoke finding the solution to the problem. The method gives an opportunity to understand the factors of internal and external problems (Stickdorn & Schneider 2010, 166-167).

Five why method is a strong tool which is meant to assist in finding new solutions, ideas and being creative. An example of the method use:

- 1) Question: “Why are customers buying pizza from our competitors?” Answer: “Because of better taste.”
- 2) Question: ”Why the taste is better?” Answer: “Because of using a better sort of cheese.”
- 3) Question: “Why competitors use a better cheese?” Answer: “Because they don't save money on the cheese.”
- 4) Question: “Why they don't save money on better cheese?” Answer: “Because they don't want to disappoint their customers and want to make more income.”
- 5) Question: “Why?” Answer: “Because they want to be better pizzeria and to make better pizza with the result of income grow and customers satisfaction.”

(Linker 2011, 66-67).

From the given example, the solution to the problem is found. With answering on five whys, the problem with pizzeria was in the taste of the cheese, and the solution is not to save on this product, with the result of future customers grow. In selling pizza, is not relevant to save money on the cheap bad taste products (Linker 2011, 66-67).

Resolving the problem of ineffective feedback system in “Helvetia” hotel:

Why the feedback system in Helvetia hotel is not efficient?

The feedback system in Helvetia hotel is not effective, because in the hotel is not installed an electronic system of collecting feedback.

Why there are no electronic devices, involved in collecting feedback?

This innovation is not in use at the hotel Helvetia yet.

Why the innovation is not integrated into the system of collecting feedback?

The innovation is not integrated, because guest relation manager did not provide a suggestion of improving the feedback system.

Why guest relation manager did not provide this improvement to the management of Helvetia hotel?

This issue has not been given enough attention.

Why this issue has not been discussed and has not been given enough attention?

The topic was not discussed on the management meeting, because guest relation manager did not raise this issue.

Conclusions: First of all, the issue should be discussed on the organizational meeting with top management, the investment and devices' cost should be analyzed and conducted a benchmarking of feedback collecting systems with another organizations working on this field. Guest relationship manager should get additional education, for example training courses for updating the knowledge related to the new methods of collecting feedback.

## 6.6 Personas

In personas method, service designers develop potential customers' images with different characters, interests and life styles. Method users have to develop particular services users based on their needs and preferences. The easiest way to create personas is to collect the information about organization, contained the kinds of customers, who are using their services. Next step is to find similar interests and to divide potential users into groups. With the common interests of the users, it will be easier to develop a workable common character of persona. The persona has to be created in more details, in order to make it memorable. For example, where does he/she works, description of a family, hobbies, weaknesses, strengths, ethnicity and age. Shadowing, interviews and stakeholder maps methods may help in the persona creation with information gathered from research results. Persona method is used to find different perspectives of use of the service. It may be helpful in developing special offers to potential real customers based on the results achieved using the method (Stickdorn & Schneider 2010, 178).

For example, travel service designers may observe three types of travelers for the further analyzing. First developed persona is Margareth, who is travelling only because of business needs, second is Jack who prefers vacation travelling and the last persona is Anna, who saves



money and travels only with discount offers. From persona profiles, service designers can analyze needs of those customer groups. Margareth is thinking only about business and wants to pass to the meeting on time while Jack is dreaming about vacation. It is good to remember that number of created persona should not be very large. After ten created persona, began to be difficult to remember and distinguish them. Ten created persona should be enough to cover 95% of customers. Persona is a good method if it is based on the information collected about the company and its customers with the correct behaviors, expectations and motivations. Personas can be used in creating scenario method. In persona method, designers develop different situations, related to the customer and its life, for example the reasons, which motivate the persona to buy an airline ticket. The personas method is useless in cases when the scenario is not developed afterwards. (Saffer 2010, 108-109).

Scenario method is used for researching and exploring services of the company. The stories of scenarios are fictional. The creation of the stories should include detailed information of the situation, with the help of the persona profiles research method. Scenarios can be painted, written or even captured on video. Service designers are using information of past researches, for building more real scenario story. Persona profiles make the character of the scenario more effective and efficient. It is never late to implement scenario method in service design process. Method enables defining problems of the offered service, and also to find solutions for the weaknesses and to improve them. The topics of scenarios stories researches may be positive and negative. For example, reasons of loss of customers or vice versa the increase of customers' amount. The results of the scenario, enable understanding and analyzing the factors of the customer experiences. Also, the method may be used to define strengths and weaknesses of the future services (Stickdorn & Schneider 2010, 184-185).

For implementation of scenario method three main steps should be done. First step is to research customers, and company's needs and values and to create persona profiles. The information about customers' needs can be collected with questionnaires, interviews or observation design methods. Company's values may be collected from the business plans and strategies. Second step is to create workable service scenario with target users, user data, user needs and values, service data and its values from the purchased service. Conclusion part is the realization of received results and improving possible weak parts of the service (Kurosu 2009, 377-379).



One of potential customers of “Helka” hotel is a businessman from Russia Ivan Petrov. He visits the hotel few times a year, due to business trips. He spends a lot of time abroad, in different countries, not only in Finland. Ivan is 46 years old, and his home town is Moscow. For 15 last years he has been working in “Gazprom” organization as a top manager. He is an avaricious person, who thinks that money is more important than human values. Also, he is irascible, workaholic and a strongman. Ivan is divorced, and lives together with a 30 years old girlfriend. He has two children, but they live in England, and he does not see them often, just two or three times during the year. Ivan is interested in sport games, especially in hockey. He is a big fan of Russian national hockey team, and his idol is Malkin. Ivan can not play the hockey, but he likes other kinds of sports such as big tennis and golf. His hobby is collecting expensive cigars and a cognac, which is over 10 years old. He also likes motorcycling and yachting. Sometimes, he likes to watch TV and movies, for example BBC, financial news, sport channels- Euro Sport.



Mika Pesonen- is a Finnish businessman, who stays at the hotel “Helvetia” few times a year. He is 52 year old, and he is originally from Helsinki. Mika has two higher educations- he graduated from faculty of law and faculty of history at the Helsinki University. He is an owner of a middle-size consulting company. He does not sleep much, more than 6 hours, because he works a lot. He works not only on weekdays, but also in his free-time. Mika is an intellectual, polyglot and workaholic and he is very responsible in all cases. Mika’s family is not big; he has a wife and two children, 15 and 8 years old. Mika is interested in everything new and likes to travel with his family. He is interested in extreme kinds of sports, such as scuba diving, sky-diving, winter swimming and skiing. Mika reads a lot of books and like every Finnish man likes sauna and beer. When Mika has free time, he plays a guitar and sings, and his favorite music is also guitar songs.



Inna Bogdanova- is a leisure time traveler, who visits “Helka” hotel twice a year. Her relatives live in Helsinki and she comes to visit them during the summer and Christmas holidays. It is not possible for her to come more often, because she is working in chief accountant position in one of the municipal organizations and she does not have much free time. Inna is from Petrozavodsk, the capital of Karelia republic, which is a part of Russian federation. She is 45 years old, and her family consists of two persons- her 19 years old son and herself. Inna is interested in everything, which belongs to Italy and its culture.

She likes to travel, but the favorite place for her is Italy, she learns Italian language and prepares Italian food at home. Inna is an active, cheerful, caring and friendly person. She has many friends and they spend a lot of time together, playing different sport games, running, swimming and rollerblading. When she has time, she likes to watch melodramas and listen to her favorite music- Russian pop music, for example Stas Mihailov.



Jan Petersson - is a student of Laurea University of Applied Sciences. He is 21 years old and he is studying second year of facility management. In the future Jan will be a restonom. Jan lives in Espoo, with parents. Above all he is interested in partying and hanging out. He is not responsible and occasionally skips lectures at university. Jan’s family is rich, that is why he spends a lot of money travelling to other countries. One of his favorite hotels is “Helvetia” hotel in Saint-Petersburg. He also spends a lot of money, which he has got from his parents, in the nightclubs, bowling and billiard rooms. He is single, but girls like him, because he is a good-looking guy. Jan likes to spend time with his friends, but he also likes to laze at home and play console games. Jan is lazy and irresponsible, but at the same time he is very joyful and talented in music. His favorite music is rap and house music styles, and in the future he would like to be a DJ.



Gustav Schneider is a potential customer of “Helka” hotel. He is born in Rostock, Germany. Last 16 years he is retired and travels a lot, especially he prefers travelling by cruise ships. Gustav is 86 years old and has a large family, including his wife, 3 children, 7 grandchildren and 4 great-grandchildren. Gustav worked in Mercedes Company as a mechanic from 1970 to 1997; he is a professional in that field. When Gustav was young he had to participate in the Second World War, he was a radio operator. Gustav’s hobbies are reading, collecting coins and swimming in the pool. He reads a lot of books, but he likes to go to theater and opera as well. His favorite TV channels are Discovery and animal planet; sometimes he likes to watch political programs and BBC news. Gustav is very kind, caring and positive person. He loves his wife and family, and spends a lot of time together with them. Gustav is a conversationalist, and it is always interesting to discuss different issues with him.



Elizabet Petroff is a potential customer of “Helvetia” hotel. She is 65 year old. Elizabet’s hometown is Oulu, but she has been living in Helsinki for many years. Elizabet is a citizen of Finland, but she has relatives in Russia, and she is very interested in Russian history. Her grandmother and grandfather immigrated to Finland from Russian imperia during the revolution. She is from aristocratic family; she likes to spend free time in the theatres and museums. She worked as a ballet dancer in Finnish national theatre from 1973 to 1990. Elizabet has a husband and 3 cats, but does not have children. She is very kind person and she sponsors a children’s home, which is situated in Saint-Petersburg.

## 6.7 Customer journey map

One of the service design tools or methods that have been used in this thesis work is customer journey map. Customer journey map represents a detailed process how the customer ends up using the service. It is important to recognize which indicators influence the customers’ decision making process. After recognition of the effective indicators service provider can pro-

duce a map of different possible customer choices. The customer journey map enables to create a more tempting environment for the customer and thus to increase sales. In the map the most important touch points are identified where customer's opinion can be influenced. At these points different solutions are noticed for example how a person is going to buy a train ticket either online, by the phone or at the train station. After identification of these different options the service provider can improve the service in case of barriers or create something new. The key is to satisfy the needs of the customer as well as possible (Richardson 2010).

There are six main stages of creating customer journey map. The first one is identifying the customers' needs and preferences. It is essential to identify what exactly customer wants and which factors motivate him above all. One of the most effective ways of determining these aspects is a market research. After determining the customers' needs, all the results should be written on the customer journey map. Second stage is defining the role of organization in fulfilling the customers' needs. In order to meet the clients' needs, it is necessary to allocate resources and share the responsibilities within the organization. Furthermore, it is necessary to determine the touch-points between the customers and organization, and put them on the map (Davis 2010, 379).

During the third stage it is essential to score each customer-supplier interaction from the two perspectives- a competitor benchmarking as well as the clients' evaluation. Benchmarking of competitive organizations should be based on previous market resercheses and customers' reviews. Customers' evaluation should be carried out based on the results of customer satisfaction surveys. Following stage of creating customer journey map is identifying the problems, limitations and analyzing the possible consequences. After the customer journey map has been created, it will be needed to draw up an action plan, which enables further changes and corrections. It is always possible to make changes and improve the customer journey map, but the responsibility for these changes should be assessed in advance. Subsequently, the organization should monitor the situation, evaluate the customers' feedback and strive to improve the performance according to customers' needs (Davis 2010, 380).

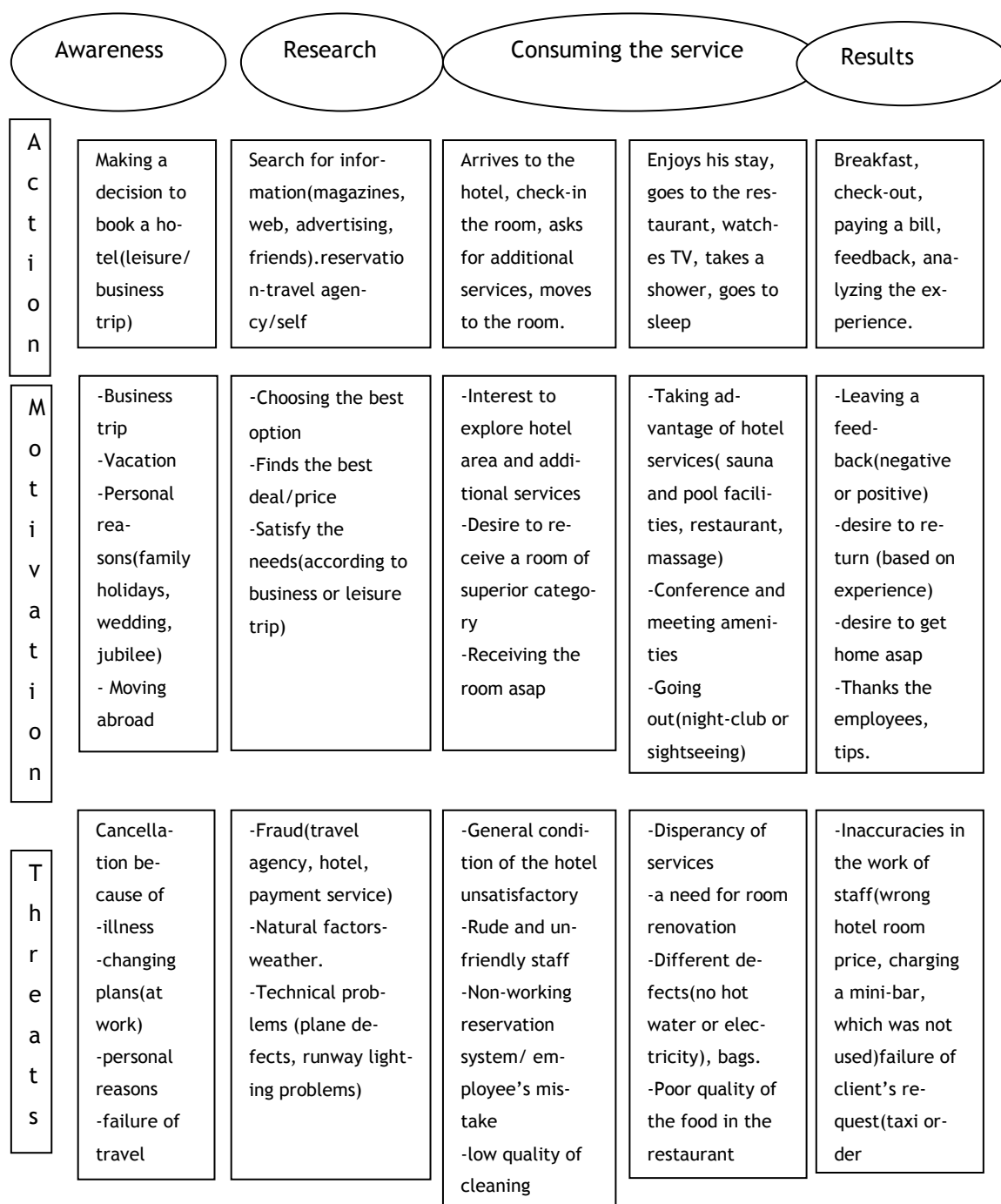


Figure 5: Customer journey map - consuming hotel services

Customer journey map represents prototypes of three different "Helka" hotel's clients (1-2 days stay), which do not know each other in prior, but there still a possibility of their interaction during the stay at "Helka" hotel.

