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Gategaeo Itkonen

SUPPLY CHAIN MANAGEMENT: HOTEL INDUSTRY IMPLICATIONS
– A Case Study of Radisson Blu Marina Palace Hotel, Turku
Gataaeo Itkonen

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Abstract

Supply chain management (SCM) scale is enormous yet very basic to any type of business structure. When it comes to a hotel industry, the nature of the industry and its complexity are challenging the way SCM would imply. The reason is that hotel industry offers services, which are considered intangible. This means SCM principles have more to be mentioned and found out in terms of its implication into the actual industry.

The research emphasizes on how SCM would be implemented in a hotel industry using Radisson Blu Marina Palace Hotel, Turku as a case study by looking into the hotel's efficiencies through an evaluation and feedback on its customer satisfaction. It also look into perspectives of hotel's main suppliers, hotel employees and expanding view to other tourism stakeholders who are not direct suppliers to the hotel in order to propose recommendations on what can be done to improve, potential business opportunities between different stakeholders in tourism industry including the hotel, its suppliers and customers.

After conducting information and interviewing with some sources, the supply chain term in a service industry such as hotel is still not fully acknowledged eventhough many SCM principles and tools have already been existing in their business structure. Hence, the research would enable hotel operators to recognize the important roles and impacts of supply chain management to its business improvement.

KEYWORDS:

Supply chain management, customer relationship management, supplier, service industry, hospitality industry, tourism.
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ASTA</td>
<td>American Society of Travel Agents</td>
</tr>
<tr>
<td>DMC</td>
<td>Destination Management Company</td>
</tr>
<tr>
<td>ETOA</td>
<td>European Tourism Association</td>
</tr>
<tr>
<td>F.I.T.</td>
<td>Free Independent Traveler</td>
</tr>
<tr>
<td>HTML</td>
<td>HTML, which stands for HyperText Markup Language, is the predominant markup language for web pages.</td>
</tr>
<tr>
<td>JIT</td>
<td>Just-in-time</td>
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<tr>
<td>OPERA PMS</td>
<td>OPERA Property Management System</td>
</tr>
<tr>
<td>RMPT</td>
<td>Radisson Blu Marina Palace Hotel, Turku</td>
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<tr>
<td>RQ</td>
<td>Research Question</td>
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<td>SCM</td>
<td>Supply Chain management.</td>
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<tr>
<td>UNESCO, Unesco</td>
<td>The United Nations Educational, Scientific and Cultural Organization.</td>
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Chapter 1 Introduction

The author has an ongoing investment in building a seaview rental holiday property for tourists in Thailand's tropical resort island, Phuket where tourism is the main industry. The project is expected to be a future business once the construction is completed. To have a clear picture of this potential future business, the author is inspired to conduct this research to study how supply chain management is implemented in the actual industry similar to the project using an international chain hotel, Radisson Blu, as a case study.

The author does not have any work background in the hotel industry earlier until the current internship as a management trainee at Radisson Blu Marina Palace Hotel, Turku (RMPT). The internship at the hotel gets the author to closely observe the regular operations and management in different departments along with discussions on challenges in each operational process with operational employees and the hotel management team members. As there is always room for improvement and to exceed the guests’ expectations, the potential proposals are conducted throughout the research in order to achieve the most efficient SCM that also delivers the best hotel performance.

<table>
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<th>Research Questions (RQ)</th>
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<tr>
<td>RQ 1 What is considered as an efficient supply chain management in a hotel industry?</td>
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<tr>
<td>RQ 2 How is SCM implemented in the actual industry?</td>
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<tr>
<td>RQ 3 What can be done to improve business opportunities between different tourism stakeholders (the hotel, its own suppliers and customers)?</td>
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The answers to research questions are from the author’s own observations during her internship and from personal communication including interviews and
email responses with hotel management team, hotel employees, hotel suppliers and other tourism stakeholders.