Gustav Shneider, 86years old, retired, lives in Rostock- Germany.

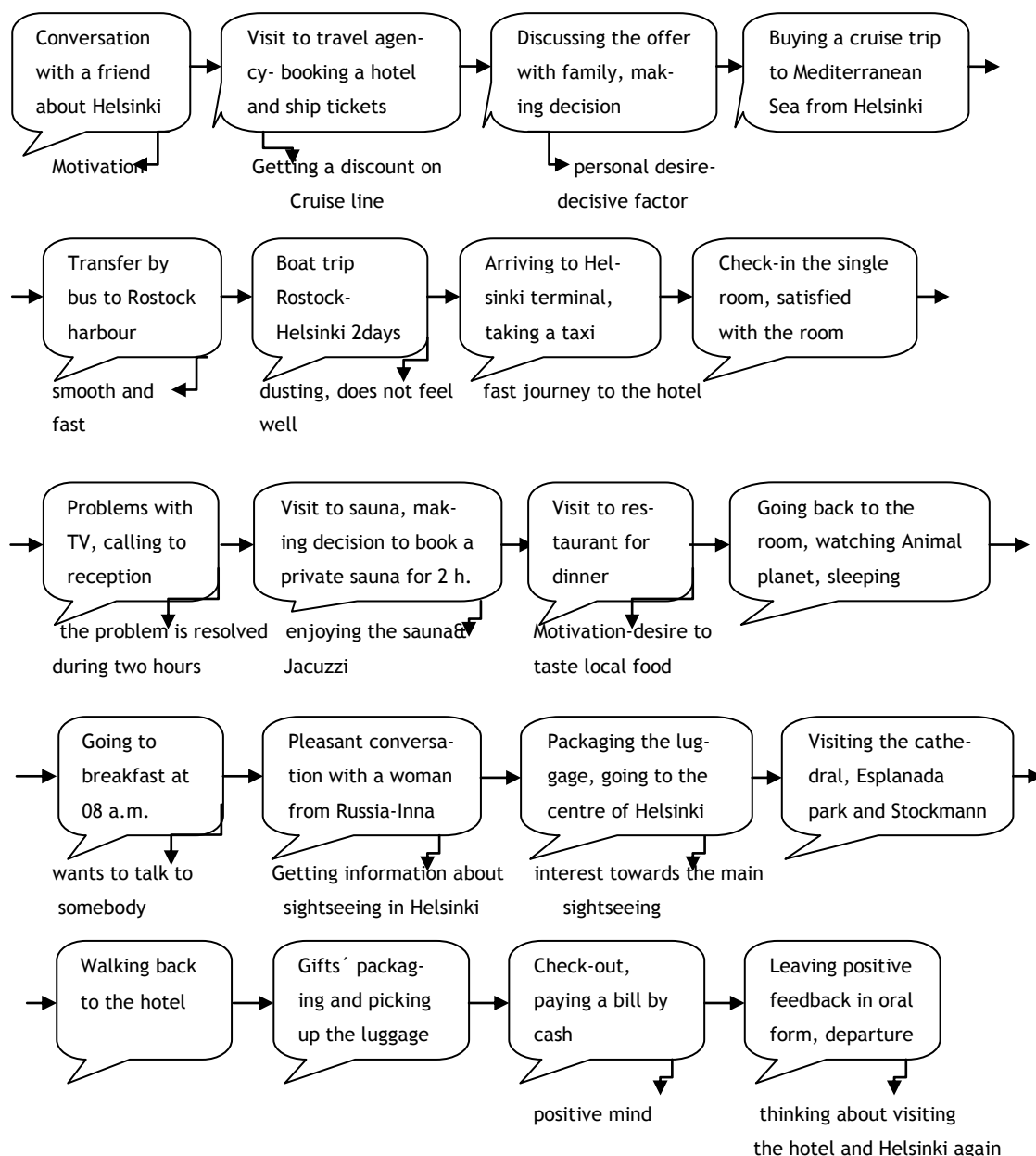


Figure 6: Customer journey map, Gustav Shneider, 1 day stay

Gustav Shneider always liked to travel to other countries by cruise lines. He was speaking with his old friend about travelling, when he offered him a very interesting option. Last year he made a cruise trip to Finland and liked it very much, so Gustav decided to travel to Finland either. On the next day, he went to the travel agency, with purpose to order a trip. Travel agent has offered a discount for retired people. In Gustaf's opinion, it was a relevant deal/ut he wanted to discuss the details of cruise with his family. Gustaf always has a conversation with his relatives before the decision making. Finally family made a positive decision and

Gustaf bought the trip to Mediterranean Sea with visiting the capital of Finland. Gustaf packed his luggage and went to the bus stop to catch a bus, which transferred him to the Rostock harbor. He felt a little nervous because he went alone. His wife could not come with him, because she had to stay and to help their daughter with children.

The boat trip went well, the weather was sunny, and he met three Germans retired men with whom they had nice dialogues during the evenings. After two days of journey cruise line arrived to the port of Helsinki. Gustaf is an old person, and he decided to take a taxi to the hotel. He was tired after a long trip. Taxi trip went smoothly and after 15 minutes Gustaf was in the hotel. Check-in went fast because there was no queue at this moment. After check-in Gustaf entered his single room and was satisfied with interior and size of it. Gustaf was tired and wished to watch TV on the bed and possibly to catnap. The attempt failed because of the problems with TV. It could not find any channels and on the screen were white and black dots. Gustaf called receptionists and after two hours problem was resolved.

In the evening Gustaf decided to try authentic Finnish sauna, he booked a private sauna for two hours with Jacuzzi. The sauna and Jacuzzi time was pleasant and relaxing. After the sauna Gustaf went to his room and watched TV, which was already fixed and worked well. During the journeys, he likes to watch TV channels and TV-shows on local language. He doesn't understand any words, but he likes to listen to different languages and dialects. In the evening, he felt a little hunger and went to the hotel restaurant with the desire to taste local food. Gustaf ordered meatballs with mashed potatoes and homemade beer. In his opinion it was simple, but tasted delicious. He asked the chef for the recipe and will give it to his wife so that she will cook it in Germany. After a nice evening in Helka, Gustaf went to his room, watched Animal Planet and felt asleep.

In the morning, he woke up and went to breakfast at 8.00 o'clock. Gustaf wanted to talk to somebody and felt a bit lonely. In the restaurant hall, he sat down at the table with women from Russia- Inna. Gustaf asked her about the sightseeing in Helsinki. After the breakfast, he packed the luggage and went to the center of Helsinki to visit the cathedral, Esplanade Park and Stockmann. In the afternoon, Gustaf went back to the hotel and packed gifts and souvenirs. After packing, he went downstairs by lift and paid the bills. He was satisfied with his stay in Helka hotel and left positive feedback in oral form. Gustaf continued his trip on the cruise line and visited a lot of interesting countries and sightseeing places. While the home trip, Gustaf thought about Helsinki and definitely will recommend visiting the town and "Helka" hotel to his friends.



Inna Bogdanova, 45years old, chief accountant from Petrozavodsk, Russia.

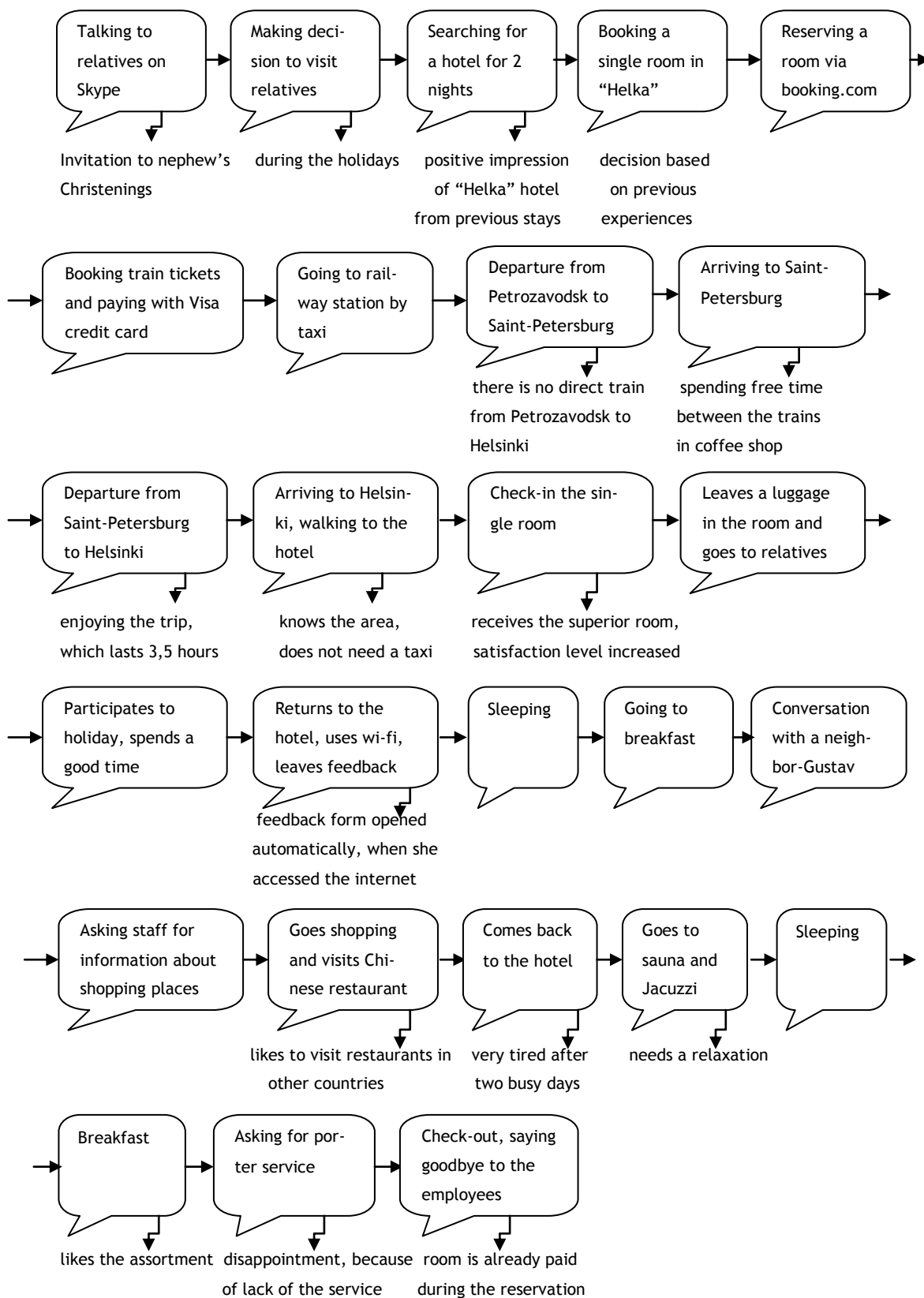


Figure 7: Customer journey map, Inna Bogdanova, 2 days stay

One evening Inna talked to her relatives from Finland on Skype and her sister and husband invited her to visit them and to join little nephew's Christening. Inna decided that it is a good idea, because she has a holiday. Inna searched for a hotel for two nights and decided to book "Helka" hotel, because of good impressions from the last visits. Inna could stay on the relative's apartments, but she prefers to be alone and to not disturb relatives. She made a room reservation via booking.com. Also, she booked train tickets and paid everything with Visa credit card. On the next day in the morning Inna went to the railway station by taxi. First she was supposed to go to Saint-Petersburg, because there is no direct train from Petrozavodsk to Helsinki. After arriving to the Saint-Petersburg, Inna spent free time between trains in a coffee shop. The trip to Helsinki was pleasant and lasts 3, 5 hours.

In Helsinki Inna walked to the hotel, she knows the area pretty well and she did not have a heavy luggage with her. Inna arrived to the hotel and checked in the single room. "Helka" provided for her superior room and Inna was satisfied with the room and she also liked big pictures of Finnish nature as a part of hotel design. She left the luggage in the room and relatives picked her from the hotel. The christening went very well and everybody enjoyed time spent together. After the family event she returned to the hotel, she was thinking that she has one more day for shopping and visiting her favorite places. In the room Inna used Wi-Fi and has noticed that feedback form opened automatically, when she opened the internet. She decided to leave a feedback. After she has finished using internet, Inna went to sleep.

In the morning, she woke up and went to breakfast. During the breakfast, Inna sat down at the table with a nice elderly man from Germany. They had a conversation about Helsinki and places that he should visit. In the afternoon, Inna asked staff on the reception for information about shopping places in Helsinki. It was a discount time in Helsinki, so Inna went to buy bargains. After few hours of shopping Inna was tired and hungry, that is why she decided to have a launch in the Chinese restaurant. Inna likes to taste different kitchen while her trips. The food tasted good, and with the positive mind she came back to the hotel. Inna was very tired after two busy days and decided to visit Finnish national sauna with Jacuzzi. Sauna and Jacuzzi time was relaxing and after it she has slept well. In the morning, Inna went to breakfast. She liked the assortment of the meals. After the breakfast Inna packed the luggage and asked for porter's help. When she got an answer, that this service is not available at the hotel Inna was disappointed. The luggage was heavy and it was hard for her to carry it. Check-out went easily and she left the hotel, the room was already paid during the reservation.

Ivan Petrov- 46 years old, businessman from Moscow, Russia.

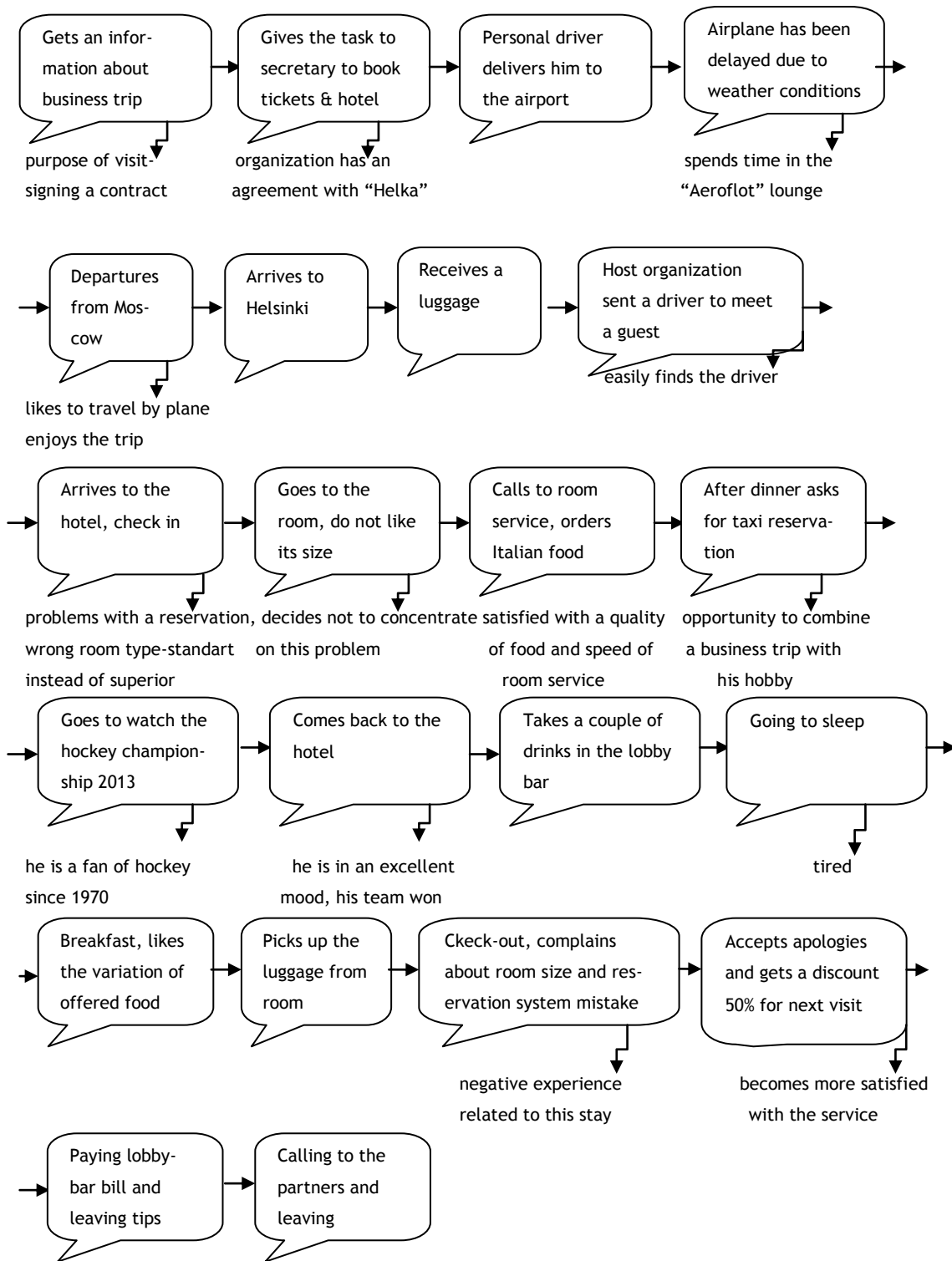


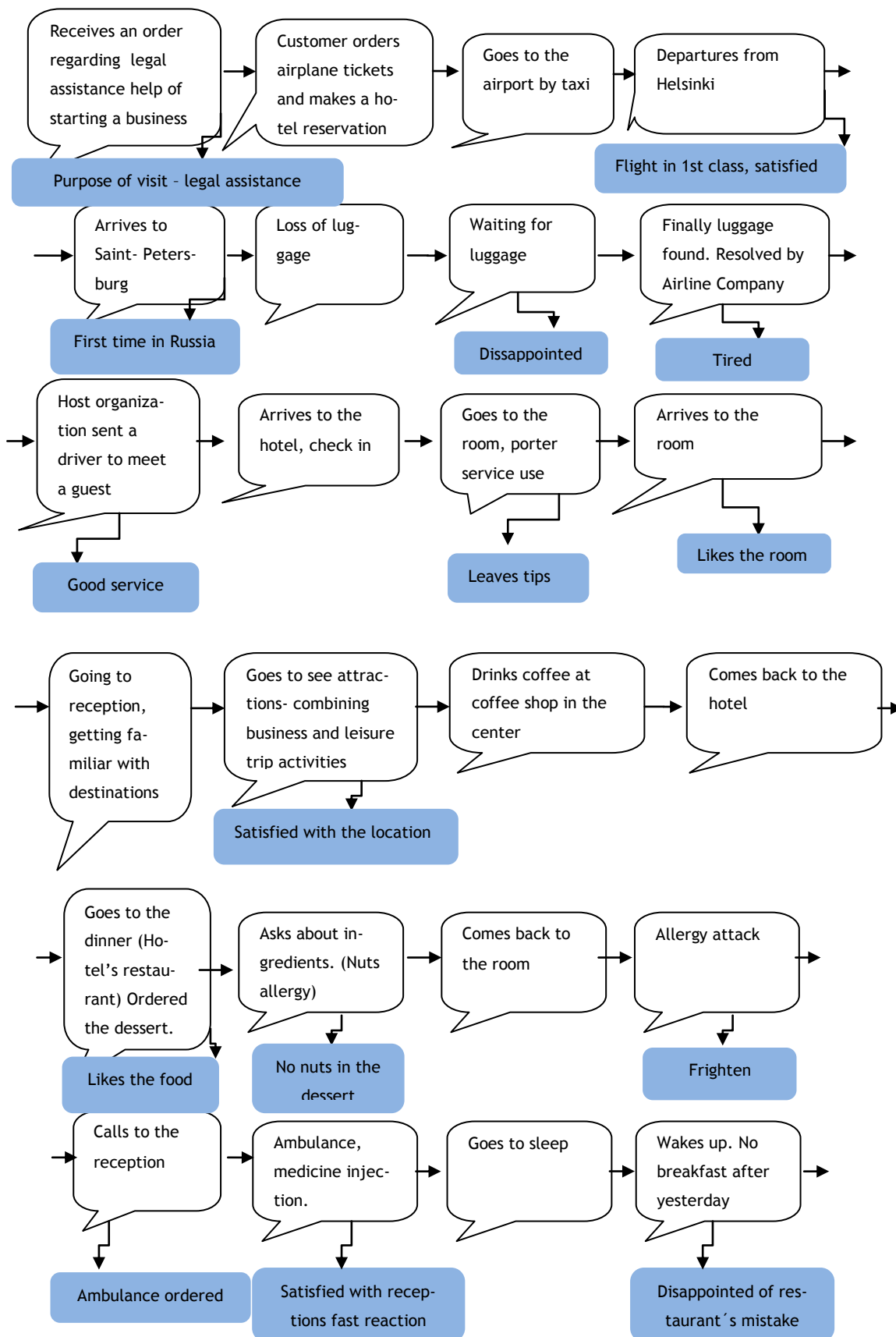
Figure 8: Customer journey map, Ivan Petrov, 1 day stay

Ivan Petrov is a businessman from Moscow. He is working in international company and his responsibility is to maintain and develop relationships with foreign partners, that is why he often goes abroad in order to sign new contract as well as to meet partners and discuss with them raised issues. This time business trip was related to signing a new contract. Ivan's secretary reserved a superior room in Helka hotel, because two years ago have been signed a cooperation agreement, and hotel offers very reasonable price. Next day Ivan's personal driver delivered him at the airport. The flight was delayed because of bad weather conditions. There was nothing Ivan could do to influence the situation, so he decided to wait at the airport and spent time in the "Aeroflot" lounge.

Finally weather conditions improved and aircraft was given permission to take off. The flight from Moscow to Helsinki did not take much time and in general the flight went well and Ivan enjoyed the trip. After one and half hours, the plain arrived to the Helsinki airport. Ivan received the luggage and host organization driver delivered Ivan to the Helka hotel. During the check-in Ivan noticed, that reception employee made a mistake or may be this mistake has been made during the reservation, however Ivan's secretary made a superior room booking but for some reason hotel employee gave him a standard room key. When Ivan entered standard room he didn't like its size, but decided not to concentrate on this problem. Ivan was hungry and he decided to call room service and to order Italian food. After the meal, he asked the reception employee to make a taxi reservation for him.

While Ivan is on his business trips in different countries he always tries to spend free time with pleasure. This time he has got an excellent opportunity to visit hockey championship 2013, which took place in Helsinki. Ivan is a fan of hockey since 1970 and he was happy to join this sport event. After the game Ivan was in an excellent mood because his team won. In the hotel Ivan took a couple of drinks in the lobby bar with Russians fans. After the flight, game and drinks he felt very tired and went to sleep. In the morning, Ivan had a breakfast and liked the variation of the food. After the breakfast, it was a check-out time. Ivan picked up the luggage from the room and went to the reception. He complained about room size and reservation system mistake. Ivan felt negative experience related to this stay. Reception staff asked apologizes and gave to Ivan a discount 50% for next stay. It was a nice gesture and Ivan became more satisfied with the service. He paid lobby bar bills and left tips. Before the flight he was supposed to have a meeting with Finnish partners and Ivan left from the Helka hotel.

Mika Pesonen, 52 years old, businessman, lives in Helsinki- Finland.



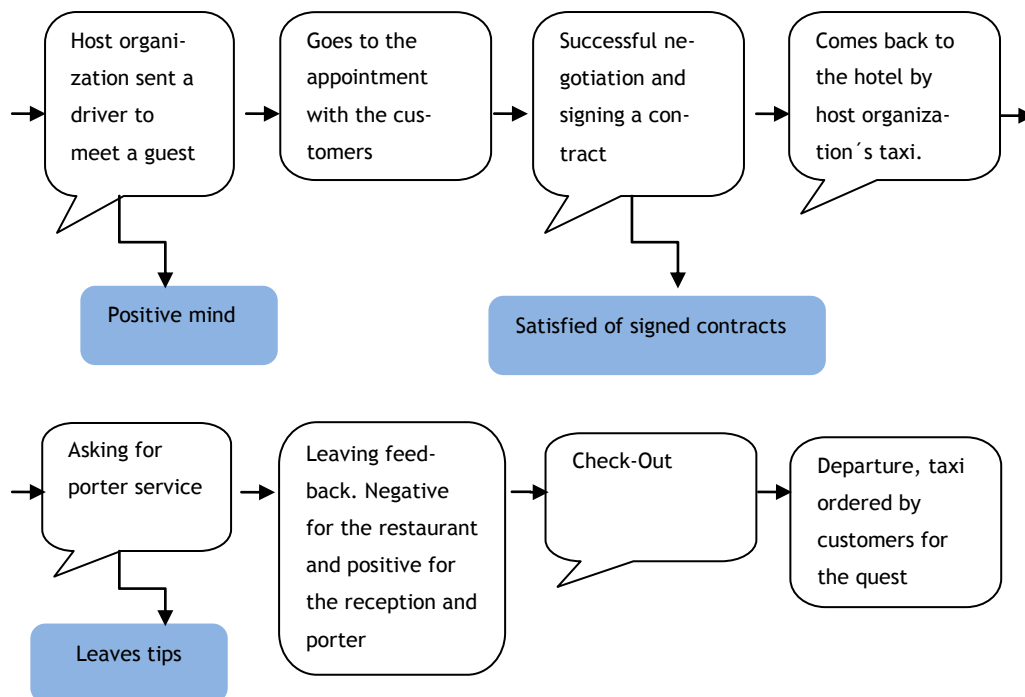


Figure 9: Customer journey map, Mika Pesonen, 1 day stay

On Monday morning Mika Pesonen received an order regarding legal assistance of organization located in the Saint-Petersburg. Customers have founded a business in Finland and need an advice about the legal system and laws in Finland. Mika Pesonen accepted the offer and began to pack luggage. Customers offered a profitable deal with first class plane tickets to the Saint-Petersburg and back to Helsinki. Mika went to the airport by taxi and after he arrived at the airport, he decided to drink couple cups of coffee. The flight was comfortable and pleasant in the first class sector, for lunch Mika ate beef steak with cheese potatoes and drank champagne. The surprises started in the Saint-Petersburg airport, when he has got to know that Airplane Company lost Mika's luggage, and he had to wait for it for 5 hours.