There are theoretical frameworks and foundations mentioned in this thesis work including different perspectives and approaches on SCM towards the service industry, the upstream and downstream diagram of the hotel logistic and SCM, the Porter’s Value Chain of the hotel, Just-in-time (JIT) principle, Customer Relationship Management (CRM), hotel software logistic supports and the hotel operational flowchart. The author also uses customer satisfaction survey and employee satisfaction survey conducted by the hotel to show the evaluation of the hotel performance.

The services industries are facing the challenge to improve operational efficiencies and reduce costs without negatively impacting customer service. The service industry has to provide and maintain its service reliability, consistency and on-time delivery across the globe. To increase the efficiency and effectiveness of service, service providers have to coordinate and control all the new product development, marketing and promotion costs are increasing constantly. Services providers are recognized because only in that area it is possible to reduce costs in the supply chain. (Prasad & Selvan, 2010. p 4)

To meet these challenges, services providers are beginning to implement the SCM practices which create a balance between customer requirements and supply chain capabilities. The service supply chain must be more dynamic and flexible to successfully compete in the global market. SCM greatly improves customer service and creates synergy within the process. (Prasad & Selvan, 2010. p 4)

The SCM concept is a familiar one in the manufacturing industries but services industries are yet to fully realize the importance of SCM. The character of the hospitality industry is different from the manufacturing industry as its products or services are intangible, and depend more on people’s experiences, reliability, flexibility and ethics. We need a different approach and framework to implement supply chain in the services industry. E-commerce, globalization and customer
expectation are key factors which force the implementation of SCM concepts in the services industry. (Prasad & Selvan, 2010. p 4)

The Council of Supply Chain Management Professionals (CSCMP, 2014) defines supply chain management that it encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities. Importantly, it also includes coordination and collaboration with channel partners, which can be suppliers, intermediaries, third party service providers, and customers. In essence, supply chain management integrates supply and demand management within and across companies.

The supply chain organization needs to be treated as a single integrated organization. In order to be effective, significant improvements require support across all supply chain functions. The challenge is to make decisions that optimize the total supply chain, not one function or node – something most companies realize, but still have a hard time achieving. (Supply Chain Digest 2010) Therefore, the hotel's supply chain has all these specialized units in its collection to be linked as an efficient process. Without being connected and a good collaboration between them, it would probably be compared to a team race where all the runners head to nowhere, and since they all worked for their own plans, there was no such thing as a collaborative plan that would get them all to the finish line.

An efficient supply chain management in service sector, therefore, relates to the management of the three flows including physical flow, information flow and financial flow. Those chains who manage these three flows better will be advantage in winning the business. To accomplish it, first the business should specify what are categorized as the physical, information or financial flow. Second, it needs to know the speed how fast of the flow in each category. Third, it must measure the consistency of the flows, e.g. using standard deviation of the speed. Fourth, it needs to ensure the quality of the flows. Fifth, it must evaluate the values that customers perceive to this management of the flows. (Suriya, Email response, 2014)
To answer the author's first research question (RQ1), the author consulted SCM in manufacturing and retail industry (Cogdill et al, 2013), efficient SCM is meant to minimize cost and optimize productivity. Also the SCM term by Handfield (2011), the SCM activity is recognized as having good control physical and information flow. In a discussion on the hotel purchasing schedule with Toni Liesipuro, RMPT's Chef (2014), the author found out that increasing readiness, flexibility and availability are all the keys to efficient SCM.

Here below is listed the above ideas and additional assumptions on what the author thinks could be considered as efficient SCM in the hotel industry during her internship experiences. The keywords are added once the author finds that they are related and connected to the efficient SCM term.

-It is meant to minimize cost, optimize productivity and control flow of goods and supplies.

-It is meant to provide consistent delivery, fast, accurate products and services.

-It is meant to reduce mistakes, increase readiness, convenience, flexibility and availability.

-It is meant to make the hotel SCM process transparent and accurate.