When the luggage has been finally found, Mika was already seriously tired and disappointed about his trip. Host organization sent a driver to meet Mika and drive him to the hotel; this was a pleasant trip to hotel Mike was satisfied with. Check-in went smoothly and without problems and after the check-in porter assisted Mika with the luggage, Mika left tips to porter. When Mika entered a room, the first impression was positive. After taking a shower Mika decided to go for a walk to the center of the city. He asked about the closest sightseeing, which is situated near the hotel and he was positively surprised about good location of the hotel close to all main sightseeing places.

In the center of the town Mika visited a coffee shop and drank a cup of coffee and after it came back to the hotel. He didn't eat in the town, and that is why he decided to have a dinner in the hotel's restaurant, remembering that he have heard a lot of good reviews about the traditional Russian food. After the starter and the main course, Mika ordered a dessert. He asked a waiter about the dessert ingredients, especially about the nuts. Mika has previously got strong allergy attack caused by eating nuts. The waiter told to Mika that he is not sure about the ingredients, but in his opinion there are no nuts. Mika believed the waiter and ate the dessert and after the dinner returned to the room.

After one hour, the allergy attack began; Mika was frightened and quickly called the reception. Reception called the ambulance, and after half an hour the medicine injection released the symptoms. Mika was very happy that his health condition has improved and thanked many times ambulance employees and receptionists for the fast and immediate help. With extreme experiences Mika went to bed and slept. In the morning, he didn't go to breakfast because of experiences in the evening and went straight to the meeting with the customers by taxi ordered by the host organization. The meeting went gratefully, and contracts were signed. With the positive mind, Mika arrived back to the hotel and asked the porter to help him with the luggage. He was truly satisfied of porter's assistance and leaved tips again. While the check-out Mika left negative feedback to the restaurants knowledge of the menu and positive for the reception's cooperation. Check-out went easily, and Mika leaved the hotel going to the airport by taxi. Mika thought about the pleasant stay in Helvetia Hotel and tried not to remember the lost luggage and allergy attack.

Jan Pettersson, 21 years old, student, lives in Espoo- Finland.

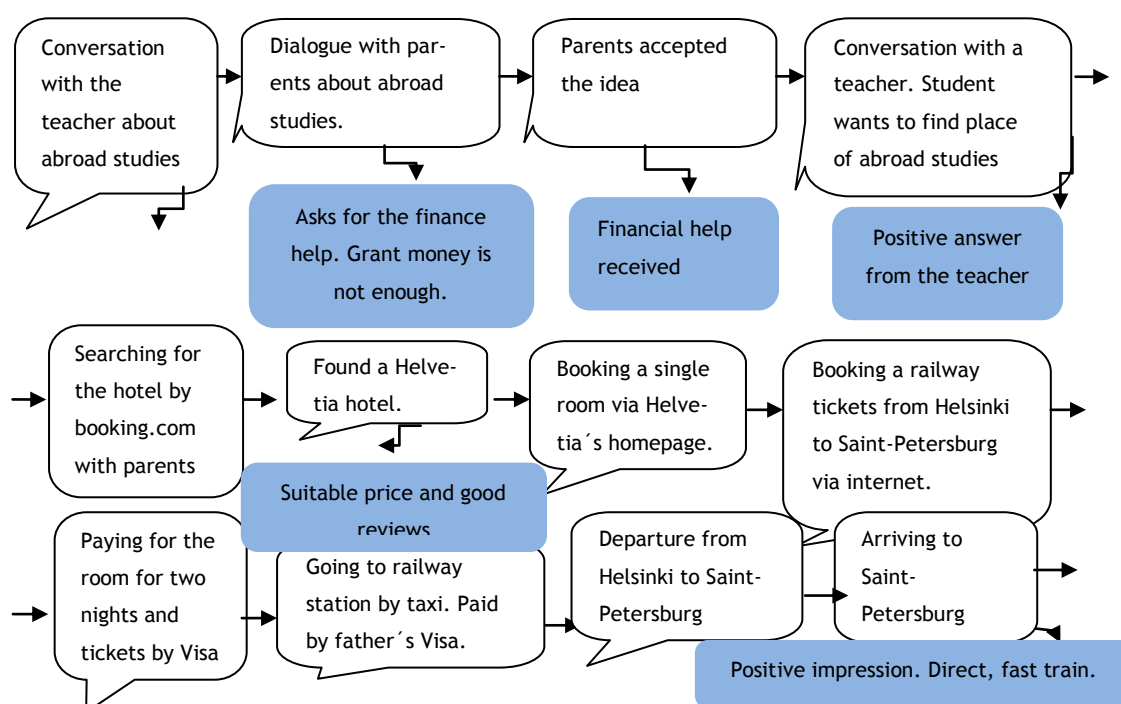




Figure 10: Customer journey map, Jan Petterson, 2 days stay.



Jan Pettersson is a student of Laurea University of Applied Sciences, facility management faculty. On the second year of studies Jan arranged an appointment with a tutor in order to talk about abroad studies and internship. Jan always dreamed to see Saint-Petersburg's white nights in summer and internship was a good chance for it. Of course, the studies were on second place. From tutor's opinion internship abroad was a good idea, and Jan can go there, but first of all he should think about a grant for exchange students. School provided a grant to Jan, but it was not enough for the night club life. He decided to ask parents about the finance help, parents always supported Jan and helped him in all troubles and situations. After receiving finance help from his parents and positive answer from the tutor, Jan went to Saint-Petersburg with purpose to find an exchange study place independently. The main idea of independent searching for the study place was spending a weekend in Saint-Petersburg. Jan searched for the hotel and found a Helvetia hotel on the web-site- booking.com. The single room was suitable variant for the weekend stay. The railway tickets were also booked via the internet and everything was paid by father's credit card. On the next day, Jan packed the luggage and went to the railway station by taxi. The train journey was fast and comfortable; Jan was satisfied with the new high speed train from Helsinki to Saint-Petersburg.

In the saint-Petersburg Jan caught the taxi and went to the Helvetia hotel. Check-in went smoothly and porter showed Jan his room and assisted with the luggage. Jan liked the service and the room and left tips to the porter. After the porter left, Jan went to the shower, but the tap was flowing. He called reception, and the tap was fixed in 20 minutes. After taking a shower, Jan decided to go for a lunch and have a meal. After the launch, Jan had a dialogue on Finnish language with hotel's guest Elizabet Petroff. They met each other near reception, and Jan helped her, because receptionist doesn't speak Finnish language. After short sleep, Jan went to the town with purpose to have a good time in the night town. After having fun on a disco, Jan went to the hotel by taxi. He spent a lot of money and the night went greatly.

In the morning, Jan woke up at 12.00 o'clock, and the breakfast was already missed. Jan brushed teeth, washed a head and went out to search for a study place. He caught the taxi and went to the Hospitality University of Applied sciences. In the University, Jan had a conversation with the tutor about the possibility of exchange studies and received a positive answer. Jan was so happy about it and decided to have a walk in the Saint-Petersburg. He was walking around for 2 hours and finally arrived to the hotel. Jan wanted to watch a TV and tried to find programs on Finnish language, but did not find any. In the evening, Jan went to the town again to listen to Russian hip-hop band. At night, he came back to the room and went to sleep. In the morning he has got problems with paying mini-bar bill. Jan tried to pay it by with father's credit card, but card's limit was exhausted. He called his father and hotel's employees agreed to send the bill by e-mail. Jan was satisfied with the pleasant stay in Helvetia hotel and left a positive feedback in oral form.

Elizabet Petroff, 65 years old, retired, lives in Helsinki- Finland.

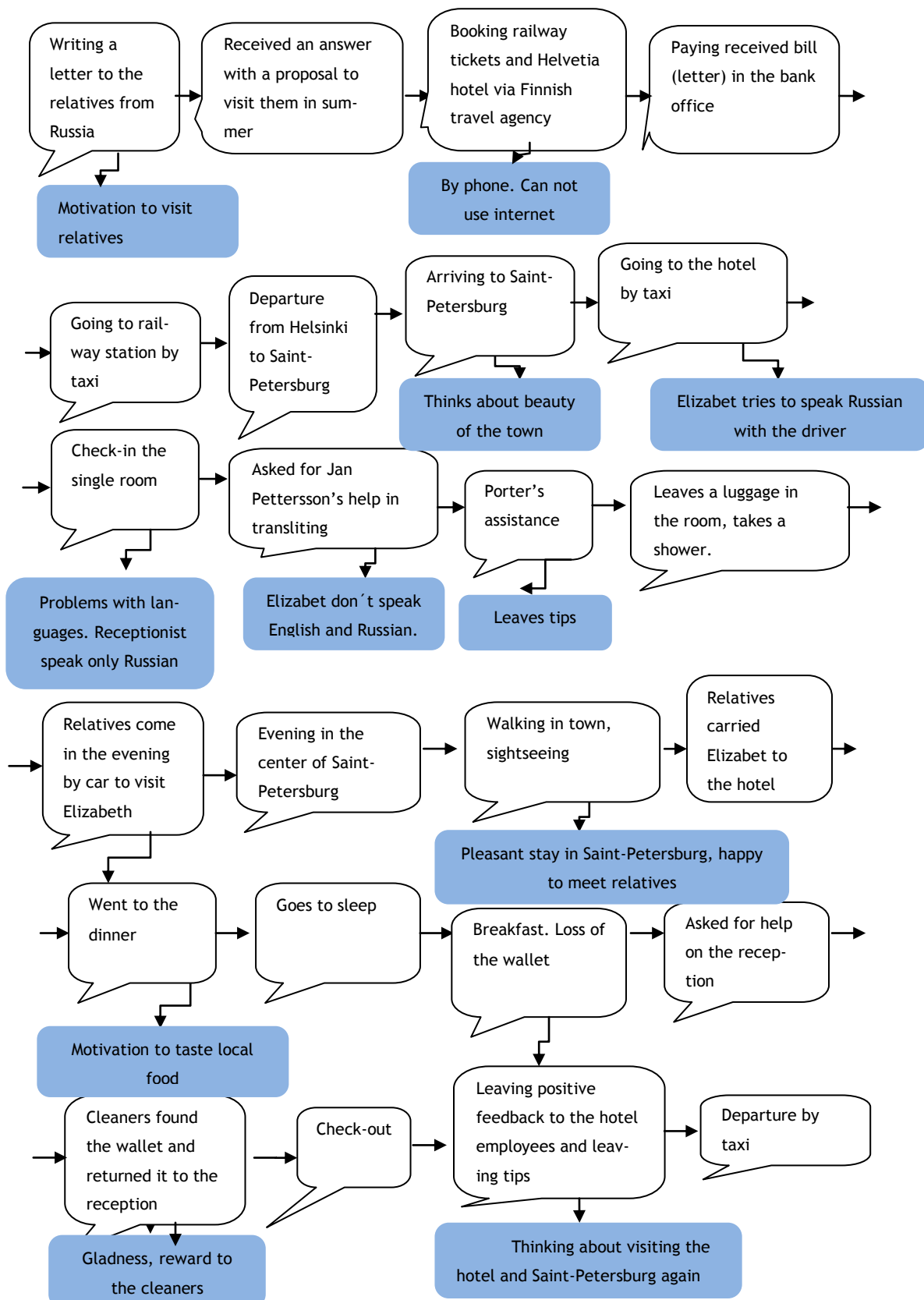


Figure 11: Customer journey map, Elizabet Petroff, 1 day stay

Elizabet Petroff is a retired woman, who lives in Helsinki. Her grandparents immigrated from Russian Empire to Finland during the revolution. Elizabet is interested in her roots and Russian culture and in Saint-Petersburg Elizabet has relatives. They correspond with each other twice a year, and this summer Elizabet has got an invitation to visit them in Russia. Relatives invited Elizabet to visit them and to stay at their apartments. She knows that relatives are quite poor and do not have enough time, finances and place for her. She did not want to embarrass them with her presence, and booked a single room in Helvetia hotel. Elizabet doesn't know well how to use the internet that is why she chose a call to travel agency. Travel agency booked a hotel and railway tickets for her. Later she received the bill and walked to the nearest bank office to pay it. When the luggage was packed, and the visa was ready Elizabet called a taxi and went to the railway station. She was a little bit nervous, because it was a first time that she was visiting relatives in Russia. The weather was sunny and the trip was comfortable. Elizabet asleep and didn't notice how she arrived to Saint-Petersburg. In Saint-Petersburg Elizabet caught a taxi and went to the hotel.

While she was going by taxi to the hotel, she was thinking about the beauty of the town and imagining how her grandparents were walking on the streets in 19 century. In the Helvetia hotel a language problem has appeared, because no one of the staff can speak Finnish. Fortunately Elizabet was assisted by a young man from Finland- Jan, he translated the check-in papers for her and she was truly happy that Jan helped her. Porter offered his help to Elizabet with the luggage. Room made a positive impression on Elizabet and she decided to take a shower. In the evening relatives came to visit Elizabet and as she has been imagining before, they had a pleasant evening in the center of the town. Elizabet and relatives had a lot of topics and situations to discuss, and Elizabet even tried to talk Russian to relatives, but her language skills were not at the high level. After the nice evening, Elizabet was very tired, and relatives carried her to the hotel. During the evening Elizabet invited relatives to visit her in Helsinki next summer. In the hotel Elizabet went to the dinner, because she was heard about Russian traditional food "pelmeni" and wanted to taste it. From her opinion the "pelmeni" was tasty and after the dinner she decided to go to sleep, because tomorrow she will make a return trip to Helsinki, and travelling at her age is not easy anymore.

At the morning she came to reception for check-out, but at the last moment she noticed that her purse has been lost. She tried to search for it in the room, but unfortunately it was unsuccessful attempt to find it. Fortunately cleaners found her wallet before she left. Elizabet was very glad that the purse was found and presented reward to the cleaners. She left positive feedback to all of the hotel employees and told that she will visit Helvetia again next year. Elizabet decided to go to the railway station by taxi.