However, minimizing cost, is not suggested always as the best strategy. Singapore Airline does not minimize cost, rather it buys the most expensive airplanes to serve their customers. After some years, it sells the fleet to other airlines that focuses on the low-cost service. (Suriya, email response, 2014)

The optimization of productivity should be at concern. When you think of the speed as a part of productivity or the delivery of quality service as a part of productivity, it is correct. Reducing mistake is a good sample of the productivity. (Suriya, email response, 2014)

Suriya emphasized that consistent service delivery is always preferred by customers especially hotel, restaurants and airlines. However, consistent service is boring. A better chain offers surprising service as a consistent service.
“Once my friends experienced the flight delay overnight, the airline immediately provide hotel and food coupon for her," Suriya gave an example. He continued that this is a consistent service. It is automatically managed. Additionally, the airline add some flowers and candies to the customers. This is also a consistent service that a manager of the airline must do according to the operation manual. But the customers feel that it is extra.

Increasing readiness means consistent service in a normal situation. However, in an emergency case, the readiness to serve customers is a must. Look, in an airplane accident on the ground, air hostages escape the plane before passengers. Is this good for the image of the airline? They are supposed to be ready to help passengers in such an emergency. (Suriya, email response, 2014)

Accurate service is easy to manage in the normal situation too. The difference of two chains are at the handling of unexpected situations. Once the customers demand something that are out of the list. The business cannot respond it accurately because there is no operation direction about it. If the business refuses to respond to the demand, it may fail. (Suriya, email response, 2014)

Transparency is good for customers. It is related to information flow. The biggest barrier of the transparency is the language. Many business would like to inform tourists about important notices. However, they don't provide the instruction in English on the website or even at the site. This means that even your heart is sincere and would like to give transparency to customers, but the way you do is not communicable, then it means no transparency at all to customers. (Suriya, email response, 2014)

Chapter 2 The Supply Chain Definition

A typical definition to describe the central concept of the supply chain is "an integrative approach to manage the total flow of a distribution channel from the supplier to the ultimate user." (Cooper & Ellram, 1993) However, the service supply chain is different than a traditional supply chain such as in a manufacturing industry.
Schary & Skjott-Larsen pointed out that the supply chain is open to different interpretations, depending on the management perspective. Logistics, manufacturing and corporate strategy offer differing views on what constitutes the supply chain. In practice, this concept has been stretched by the need to achieve broader goals. Hence, the concept of the supply chain is more than coordination and managing inventory. It has the potential for strategy, to be valued by customers because it makes their own operations more efficient and profitable. It provides a framework for resource decisions, organizational integration and process design. It becomes a source of competitive advantage through the effectiveness of the entire chain and organizational relations.

The supply chain emerged because it provides potential solutions to these problems of duplication and responsiveness. The concept of the supply chain itself is not new. It has embraced a concept of direct, extended coordination of operations across the entire supply processes, replacing both the market and vertical integration as the means of managing the flow process. The key is the integration of operations of both internal and external suppliers. Integration stresses the coordination of a network of separate operations to achieve common objectives in material and product flow. These objectives include service to the final user and efficiency in the operations of the chain. (Schary & Skjott-Larsen, 2001)

In the service industry, the service provided are intangible and in-transferable. The service industries are keen on increasing supplier responsiveness and better customer service delivery. Most of the service industries deliver the service directly to the customer without the distributor and logistic partner. (Prasad B. & Selvan N.K., 2010, p 6)

As stated earlier that in a service industry, it has not yet been fully acknowledged how supply chain management fits into implementation in a service industry of tourism supply chain. A pioneer in a travel media brand, TripAdvisor also agrees.

The challenge is really that we do not have a typical supply chain. We do not have "things" that we sell. We are a media site. So when I try to think of
answers... it doesn't fit in to normal supply chain terms. Phrased another way, as CEO for the company for 14 years, I've never uttered, or thought about, "supply chain." TripAdvisor CEO, Stephen Kaufer, in an email response to the author (Kaufer, 2014)

2.1 Supply chain actors in a hospitality industry.

Diagram of hotel logistics and supply chain management

A diagram of hotel supply chain management where hotel suppliers, hotel operators and hotel guests are involved can be drawn in a very simple way. There are two-ways communication between them. The demands of customers is an information flow pass on to hotel operators and hotel suppliers so that they would in return supply what customers want.