## 6.8 Mystery visitor method

In the mystery visitors or mystery shoppers service design method participants' behavior does not differ from usual clients, and the employees are not aware about the research. After the service is received from the service provider, mystery visitors report about their experiences that they had from the use of the service. As a result, may be given possible improving suggestions. With the help of the service design method may be detected minuses in quality of the service or possible limitations. It helps to provide quality and to refine service performance. Mystery visitor's service design method may also test organization's services on how professionally they are submitted. The results show employee's competence and their desire to provide proactive and positive customer's service (Moritz 2005, 194).

Mystery shopper- method assists the researchers to identify, were the employees as polite as they should be for example in situations of welcoming the customers on arrival or serving the clients in the restaurant. If the companies provide research method by itself, employees should be instructed about the possible mystery visitor situations. It is necessary to inform employees about the reasons why this method has been chosen and implemented, it will consequence smooth spied feeling and also employees will give their best in the customer service. The method is not only about determining the weaknesses of the staff, but also identifying the strengths. The most successful results can be reached by hiring mystery shoppers from the service design organizations. The target questions must be carefully planned and prepared. It is essential to prepare questions considered service delivery. For example about the clothes' accuracy and employee's competence, rather than was the employee good looking or did he has a nice perfume. The questions can be related to arriving at the check-in desk, the manner of the dialogue with the employee, the information about the stay in the hotel, the questions about bags' delivery to the room and etc (Williams & Buswell 2003, 175-177).

Mystery visitor method was carried out only in "Helka" hotel, because students were not able to visit Saint-Petersburg during the period of thesis writing. In order to achieve reliable results, managers of "Helka" hotel were not informed about "Mystery visitors". Students made a decision to visit "Helka" hotel's restaurant with purpose to experience services provided by the restaurant and to evaluate them based on developed criteria scale. Services were assessed using traditional five-point scale. Visiting "Helka" was planned for the evening, because at this time of the day there more customers at the restaurant, and students had a possibility to evaluate provided service not only for "Mystery visitors", but also for the hotel guests. It has been decided to visit a restaurant at 7 p.m. Evaluating the hotel services was based on 5 main criteria- employees' professionalism and attitude, location of the restaurant and hotel building, atmosphere and the interior of the restaurant, food quality and price.

Visit to the restaurant started with entering the main door of the hotel. It should be noted that location of the hotel (as well as a restaurant) is very beneficial not only for hotel guest but also for the visitors of the restaurant, which are not accommodated in the hotel. Hotel is situated near the center and many of office workers from nearby buildings can visit a restaurant during lunch time. Location of the restaurant has been evaluated as 4,5 not 5 because the main entrance of the hotel needs a renovation and “Helka hotel”-sign might be bigger so that it will be more visible to the customers. After the students entered the building, reception employees offered their assistance and explained how to find a restaurant. First impression of restaurant was positive, but gradually it began to change in worse, because no one greeted “mystery visitors” as they entered and for a while no one acknowledged them. This factor influenced the overall assessment of employees’ professionalism. After a few minutes a waiter offered to have a seat, he was polite and informational. After familiarizing with the menu, the order was made. Order consisted of “Helka classic” dishes- burger with chips and smoked salmon with country style salad.

Preparing the food lasted longer than the customers expected. Finally, food was served to the table, and it was delicious. “Mystery visitors” evaluated the meal as very tasteful and it was given the highest rating “5”. The atmosphere and the interior of the restaurant correspond with the main concept of hotel design. Details of the interior and furniture are designed in a Finnish style Artek, and on the walls of restaurant as well as on the walls of all rooms are represented the images of Finnish nature. Students found interesting and in general, they liked the design of restaurant, so it was assessed as “5”. It was some time that was necessary to wait for the bill. Ultimately, professionalism and quality of restaurant employees service was rated as “3,5”. As it was already mentioned the quality of food was excellent, and the price was reasonable, about 15 euros per customer. In total, “Mystery visitors” considered a visit to “Helka” restaurant as a pleasant experience and do not rule out the possibility to visit a restaurant again.



Photo 3: "Helka" hotel's restaurant Keittiö (Helka hotel 2013).

## 7 Customer satisfaction survey "Helka" hotel

<b>Total hotel score</b>	<b>8,2</b>
<b>Score breakdown</b>	<b>Cleanliness 8.3</b>
	<b>Comfort 7.9</b>
	<b>Location 8.9</b>
	<b>Facilities 7.9</b>
	<b>Staff 8.5</b>
	<b>Value for money 7.8</b>
<b>Based on 748 reviews</b>	

Table 2: Total "Helka" hotel score (booking.com 2013).

As it can be seen from the table, total "Helka" hotel score is 8,2. Customers evaluated six factors, which describe the hotel from different aspects of customer service and hotel services in general. From customers' opinion, the best value is hotel's central location, it has been evaluated as 8,9. From customers' point of view, hotel's employees are doing a good job, assessment of cleaners' work is 8,3 and other employees' is 8,5. Facilities of the hotel have been estimated as 7,9, which means that in general facilities are on a high level, but there is still something that needs to be improved. Also, the price-quality ratio, not all of the customers consider the price of the hotel room reasonable and not all of them think it is a good value for paid money, average score is 7,8 (Booking.com & Tripadvisor.com 2013).

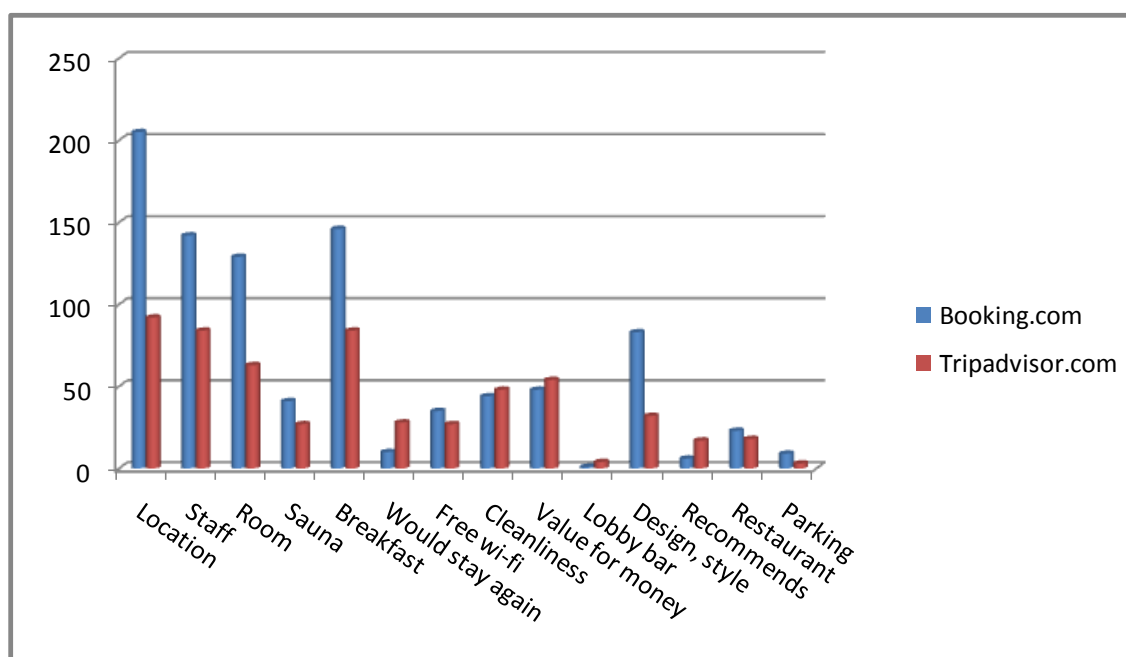


Table 3: Positive reviews about "Helka" hotel (booking.com, tripadvisor.com 2013).

Based on the reviews from booking.com and tripadvisor.com students compiled a table of positive aspects of accommodation, which customers consider the most important in their reviews. As it was described in the previous table, customers consider hotel's location in the center of the city as very comfortable, 205(booking) and 92(tripadvisor) people wrote about it in the feedback. A lot of customers were satisfied with a breakfast, as it can be seen from the table, 226 clients find breakfast delicious with a wide choice of dishes. Customers consider hotel "Helka" employees' ability to serve and assist with any problem very important, 84(tripadvisor) and 142(booking) hotel guests noted it in the reviews. From 115 customers' opinion the style and Finnish design of the hotel is attractive and brings value to the hotel. About 200 customers consider the rooms as stylish, comfortable, spacious and functional. Also, customers like Finnish sauna on the top floor of the hotel as well as free Wi-Fi provided in the rooms. 102 hotel guests think that quality of hotel services is a good value for money, 38 clients would stay again and 23 recommend the hotel to other travelers. Some of the customers suggested to visit hotel's restaurant (41 client) and lobby-bar (5 clients), and 12 people were glad with a free parking, which is offered by the hotel (Booking.com & Tripadvisor.com 2013).

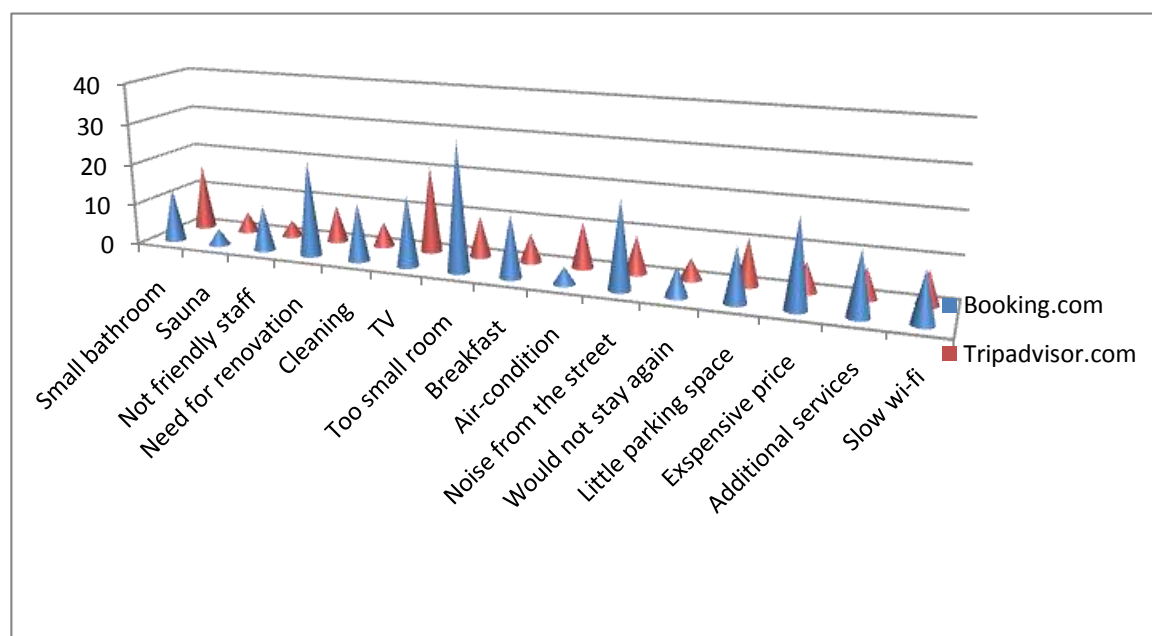


Table 4: Negative reviews about "Helka" hotel (booking.com, tripadvisor.com 2013).

Despite the fact, that total "Helka" hotel score is 8, 2 and most part of customer reviews described positive aspects of provided services and accommodation in general, there were some of the things that have influenced customer experience negatively. 40 hotel guests consider very important a fact, that some of the hotel rooms are very small, mostly these are single rooms. As it was revealed from the reviews this was one of the most unpleasant experiences, because customers did not feel comfortable in the room, which does not have enough space

for pleasant accommodation. Customers also noted that the bathrooms are also very small in many rooms, from 29 clients' opinion bathroom is so small, that water from the shower falls to the toilet floor, and there is no space for toiletries in the bathroom. Also, according to many customers, 23(booking) and 9 (tripadvisor) the interior of hotels needs a renovation (Booking.com & Tripadvisor.com 2013).

Some of the hotel guests find that the hotel needs maintenance, replacement and re-decoration, for example main entrance door needs painting. Others think that especially bathrooms are in a bad condition and look old, the decor itself is decidedly tired: cracks in some of the tiles, bathtub coating peeling off, odor and old toilets with a plastic seat. Couple of times there was no hot water in the shower and customers complained that they did not get any compensation. In addition to above mentioned issues, 4 customers (booking.com) and 5 customers(tripadvisor.com) assume, that common sauna on the top floor is too small and several times customers had to queue to get into the sauna, and some of the customers really appreciate if there would be a pool or Jacuzzi in the common area. 30 customers were disturbed by the noise from the street as well as music from the night club, which is situated next to the hotel. 15 clients were not satisfied with air-condition, it was noisy and did not work well, that is why it was too warm in the room, but because of the noise from the street it was not possible to open the window. As it was described in customers' feedback, a big problem for customers traveling by car is a very little parking space, it is designed for few cars, but it is very difficult to park a car, because there is no enough space (Booking.com & Tripadvisor.com 2013).

Despite the fact that many clients liked hotel's breakfast, 15(booking) and 7(tripadvisor) customers said the breakfast was not only basic, but even bad choice, tasteless and disappointing with terrible coffee and juice. Few customers were unhappy with a schedule of breakfast, from their opinion it would be better if breakfast time would be extended until 11a.m. at least on weekend. Some of the customers also complained that they did not have a possibility to finish the breakfast, because at 10 o'clock lights gone off and on, which means breakfast is over and staff started to take away food. 11 customers (booking.com) and 4 customers (tripadvisor.com) described hotel's employees as unfriendly and rude, they describe situations when they were not assisted or employees' did not pay any attention to them. Some of the customers from Russia missed Russia-speaking employee on the reception, because sometimes it was difficult to clarify the situation, for example in case of room being paid in advance, but employee asked to pay for the room for the second time on departure (Booking.com & Tripadvisor.com 2013).