Figure 1: Simple Hotel Supply Chain Diagram

Supply chain actors in a hotel business are not only those who supply concrete items that enable hotel's products and services within the hotel grow its beneficial qualities and features. Moreover, it shall includes those who supplies tourists, travelers or hotel guests themselves too. The reason is that in a tourism industry, travelers have their own movement in the supply chain. They are involved in the very beginning not stay in the end of the chain.

Tourism activity has strong similarities to the flow of material goods within a manufacturing activity. From a logistical point of view, successful activity can be achieved when those different participants' categories act like a system or as part of a supply chain. Many components requiring coordination: Internal logistics involves activities that relate purchasing, operational support and some aspects that are similar with physical distribution. The supply chain is structured by cooperation among various numbers of participants, from raw materials
suppliers (their impact is visible especially in catering, foods or beverage supply services), to end consumers. (Catto-Smith, C. 2012)

Let's take a look from this approach where the upstream and downstream are on top and bottom of the supply chain respectively. A paper factory gets wood supplied in order to produce paper. From turning wood into paper and deliver to retailers for selling to the end consumers, the demand is there awaiting for the product at the end of the whole supply chain.

However, a hotel gets its facilities including room with comfortable bed and furniture, restaurants serving food and beverages and service-mind staff. They are all sorted and supplied by own upstream suppliers. Likewise, the hotel guests are supplied through their own upstream suppliers, for example, third party hotel reservation, travel agencies and airlines.

This can be concluded that the actual hotel supply chain management is much more complexed with a lot of players in each chain involved. In fact, the hotel logistics are not only about delivering what suppliers supply to the hotel guests. Considering services are intangible, what is counted would be customer's satisfaction as they experience the services. The hotel guests themselves are also transported from their home destinations to be accommodated in a hotel and then make a journey to another end of their destination.

In a diagram shown on the next page, the author divided hotel suppliers into two categories to emphasize that suppliers in category one supply the information and travelers to the hotel while the suppliers in category two supply items such as food & beverages and hotel linens to the hotel.

The hotel business partners are also considered to be in the hotel supply chain network since their businesses are all depended on tourism as well. Basically each actor in the diagram are connected and in the same business network relationship. When the service is delivered, the hotel uses software support logistics to smoothen the process making it more effective and systematic.
Figure 2: Diagram of RMPT’s logistic and supply chain adapted from Piboonrungroj (2011)’s Tourism Supply chain (Itkonen, 2014)
Chapter 3 Methodology

Observations and personal communication

The thesis itself demands observations on hotel operations and management during the internship and also some voluntary discussions with the hotel managements and hotel employees of each hotel department referring to designed questions to find out how SCM implementations are done in each department of the hotel.

Theoretical foundations, principles and frameworks

The theoretical foundations are used to develop ideas to answer research questions referring to hotel's operational flowchart, Porter's Value Chain for the hotel, selected SCM principles including Just-in-time (JIT), Customer Relationship Management (CRM), conceptual theories on SCM in a service industry and tourism to develop ideas on SCM specifically to the hotel industry which ended up to the Upstream and Downstream Hotel's SCM diagram shown in this thesis work.

Employee satisfaction and customer surveys conducted by the hotel

The author has the surveys conducted by the hotel included in the thesis work for the reason that it would give readers an idea how efficient the hotel performs measured by these surveys. The employees' satisfaction is also an important account to the hotel since the hotel's product has been based significantly on a service-mind attitude. The hotel makes sure their employees are happy with their work resulting to dedicated hotel staff who perform best.

We can also see in Figure 3 shown later in Chapter 4 on page 19 on Porter's Value Chain adapted to fit the hotel's operation and service concepts, hotel employees play an important role in supplying services directly to the customers and their performances result to the hotel's competitive advantages which brings higher customer's satisfaction and revenue growth back to the hotel
respectively. This is why the hotel makes sure it is a place where employees are happy to be and reflect this in their service attitudes toward the hotel brand and concepts. To be able to do so, communication is the key. Although, the hotel is a big international chain, its workplace culture at RMPT is built in a less bureaucracy way so that their employees can share their voices in different ways either directly to its management team or message board where anyone can post messages in recognition of good performances.

Proving more evidences on this issue, an employee satisfaction measurement is also conducted with the scale of 0 to 100. The overall scale of RMPT employee satisfaction in 2013 is at 71.9 which is considered as an excellent level of satisfaction while the average Finnish employee satisfaction rates 62. The highly significant indexes that RMPT received are for example, awareness on the hotel's strategy, values and goals, manager's interest in the ideas of subordinates's working conditions, superior's courage to tackle problems, constant practice development, work environment and valuing the employer's image. (Byskata, 2014)

Regarding to hotel customers, there are three major demographic types of customers at the hotel are those who travel with three major purposes including business, leisure and meeting. What the research looks into is the satisfaction rate in a survey conducted by the hotel of in terms of customer satisfaction and return rates which indicate pretty much if the hotel performs successfully.

Email Responses

There are selective numbers of suppliers of the hotel either to supply items or travelers. Suppliers who supply information are also accounted to open suggestion for improving business opportunity within the supply chain cycle this mean between the hotel, suppliers, customers and beyond.

The limitation of this thesis work is that some direct suppliers of the hotel see the topic as confidential for them and some consider that they are not on the expert degree of the topic to be able to discuss. The author's solution was that
the subjects to be interviewed or discussed with are broaden to cover other stakeholders in tourism industry to hear their views and suggestions that would answer the questions in this thesis work.

The list of respondents to the author's research questions by emails is as followings;

- American Society of Travel Agents (ASTA)'s Director of Research, Melissa Teates
- TripAdvisor CEO, Stephen Kaufer
- President & CEO of Booking.com, Darren Huston
- Meira Nova Oy's Business Area Manager, Jukka Rintala
- The Travel Experience Director, Merja Hart
- European Tourism Association (ETOA), Kerstin Bock
- Finnish Tourist Board's Product Development Manager, Terhi Hook
- Turku Touring's International Marketing Manager, Lotta Bäck
- Chiang Mai University's Associate Professor in Economics, Dr Suriya Komsan

Chapter 4 Findings

A Case Study: Radisson Blu Marina Palace Hotel Turku

As the author stated in RQ 2 with a question how the supply chain is implemented in the actual hotel industry, the typical ways how SCM implementations in manufacturing are also implemented in a service sector such as the hotel through SCM's common procedures and tools including Customer Relationship Management, purchasing procurement, inventory management, control flow of goods and hotel software support logistics. The author in this part of findings introduced the hotel's service concepts to give the readers background knowledges and also explained the hotel's SCM implementation more in details divided into each hotel's department's operation.
4.1 Hotel's background

Radisson Blu Marina Palace, Turku is run by the S-Group which operates three hotel chains in Finland: 43 Sokos Hotels, seven Radisson Blu Hotels and eight Holiday Club Spa Hotels all over Finland provide excellent facilities for business, meetings and leisure. The hotel offers 184 baroque-style rooms and was rebranded from Radisson SAS eight years ago. http://www.radissonblu.fi/

There are seven Radisson Blu Hotels in Finland. Radisson Blu Hotels & Resorts, part of the Rezidor Hotel Group, currently operates more than 230 hotels worldwide, with another 51 projects under development. Radisson Blu is a first class full service hotel brand with key differentiators such as the 100% Guest Satisfaction Guarantee and the Yes I Can! spirit of service.