20 hotel guests were not satisfied with wireless internet provided in the rooms, from their opinion it was too slow or did not work at all. Furthermore, there have been problems with



technical equipment of the rooms such as non-working TV or limited TV channels. 20 hotel guests find the cleaning service incompetent, for example customers found hairs on the bed linen, shoe prints on the floor, dirty walls in the room and bathroom as well as dirty shower and toilet. As it was revealed from the customers reviews, 15(booking) and 7(tripadvisor) clients expect some of additional services to be provided in the rooms, for example tea/coffee maker, iron, safety box, slippers, free bottled water in the room and one more elevator and ice-machine/cooler in the hotel building. As it can be seen from the table from 28 customers opinion room price is too expensive, and 12 clients consider quality of provided hotel services does not match the price and would not stay again in "Helka" hotel (Booking.com & Tripadvisor.com 2013).

#### 8 Customer satisfaction survey "Helvetia" hotel

<b>Total hotel score</b>	<b>9</b>
<b>Score breakdown</b>	Cleanliness 9.3
	Comfort 8.8
	Location 8.9
	Staff 9.2
	Value for money 8.3
	Facilities 8.8
<b>Based on reviews</b>	<b>274</b>

Table 5: Total "Helvetia" hotel score (booking.com 2013).

The table 5 represents customers' opinions about "Helvetia" hotel. The total hotel score is 9, and it is based on the 274 customer reviews about different aspects of the hotel. As it can be seen from the table, "Helvetia" hotel's guests are overall satisfied with the services provided by the hotel. The top score three categories are staff, cleanliness and location, these factors have been evaluated as 9,2, 9,3 and 8,9. Many customers consider the work of employees as remarkable. Hotel guests wrote that employees of "Helvetia" are always ready to help with all possible questions and problems, as well as they speak perfect English. Also, most of the guests are satisfied with the cleanliness and location of Helvetia. The location allows easy access to the main sightseeing places of Saint-Petersburg by foot. The comfort of the hotel and its value for money are also on a high level and were evaluated with the score 8,8 and 8,3 (Booking.com & Tripadvisor.com 2013).

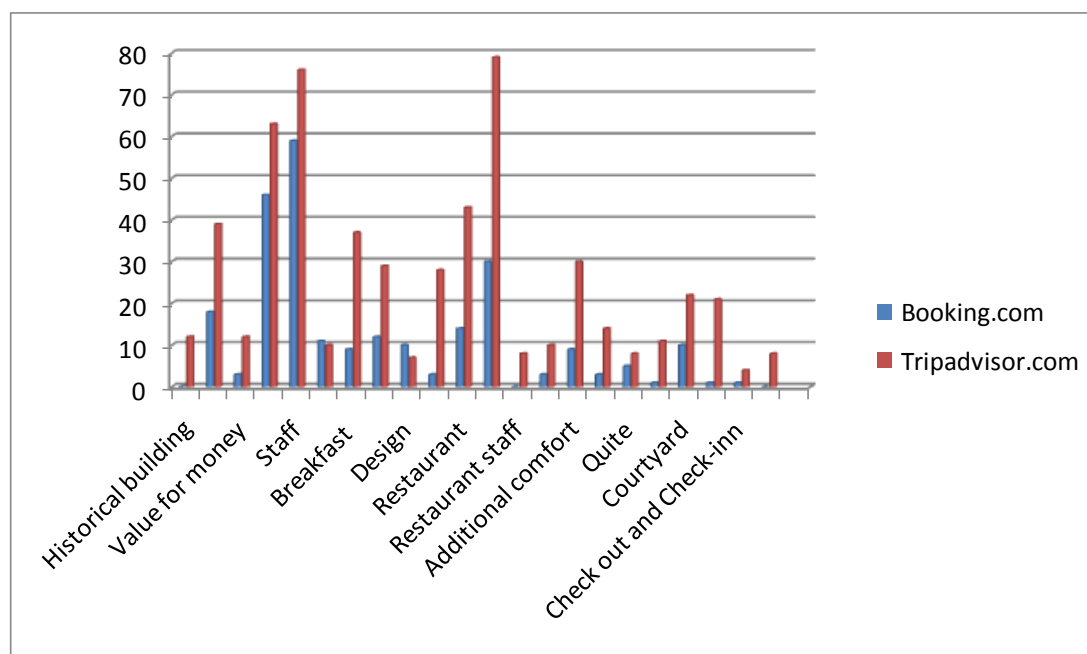


Table 6: Positive reviews about "Helvetia" hotel (booking.com, tripadvisor.com).

Table of positive reviews represents the diagram of positive aspects of "Helvetia" hotel's services and accommodation, gathered from the guests' reviews from the web portals booking.com and tripadvisor.com. The main positive aspects in "Helvetia" hotel are staff (135 votes), room/bathroom (122 votes) and location (109 votes). 135 customers notice that it is hard to find such perfect customer service in Russia as in Helvetia hotel. In the reviews guests describe staff with words such as: "super, very, smile, helpful, great, amazing, attentive, flawless, skillful, professionalism, efficient and no obsequious". From the reviews, it can be seen that mostly all of the guests are satisfied with a service provided by employees, and it is one of the most powerful parts of the hotel. Also, employees of the hotel speak perfect English (17 votes), which is also rare in Russia. The location of the hotel is also in the fortunate position. Many guests walk to the main sightseeing places by foot or use the metro station, which is located near the hotel (Booking.com & Tripadvisor.com 2013).

The rooms of the hotel are not big, but cozy, and they are equipped with everything what guests may need. Many customers are also satisfied with the hotel building (69), furniture/design (17) and cleanliness (41). One of the strong parts of the hotel is a historical building and its courtyard where guests can enjoy breakfast or just to relax. Other positive aspects of "Helvetia" hotel are restaurants/staff (65), breakfast (46) and welcome drink (21). In the positive reviews, many wrote about restaurant Mauritius, but also mentioned Helvetia's bar, selection of draft beers and wines. In reviews related to breakfast, guests noticed the variety of dishes and a good taste. 21 customers were highly satisfied with the welcome drink on the reception, which is a part of check-in and find it pleasant after a long flight. Hotel guests

wrote in their reviews that it was very courteous and hospitable. 31 of customers recommend Helvetia hotel and will visit it again. 15 guests wrote that Helvetia is a good choice and value for money. 39 customers noticed different positive additional services such as offering an umbrella by the reception employees on the rainy day, chocolate and weather forecast, leaved by cleaners in the room after the cleaning service, hairdryer, pillow menu with a range choice of pillows, slippers, French TV channel, Wi-Fi, air-condition, favorite ice-cream, hotel's taxi service and samovar tea tradition (Booking.com & Tripadvisor.com 2013).

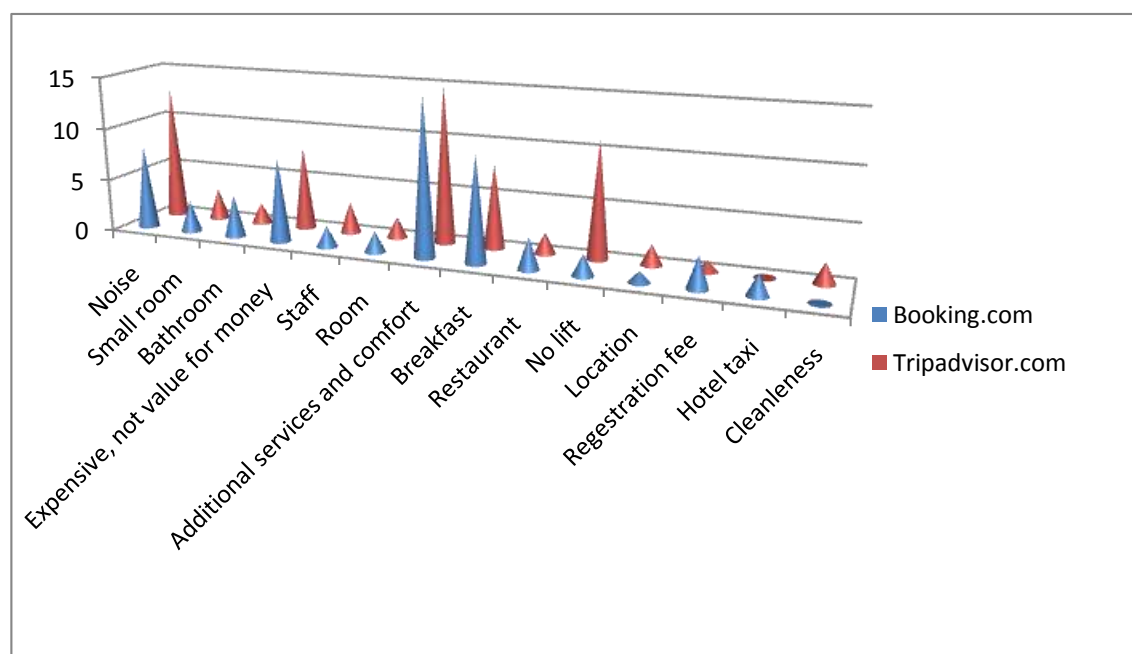


Table 7: Negative reviews about "Helvetia" hotel (booking.com, tripadvisor.com 2013).

Table number 7 represents a diagram of negative sides of Helvetia hotel based on customers' reviews written on the booking.com and tripadvisor.com. The main negative aspects of Helvetia hotel services were noise (21 complaints), breakfast (18 complaints), comfort/lift (13 complaints), value for the money (16 complaints) and different additional services (30 complaints). According to customers' reviews, noise from the street and rooms, which are situated nearby, irritated customers. Guests complained that the walls and the doors are so thin, that it is easy to hear the dialogues from the neighbors' rooms. Furthermore, many customers suggested avoiding rooms, which are situated in the main part of the building and windows are located to the noisy road. Because of the noise, it is impossible to open the windows and in summer time, the air in the rooms becomes hot and it is uncomfortable to the customers. One more reason, do not open the window is a bad smell from the exhaust gas, that enters the room from the road side.

The breakfast was also discussed as a negative aspect of Helvetia hotel's services. Many guests complained that it was too expensive for provided assortment of food. According to web-sites' reviews, guests were dissatisfied because of unfriendly restaurant employees, too

dark place of the breakfast kitchen, wrong baked croissants as well as extra price for the bacon and eggs. One of important things, from customers' opinion, was a section part of hotel Helvetia, which does not have a lift. Of course, porters assisted guests with the luggage, but the customers who are elderly, find it difficult to climb the ladder.

As it can be seen from the table, many guests assume that the hotel does not deserve 4 stars and is not value for paid money. Before the renovation, there were no air conditioners in many rooms and guests were suffering from heat. From some customers' opinion, the pillows were too soft and the bed was small and uncomfortable. One guest decided to take a shower and the hot water ended in the middle of action. Also, guests complained that Helvetia hotel is not offering enough parking places. Helvetia customers wrote in their reviews that they had problems with hotel's Wi-Fi connection. Furthermore, there is no real "non-smoking section" in the restaurant, no smoking tables on the breakfast, no bathrobes, no coffeemaker in the room, no drinking water in the room, no spa, pool and gym. All above mentioned aspects affected customers' experiences and views about the hotel and its service quality.

Most of the customers were satisfied with the service provided by hotel's employees and the size of the rooms. At the same time, five customers complained that the employees of the hotel are non-professionals and can not provide a quality service. Customers described in the reviews, that the staff was unfriendly, unknowledgeable, spoke poor English and was not able to meet western-level service expectations. Two customers even wrote that the hotel is money orientated and employees sell expensive accommodation and tours. According to reviews, employees were trying to cheat customers selling expensive tickets to the opera and also tried to sell expensive room instead of cheaper accommodation options. Customers (14) complained about room size, the room and the bathroom were too small and cold in winter time.

According to some customers, the room was too hot and there was no button to turn off the radiator. Also, negative reviews described negative opinion concerning hotel's restaurant (5), hotel's location (3), hotel taxi (2) and registration fee (4). As it can be considered from customers reviews, the food offered in the restaurants was not value for money; hotel guests assume that meals are too expensive, considering the price and size of dishes. Some of the customers were not satisfied with the service in the restaurant and described it as slow and unfriendly. In some customers' opinion, the location was not perfect and far from the main attractions. Hotel drivers were unfriendly, unknowledgeable, didn't know the town, wanted to sleep and were always late. And finally customers were disappointed with the registration fee, which should be paid during the check-in without any reasonable explanation of what does it mean and why it should be paid. (Booking.com & Tripadvisor.com 2013).

## 9 Conclusions and improvement suggestions

The main purpose of this case study was to define customers' experiences, specifically Finnish tourists' accommodation experiences in Russia and Russian tourists' experiences in Finnish hotels. According to research results, the quality of services provided by Helka and Helvetia hotels are almost on the same level. The services, which were analyzed during the project, are room comfort and quality, restaurant and breakfast amenities, check-in and check-out processes as well as different additional services. Given approval is based on average score reviews from the web portal [www.booking.com](http://www.booking.com). Customers of above mentioned hotels evaluated accommodation experiences and based on customers' feedback Helvetia hotel deserved 9/10 points and Helka 8.2/10 points. During the project managers of the hotels were interviewed by the students and according to interview results it has been revealed that hotels have different management styles, autocratic in Helvetia and democratic in Helka. It can not be said that some of these styles is working better, each of case hotels have selected a management style, considering hotel's location, environment, clientele, hotel's strategy, objectives and values.

For defining differences and similarities has been carried out benchmarking and comparative analysis of the hotels. One of the most essential differences in hotels' management systems is style of management. "Helka" hotel is managed by democratic management style and in student's opinion this management style would not be suitable in "Helvetia" hotel in Russia. The employees in Russian companies accustomed to standard management style, where the manager is a leader and his responsibility is to make decisions unilaterally. Students think that if the democratic or chaotic style will take place in Russian companies, the employees will understand it in a wrong way as freedom of action, leading to absenteeism and non-fulfillment of working responsibilities. In students opinion organizations in Finland are prepared to the integration of the democratic style of management. Since studying in high school and at the universities, the main form of teaching students is teamwork. Students interact, cooperate and assist each other in order to achieve good results and complete studies successfully. In the Russian educational system team work concept is in its early stages and has not yet applied in all study places. A similar situation prevails in the organizations that provide services, so the culture of service is not developed yet.