Carlson, a privately held, global hospitality and travel company, based in Minneapolis (USA), is the majority shareholder of The Rezidor Hotel Group. Together, Carlson and Rezidor have hotels in more than 90 different countries, 1,070 hotels in operation and 240 hotels under development.

The heart of running a hotel business is to meet the guest demands and fulfill the guest satisfaction. Radisson Blu is a first class full service hotel brand with key differentiators such as the 100% Guest Satisfaction Guarantee and the Yes I Can! spirit of service. It was awarded 2013 certificate of travelers’ choice by TripAdvisor.com. (Byskata, 2014) (Carlson Rezidor Hotel Group, 2014)

In this volatile environment, where instability is the norm, we're convinced that the last remaining source of truly sustainable competitive advantage lies in what we've come to describe as 'organizational capabilities' – the unique ways in which each organization structures its work and motivates its people to archive clearly articulated objectives. (Nadler & Tushman 1998, p.5)

Curtis L. Carlson, founder of Carlson rezidor Hotel Group stated that you can take away our buildings and we can rebuild, but take away our people and we have nothing. (Rautio. 2013, 8)

As we can see from the two quotes mentioned above focused on a similar idea that is people are an important factor for the firm to gain competitive advantage.
In other word by Carlson founder, the heart of the service industry is people. To motivate people, a good work environment is created to attract them. This is why the newly appointed CEO of the Rezidor Hotel Group, Wolfgang M. Neumann also emphasized a similar paraphrase to make the Rezidor Hotel Group the most attractive place to work so it attracts the best people in becoming their employees.

4.2 Hotel's service quality

The hotel constantly measure their business operations through different tools concentrating on customer satisfaction in order to effectively improve their business. However, if a mistake happens, the hotel makes sure to fix them once chances are available, for example, free room upgrades for the guests to compensate former mistakes. In general, the hotel encourages the guests to bring up issues during their stays so that they are able to fulfill their satisfaction rather than letting the guests leave unsatisfied and will go elsewhere in the future. The key is that the happy guests will return.

Let's take a look at Porter's value chain analysis (Shown in Figure 3 below). One implication of Porter is that firms need to examine each activity in their value chains to determine whether or not they have a real competitive advantage in the activity. This is in line with the strategic focus within firms on the identification of and concentration on core competencies. (Sweeney, E. 2009)
The Porter's value chain is modified to the RMPT activities and its operations. The core competencies are dedicated to people and in this case referring to both employees and customers. In November, 2013, the Rezidor hotel group has introduced its new business strategy called 4D (Byskata, 2014) which is considered as a support activity according to Porter's value chain that enables primary activities of the chain and results to business driving revenues, optimizing cost and profitability.

Referring to one of the 4D strategy, the service quality comes from internality that means to create such an employee who is ready to produce for the hotel with right service mind attitude which starts from the recruitment, investing in team member competencies and talents and recognizing performance and ensure competitive compensation. The workplace itself is designed to be a
place that attracts and retain high calibre team members. (The Rezidor Hotel Group YouTube, 2013)

The hotel employees have their service attitude built as their way of life. Yes I Can! is internally built in an organization. Because people are the heart of hospitality business's value chain. Hence, Yes I can! is a positive attitude that not everything is possible, but almost everything is. It is personal commitment to building one-to-one relationships and memorable hospitality experience with the guests. It is also about competence and empowerment to make the decision – to do the right thing in the first place, or make it right if it is not. (Carlson Rezidor Hotel Group handbook, n.d.)

In addition to the service standard, the hotel sets their bar higher with procedures to not just satisfy the guests but exceeding their expectations well. For example, special procedures to treat repeated guests. The hotel has guests' preferences recorded and marked in the system showing that they prefer a room with a river view, their favorite types of pillows so that the booking is done in order to prepare their favorite room with complimentary fruits and welcome drinks in their coming visit.

Hence, the check-in process for repeated guests are very convenient and fastly done as well since the datas have been recorded in the system and there is only signature left to fill. In special occasions such as wedding or birthday, the hotel offers a glass of sparkling wine as a complimentary without any request.