As it was mentioned in the introduction part, one of the main objectives of this case study is to define weaknesses and positive sides of provided services. One of the main criteria for assessing hotel services in general- is a quality of customer service. Based on hotel guests' reviews, customers of both hotels are satisfied with the quality of customer service. Customers' feedback about "Helvetia" hotel indicates that customer's attitude toward hotel's staff is very positive. Hotel guests assume that the employees of the hotel are professionals, and cus-

customer service can be evaluated as excellent. Also, hotel guests think that it is hard to find such a perfect customer service in Russia at all, not only in hotels but in all areas of customer service providers. For the same reason many Helvetia hotel's customers would like to visit the hotel during the next trip to Saint-Petersburg and recommend it to all potential guests on the reviews internet pages. Quality of customer service even covers some small flaws in hotel services such as size of a bathroom or deficiencies in the range of food selection. Customer service in "Helka" hotel is also at a high level, customers are satisfied with the friendliness and employees' "yes I can" approach.

Customers' negative reviews are very important for presenting a full picture of current situation in the hotels. As it was revealed from the negative reviews, some customers are not satisfied with the customer service in both hotels. For example, several clients were unsatisfied with insufficient knowledge of languages. As it can be seen from the customer journey map, sometimes customers have a problem with understanding the employees, for example in case when a customer of "Helvetia" Elizabet Petroff could not explain her request to the employee, because she did not speak English, and employee did not speak Finnish. It was lack for her that close to reception was a young man from Finland Jan Pettersson, who assisted her with the translation." Helvetia" hotel employees speak poor English language and Helka hotel's employees do not speak Russian language, although quite a lot of customers are from Russia. Furthermore, several employees seemed to clients as unknowledgeable and were not able to assist customers with the information concerning sightseeing and places to visit. In addition to above mentioned issues, some of the customers did not like restaurant employees' service and described it as slow and passive. Despite the high rating from other clients, one couple complained that their stay was ruined because of the restaurant employees. Furthermore, one of the customers of "Helvetia" Mika Pesonen received allergy attack because of waiter's unprofessionalism, which did not know the composition of the dessert and did not say that it contains a nut.

Booking.com and tripadvisor.com review services provide information about customers' opinions related to the restaurants. Mostly customers are satisfied with the service and food offerings in "Helvetia" and "Helka" hotels, for example "Helka" hotel's customer Ivan Petrov was satisfied with a quality of food as well as speed of provided room service. The advantage of both restaurants is a variety of dishes, decoration and interior of restaurants as well as traditional national cuisine. The most essential negative side of "Helvetia" restaurant is inflated price. As it can be seen from customers reviews, customers of "Helka" restaurant were satisfied with the breakfast, but many of them hold the opinion that it will be better if breakfast time would be extended at least on weekends. Also, customers of "Helvetia" would like to have a breakfast on weekends at a later time. As it was mentioned in customer journey map, "Helvetia" hotel's customer Jan Pettersson woke up late and missed the breakfast, be-

cause breakfast time has already finished. “Helvetia” hotel customers reviews represents two different opinions, several customers considered breakfast as delicious and adequate, but other guests did not like the variety of dishes as well as considered a price as a high.

According to customers’ reviews, almost all the customers find the style and decorations of hotels attractive, modern and comfortable. Mainly customers like the personal style of hotel interior, In Russian hotel it is a classic style and in Finnish hotel it is a modern style with Finnish national tendency. Overall level of hotels rooms is on a high level. In “Helvetia” hotel rooms are equipped with all necessary what guests may need while their stay: comfortable beds, modern technology and even additional free service such as pillow menu. In customer’s opinion, “Helka” hotel’s rooms are also comfortable and have all necessary equipment. Based on customer’s feedback, students have identified that dissatisfaction of many customers was associated with a very small size of single rooms and bathrooms. Customers described in their reviews that small single rooms are not value for money and at the same price it is possible to stay in a bigger, better and more comfortable room in other hotel.

Both hotels are located in the center of the cities, and in many customer’s opinion it is a big advantage. Some of the customers, for example “Helka” hotel’s customer Inna Bogdanova, reach the hotel easily by foot without additional cost of a taxi. Hotels’ location allows easy access to all main attractions, railway station, metro station and shopping centers, but at the same time some of the customers considered hotels’ location as a negative aspect. Noise from the street and public road near “Helvetia” hotel, as well as noises from the night club, located in the same building as “Helka” hotel, disturb many customers who live in the rooms, which are located to the road. There is also a problem of noise isolation in “Helvetia” hotel’s rooms and guests can hear voices, coming from neighboring rooms.

Both hotels provide additional services such as spa and sauna in “Helka” hotel and hotel taxi and concierge service in “Helvetia” hotel. Customer journey map described “Helka” hotel guests’ visits to Spa and sauna department, Gustav Shneider and Inna Bogdanova had a very relaxing time in Spa and sauna department and enjoyed it a lot. According to customers, negative side of “Helvetia” hotel is lack of elevator in one part of the buildings, because not all of the customers can climb the stairs every time, when they decide to go out or come back to the room, for example it was hard for Elizabet Petroff to go up to the third floor because of her age. Also, there are no provided spa and Jacuzzi services in “Helvetia hotel”. In “Helka”, there is no porter service and customers were complaining that they can not use swimming pool after sauna.

Another advantage of “Helvetia” hotel is a contract with fitness center, which can be used by the hotel’s guests. Furthermore, many “Helvetia” hotel’s customers liked such additional

service as welcome drink during the check-in. “Helka” hotel’s guests, who arrived to the hotel by car, considered little parking place, only for few cars, as a big problem for tourists travelling by car. Parking places are also so thin, that is very difficult to park a car.

There is a new and modernized feedback system in “Helka hotel”. One of the ways of leaving feedback is an I pad-device, which is situated in the hotel’s hall. Another way is using hotel’s free Wi-Fi connection. At the moment, when customers open internet provider, on the home page appears a feedback form that can be easily filled by every hotel guest, for example “Helka” hotel’s guest Inna Bogdanova leaved a feedback using an electronic form, which has opened automatically when she accessed the internet. “Helvetia” hotel while is not using such modernized methods of collecting feedback. Feedback system is quite old and it includes leaflets in the rooms and at the reception as well as feedback/suggestions books at the reception and in the restaurant. As it can be seen from the customer journey map, all the customers leaved feedback in oral form upon departure from the hotel.

In spite of positive feedback from guests of both hotels some of the customers assume that room price and provided services are not valuable for money. As it can be understood from their reviews, these customers would not stay in case hotels again and will not recommend them to anybody. Furthermore, some of “Helvetia ”hotel’s guests describe it as money orientated hotel. Hotel’s reception employees offered more expensive rooms instead of standard rooms, despite the fact that standard rooms were available at this moment. By the same, additional services such as hotel taxi, ticket service and guide service were offered at a very high price compared with the real prices. Also, customers were unsatisfied with a registration fee, which is not usually charged in other hotels in Russia.

One of the main purposes of case study is identifying negative sides of hotels’ services and providing improvement suggestions. Based on research results, students recognized several problems related to hotels’ customer service, room comfort and condition, additional services as well as management style. According, to customers’ feedback the most essential problem of “Helka” hotel is a small size of single rooms. Hotel quests are not satisfied with a price of small single rooms, because they can book much bigger and comfortable room at the same price from another hotel in Helsinki. Students concluded that this problem can be solved by the introduction of new room category- Smart room, which will be cheaper and customers will be warned in advance about the size of the room. Students consider resolving this problem very important for developing customer-provider relationships, because customers will obtain the required quality of service at the right price. Students resolved this problem with assistance of SID method- 5 Why:



Why customers are dissatisfied with the size of the single rooms?

Customers are dissatisfied with the room size, because it is too small.

Why hotel rooms are so small?

Hotel rooms' size can not be changed, because architecture of the building does not allow changes.

If the rooms' size can not be changed, what else could be done?

The price of the rooms could be reduced in order to satisfy customers, customers will obtain the required quality of service at the right price.

If the room cost will be reduced, will the customers consider the room price as valuable?

Customers will get the value they are paying for.

Besides the room cost decrease, what else could be done?

The category of the room should be changed into a "Smart room", which will be cheaper and customers will be warned in advance about the size of the room.

"Helka" hotel has been renovated few years ago, all of the rooms have been redesigned using elements of Artec and Finnish nature style. However, lot of customer complaints refers to the state of the hotel, especially bathrooms. Part of the bathrooms was renovated, but there still a lot of rooms with unrepaired bathrooms, which in turn causes discomfort to the hotel's clients. Also, it gives a negative view of the entire hotel because the old unrenovated bathrooms are very different from the interior rooms. Furthermore, some of them common areas are in need of renovation, for example lobby hall and entrance door. According to interview with "Helka" hotel's manager Marko Virtanen, last few years there has been done nothing regarding the renovation of premises, because the crisis of 2008-2009 years has worsened the financial situation of the hotel. Marko also mentioned that current financial situation is much better that couple of years ago. Students think that the overall appearance of the hotel should be holistic and customers should feel comfort in all the rooms, so it is important to consider renovating the premises and make expenditures in the budget plan for next year.

"Helka" hotel's customers travelling by car face with a problem of a small parking, allowing only six parking places. As it can be revealed from the customers' feedback, parking is essential for people travelling by car, and they will not select a hotel, which does not have a parking space or does not provide enough parking places. To ensure that "Helka" hotel does not lose these customers, students suggested signing an agreement with nearby car parks to provide parking places to hotel's customers at 50% discount. There are few more negative aspects related to lack of additional services in the "Helka" hotel, for example some of the cus-

tomers would like to use porter service, therefore its presence should be considered by hotel's management. Also, there is no fitness club and pool, in this case hotel "Helka" can take a cue from the hotel "Helvetia", which has signed an agreement with fitness center located next door and the hotel customers receive a discount. About the pool, if there is no possibility to install a swimming pool, the absence of the pool may be offset by a font. Furthermore, many of clients were dissatisfied with a schedule of breakfast and in students opinion breakfast time should be extended until 11a.m. at least on weekend.

Students noticed that some of the problems are quite similar in both hotels, for example small size of the single rooms and noise from the street, because of hotels' location. Customers' dissatisfaction with the small size of the rooms in "Helvetia" hotel can be solved in the same way as in "Helka" hotel by introducing new category of Smart rooms. The problem of noise, coming from outside the hotel, can be excluded by setting more modern, sound-insulating glass units. Also, customers were disturbed by noisy air-conditioners in the rooms; usually the problem is caused by irregular maintenance of the air-conditioners that is why it is important that air-conditioners should be serviced on time. "Helvetia" hotel's clients also complained about insufficient sound insulation, which basically means that all the sounds from the corridor as well as voices from the other rooms could be heard in the room. To avoid this problem, it is necessary to use silicone sealant for preventing sounds' penetrating into the room.

Analyzing negative reviews assisted students to identify important issues in hotels' operating. Students assume that any hotel will be able to improve its performance and services' quality only in that case, when the feedback system is a high-quality and corresponds to the latest technology. This is especially important now, in the age of high and constantly developing technologies. At this moment there is a huge problem in "Helvetia" hotel, because management of the hotel did not start to use more modernized methods of collecting feedback, such as those used in the hotel "Helka". Students highly recommend to "Helvetia" hotel managers to revise feedback system, to analyze it and improve in accordance with the feedback systems used by western counterparts. Lack of information about hotels' strengths and weaknesses, gained through the clients' reviews, prevents the further development of the hotel and customer service.

In the same way as in "Helka" hotel some of "Helvetia" hotel guests are not satisfied with a breakfast service. The main complaint is the cost of breakfast; regarding customers' opinion, quality and variety of breakfast not worth the price. Students suggested making breakfast free of charge(including the breakfast price in room rate) if it is possible, because most of clients select the hotel based on Bed & Breakfast option and they expect that there will be provided free breakfast in addition to accommodation. If it is not possible, then one of the

options is making discount to guests, who book breakfast for the duration of their stay. Also, customers were disappointed by the prices in the restaurant, so the restaurant's pricing policy can be reviewed, considering interests and profit rates of restaurant as well as clients' opinions. According to customer reviews, some of the necessary services are not available at "Helvetia" hotel, for example there is no lift in one part of the hotel building, which hinders access to the room, such as for customers with heavy luggage or elderly hotel guests. As a decision to this problem, reception employees should inform customers and if there are available rooms in other parts of the building, to settle the customers to these parts in priority.

"Helvetia" hotel has been described by the customers as "money-orientated" hotel. This assertion was based on expensive room prices, the high prices in the restaurant and breakfast price as well as unreasonably high prices for tickets to the opera/theatres or excursions offered by the hotel. Customers were disappointed when they got to know the real prices for the tickets, leading to the result that these customers no longer have a desire to visit the hotel again. In students' opinion, it is very important to keep the relationship between hotel service provider and a customer. As it was mentioned in theory part, it is much easier to keep customers than to find new ones, therefore it is impossible to cheat customers and try to sell them more expensive rooms, tickets and so on. In addition, the hotel charges a registration fee, which is not notified in advance. It would be better if registration fee cost will be included in the room rate so as not to confuse customers. To achieve more positive results in customers' loyalty, the hotel should change the attitude towards customers and change the orientation to more human, not so "money-orientated".

## References

### Book references

Brink, A. & Berndt, A. 2004. Customer relationship management and customer service. Lansdowne :Juta and Co Ltd.

Boxberg, M. & Komppula, R. 2002. Matkailuyrityksen tuotekehitys. Helsinki: Edita.

Cooper, C. Fletcher, J. Gilbertt, D. & Wanhil, S. 1998. Tourism, principles and practice. Harlow: Prentice Hall.

Davis, J. 2010. Competitive success: how branding adds value. Chichester: John Wiley & Sons, Ltd.

Fitzsimmons, J. & Fitzsimmons, M. 2000. New service development: Creating memorable experiences. London: Sage.

Fogli, L. 2006. Customer service delivery, research and best practices. San Francisco :Jossey Bass.

Hayes, J. & Dredge, F. 1998. Managing customer service. Hampshire: Gower publishing limited.

Hill, N. Roche, G. & Allen, R. 2007. Customer satisfaction: The customer experience through the customer's eyes. London: Cogent Publishing.

Hirsjärvi, S., Remes, P. & Sajavaara, P. 2009. Tutki ja kirjoita. 15th edition. Hämeenlinna: Kariston Kirjapaino.

Hokkanen, S., Mäkelä, T. & Taatila, V. 2008. Alan johtajaksi. Porvoo: WSOY.

Hollins, B. & Shinkins, S. 2006. Managing service operations. London: Sage.

Jauhari, V. & Dutta, K. 2009. Services. Marketing, operations, and management. Delhi: Oxford University press.

Kandampully, J. 2007. Services Management. The new paradigm in hospitality. New Jersey: Pearson Education.

- Katzan, H. 2008. Service science. New York: iUniverse Inc.
- Kumar, V. 2008. Managing customers for profit. New Jersey: Wharton School Publishing.
- Kurosu, M. 2009. Human Centered Design. Wakaba: Springer.
- Linker, J. 2011. Disciplined dreaming. San Francisco: Jossey-Bass.
- Martin, W. 2003. Providing quality service: What every hospitality service provider needs to know. New Jersey: Prentice-Hall, Inc.
- Saffer, D. 2010. Designing for interaction. Berkeley: New Riders.
- Ramaswamy, R. 1996. Design and management of service processes. Dallas: AT and T.
- Salver, J. 2005. Brand management in the hotel industry and its potential for achieving customer loyalty. Munich: Grin Verlag.
- Schwable, K. 2006. Introduction to project management. Boston: Course Technology.
- Stickdorn, M., Schneider, J. 2010. This is service design thinking. Amsterdam: BIS Publishers.
- Swarbrooke, J. & Horner, S. 2007. Consumer behavior in tourism. Oxford: Butterworth-Heinemann.
- Szwark, P. 2005. Researching customer satisfaction and loyalty: How to find out what people really think. London: Creative Print and Design.
- Tewari, J. 2012. Hotel front office: operations and management. Delhi: Oxford University Press.
- Timmons, J, Zacharakis, A. & Spinelli, S. 2004. Business plans that work. New York: McGraw-Hill.
- Tuulaniemi, J. 2011. Palvelumuotoilu. Hämeenlinna: Kariston kirjapaino oy.
- Tyagi, C. & Kumar, A. 2004. Consumer behavior. New Delhi: Atlantic publishers and distributors.
- Verhelä, P. 2000. Liikematkailu. Helsinki: Edita
- Vuoristo, K-V. 2002. Matkailun muodot. Porvoo: WSOY.
- Ylikoski, T. 2001. Unohtuiko asiakas? Keuruu: Otava.

Williams, C., Buswell, J. 2003. Service quality in leisure and tourism. London, UK: Cabi Publishing

Wöber, K. 2002. Benchmarking in tourism and hospitality industries: the selection of benchmarking partners. New York: Cabi Publishing.

#### E-fererences

Booking.com. 2013. Helka hotel. Accessed 05.04.2013:  
<http://www.booking.com/hotel/fi/helkahelsinki.fi.html>

Booking.com 2013. Helvetia Hotel. Accessed 8.05.2013:  
<http://www.booking.com/hotel/ru/helvetia.ru.html>

Tripadvisor.com 2013. Helka Hotel. Accessed 8.05.2013:  
[http://www.tripadvisor.ru/Hotel\\_Review-g189934-d237691-Reviews-Helka\\_Hotel-Helsinki\\_Southern\\_Finland.html](http://www.tripadvisor.ru/Hotel_Review-g189934-d237691-Reviews-Helka_Hotel-Helsinki_Southern_Finland.html)

Tripadvisor.com 2013. Helvetia Hotel. Accessed 7.06.2013:  
[http://www.tripadvisor.ru/Hotel\\_Review-g298507-d300317-Reviews-Helvetia\\_Hotel-St\\_Petersburg\\_Northwestern\\_District.html](http://www.tripadvisor.ru/Hotel_Review-g298507-d300317-Reviews-Helvetia_Hotel-St_Petersburg_Northwestern_District.html)

Mager, B. No date. What is service design? Design Council. Accessed 10.03.2013:  
<http://www.designcouncil.org.uk/about-design/types-of-design/service-design/what-is-service-design/>

Joensuu yliopisto. 2013. Taloustieteet. Kuluttajakäyttäytyminen tutkimuskohteena. Accessed 22.03.2011:  
<http://www.joensuu.fi/taloustieteet/markkinointi/kuluttajamarkkinointi/kul2main.htm#kuluttajakayttaytyminen>

Helvetia Hotel. 2013. Accessed 15.3.2013:  
<http://helvetiahotel.ru/en/hotel/room/kompakt>  
<http://www.select-a-room.com/hotel/russia/st-petersburg/helvetia-hotel>

Fontanka.fi. 2013. Vsja Finljandija. Accessed 15.01.2012:  
<http://fontanka.fi/articles/8633/>

Richardson, A. 15.11.2010. Using customer journey map to improve customer experience. Harvard business review magazine. Accessed 20.04.2013:  
[http://blogs.hbr.org/cs/2010/11/using\\_customer\\_journey\\_maps\\_to.html](http://blogs.hbr.org/cs/2010/11/using_customer_journey_maps_to.html)

Service Design Tools. No date. Blueprint tool. Accessed 23.02.2013:  
<http://www.servicedesigntools.org/tools/35>

RCT. 2012. В Санкт-Петербурге ожидается рост турпотока из Финляндии. Accessed 20.01.2013:  
[http://www.rostourunion.ru/pages/rus/ob\\_rst/novosti/v\\_sankt-peterburge\\_ogidaetsya\\_rost\\_turpotoka\\_iz\\_finlyandii/index.html](http://www.rostourunion.ru/pages/rus/ob_rst/novosti/v_sankt-peterburge_ogidaetsya_rost_turpotoka_iz_finlyandii/index.html)

Yle uutiset. 2013. Miten venäläisiä pitäisi palvella Suomessa entistä paremmin. Accessed 15.01.2013:  
[http://yle.fi/uutiset/\\_/6451354](http://yle.fi/uutiset/_/6451354)

## Other sources

### Brochures:

Helka hotel. No date. Cosy apartments with hotel comforts. Accessed 20.04.2013

### PDF-documents:

Hague, P. & Hague, N. 2013. Customer satisfaction Survey. B2B international. Pdf-document.

Koivisto, Mikko. 2007. Mitä on palvelumuotoilu? – Muotoilun hyödyntäminen palvelujen suunnittelussa. Thesis of master of arts. University of arts. Pdf-document

Moritz, S. 2005. Service design - Practical access to an evolving field. London. Pdf-document

### Interview:

Rakhmanina, M. 2013. Front-office manager interview 1.6.2013. Helvetia Hotel. Saint-Petersburg

Virtanen, M. 2013. Sales manager interview 1.5.2013. Helka Hotel. Helsinki

## Figures

Figure 1: Relationship between service quality and customer satisfaction (Brink and Berndt 2004, 59-61). .....	22
Figure 2: Measuring customer satisfaction - SERVQUAL model (Hill al. 2007, 36-37).....	27
Figure 3: Service design process supported by Futures Research (Moritz 2005, 123).....	34
Figure 4: Hotel services blueprint .....	43
Figure 5: Customer journey map - consuming hotel services .....	54
Figure 6: Customer journey map, Gustav Shneider, 1 day stay .....	55
Figure 7: Customer journey map, Inna Bogdanova, 2 days stay .....	57
Figure 8: Customer journey map, Ivan Petrov, 1 day stay .....	59
Figure 9: Customer journey map, Mika Pesonen, 1 day stay .....	62
Figure 10: Customer journey map, Jan Pettersson, 2 days stay. ....	64
Figure 11: Customer journey map, Elizabet Petroff, 1 day stay .....	66



## Tables

Table 1: Stakeholder analysis.....	41
Table 2: Total "Helka" hotel score (booking.com 2013).....	70
Table 3: Positive reviews about "Helka" hotel (booking.com, tripadvisor.com 2013). ....	70
Table 4: Negative reviews about "Helka" hotel (booking.com, tripadvisor.com 2013). ....	71
Table 5: Total "Helvetia" hotel score (booking.com 2013). ....	73
Table 6: Positive reviews about "Helvetia" hotel (booking.com, tripadvisor.com).....	74
Table 7: Negative reviews about "Helvetia" hotel (booking.com, tripadvisor.com 2013)...	75

**Photos**

Photo 1: "Helvetia" hotel Saint-Petersburg (Hotel Helvetia 2013). .....	11
Photo 2: "Helka" hotel Helsinki (Hotel Helka 2013). .....	12
Photo 3: "Helka" hotel's restaurant Keittiö (Helka hotel 2013). .....	69

## Appendixes

### Appendix 1. Sketch for interview questions. Helka hotel

#### **Good afternoon!**

1-Please, tell about yourself (education, work experience). How long you have been working in the hospitality sector, and in Helka hotel?

2- Which methods you are using in daily work life? What kind of time-management methods you prefer? And what do you think, how you can describe yourself as a leader?

3- We would like to get more information about the hotel rooms' amenities.

#### **Marketing.**

4- Is there PR-manager in your hotel?

5- Which channels are you using for marketing? Is there some special channels for Russian clients?

6- Do you have special deals for Russian customers?

7- Do you have any statistics about amount of Russian tourist' stay? In general, the number of tourists per year, per month.

#### **Customer service.**

- Which personal characteristics are necessary for successful customer service?

-In which language customer service is provided to the customers?

- Are you using a special approach in Russian tourists' customer service?

-What is prohibited in customer service?

#### **World crisis influence.**

- What is the situation on hospitality market in general?

-Can you say, that last time hotel guest amount have been increased or decreased?

-Are there any measures for saving budget? If so, whether this reflects on customers?

-If there has been a recession, how do you attract customers?

Staff motivation.

-Is there some kind of motivation monitoring?

-What kind of motivation improving methods you are using in Helka hotel?

-Do you have a bonus/award system?

-Intangible award system for motivation improving, for example the best employee of the month.

Feedback.

-Do you have a feedback system?

-Who analyzes the feedback?

-Can you mention any differences in Russian tourists' feedback/suggestions and guests from other countries.

Additional services.

-What additional services are provided to the clients?

-How do you think, they influence customers satisfaction?

-Are you developing some new services?

Restaurant.

-Is there a restaurant in the hotel?

-Opening hours?

-Which cuisine is offered to the customers?

-Is there a feedback-book in the restaurant?

## Appendix 2. Sketch for interview questions Helvetia hotel

Добрый день, Марина!

Мы очень рады, что вы согласились на сотрудничество с нами. Мы хотели бы задать вам несколько вопросов о деятельности отеля, менеджменте и обслуживании клиентов. Также мы хотели поинтересоваться, останавливаются ли в Вашем отеле финские туристы. Часть вопросов была разработана именно для этой категории туристов. Если на какие-то из них у Вас нет возможности ответить, опишите, пожалуйста, тогда ситуацию в целом.

- Расскажите, пожалуйста, о себе. (образование, опыт работы, стаж работы в этой сфере/данном отеле).

- Личная эффективность. Что помогает вам успевать больше и добиваться лучшего результата? Какие приемы тайм-менеджмента вы используете?

Маркетинг.

- Есть ли в вашем отеле PR менеджер?

- Занимается ли отслеживанием конкуренции revenue manager отеля Гельвеция?

- Какие каналы вы используете для маркетинга? Разрабатываются ли программы, нацеленные на разные категории клиентов?

- Разрабатываются ли спецпредложения?

- Ведётся ли статистика посещения отеля финскими клиентами? И в общем, количество всех отдыхающих за год, месяц?

- Какова в целом ситуация на рынке гостиничных услуг? Спрос/предложение.

Обслуживание клиентов.

- Какие качества нужны сотрудникам для успеха в обслуживании клиентов?

- На каких языках ведется обслуживание клиентов?
- Используется ли особый подход в обслуживании клиентов из Финляндии?
- Какие впечатления о финских клиентах?+ / -
- Что ни в коем случае нельзя делать при обслуживании клиентов?

#### Влияние кризиса.

- Наблюдается ли в последнее время рост/спад посещения отеля? Как финскими клиентами, так и в общем?
- Принимаются ли какие либо меры по экономии? И если да, то отражается ли это на клиентах?
- Если в последнее время наблюдается спад, то каким образом вы привлекаете клиентов?

#### Мотивация персонала:

- Проводится ли мониторинг-насколько сотрудники отеля мотивированы?
- Какие методы улучшения мотивации применяются в вашем отеле?
- Есть ли система наград/бонусов?
- Нематериальная мотивация, например, как вариант- лучший сотрудник месяца?

#### Жалобная книга:

- Как у вас работает система жалоб, просьб и предложений?
- Кто занимается анализом?
- Можете ли вы сказать, что есть различия между жалобами/предложениями финских клиентов и гостей из других стран?

#### Дополнительные сервисы в отеле:

- Какие есть?

-Как влияют на customer satisfaction? Как вы решаете проблему, если какого-то необходимого сервиса в отеле нет.

Ресторан.

- Есть ли в ресторане отдельная книга жалоб/предложений?

Ещё раз благодарим Вас за потраченное время. В приложении отправляем Вам начальную версию нашей дипломной работы, которая даст Вам более обширное представление о теме диплома.

С уважением, Алёна Егорова и Илмари Синдонен