4.3 Unique service concepts

Apart from Yes I Can! And 100% satisfaction guarantee (Shown later in Figure 4 on page 26, Customer Satisfaction Measurement Table), the service concept result to customers satisfaction is designed to add values to exceed their expectation.

Blu Dream is one of hotel concepts to exceed customer's expectation by resting comfortably and wake up refreshingly with customer's own selections of favorite pillows and duvets. There are seven different types of pillows and four
different types of duvet available as own choices. The information is available on website and also on a paper sign placed in a bed. Guests can make their requests through one touch service button on the telephone available in the room for any special request and it is taken care of. (Hänninen, 2014)

Moreover, the hotel also promote its pet friendly procedures to the pet lovers. If the customer brings a dog with, the hotel prepares dog's food, dog's mattress and there is even a hanging sign on the door designed for that saying, please do not disturb a pet, in the room.

In addition to its unique service concepts above, RMPT has its specialty in experiencing meeting to attract business travelers which is also one of its main customer segmentation to the hotel by having brain food design and concept at the hotel. The program was designed and developed in collaboration with nutritional experts, chefs, and food supply partners. concentration levels during events. The concept is based on serving food that keeps blood sugar levels stable and supplies optimal nutrition for the brain. The six brain food principles are as following;

1. Lots of fish, wholegrain products, fruit and vegetables
2. Primarily fresh, locally sourced ingredients
3. Pure ingredients with minimal industrial processing
4. Less meat and always a maximum 10% fat content
5. Natural sweeteners and never more than 10% added sugar
6. Focus on good taste and satisfying the senses

Each meeting room itself is designed to different customer demands. The meeting styles can be seated as classroom, theater or diplomat styles with all required equipments and facilities. There can be set up according to specified requirements for a cocktail party or an exhibition for examples. (The Carlson Rezidor Hotel Group, 2014)
4.4 “Customer Satisfaction”

"Ask warehouse employees what our mission is, and they will tell you it is not moving freight, it is all about the guest experience," says Laura Luff, director of logistics and material control for Royal Caribbean. (Terry, 2007)

That sentiment permeates the service industry, whose bread and butter is delighting the customer. (Terry, 2007)

For hotel industry, it is all about satisfying customers as priority and then minimizing cost on supply chain management would come along. The hotel's priority is to fulfill the guests' wishes and in this case they are proven to be very satisfactory for the hotel guests.

The hotel has all facilities ready for the customers but there are perhaps some additional requirements such as some certain type of services, transportation, decoration, event organizing or programming.

Hospitality operators' capital investments tend to focus on products, services, and systems that enhance the guest experience and not always on back-end infrastructure that gets those goods to the ships, hotels, restaurants, and other destinations where they are consumed.

Stefan Storing, (2014) Revenue Manager of RDB added that it is quite a difficult thing to manage to satisfy the hotel guests satisfaction as well as minimizing the operational cost in the same time because they have to be perfect for their customers according to their slogan. They are not allowed to have something going wrong and this also brings the cost to the hotel.

He gave an example when the customers want to rent some places outside the hotel accommodations. It is the hotel duty to organize what needs to be supplied to customers' demands. “It only depends on the clients demands and wishes, we possibly rent from outsiders just for them.”
4.5 Hotel's service philosophy

The hotel operates on certain concepts piloting its service direction and guidelines. The first one is “Yes, I can” philosophy and then 100% customer satisfaction guarantee. These are the two most important things.

“It may sound like it would be very costly thing but it is usually done by doing all the small things correctly and then it does not cost much,” said Mr Storing, “For example, you smile at the guests and have eye contacts. Doing these small things that make the guests feel welcomed and at ease.”

Outsiders may think that the hotel needs to have hundred of staff waiting to fulfill every guest desire but that is not the case because it is very conceptualize and the process is done by the training session. The hotel business is a service industry and in a hotel supply chain, hotel staff with service-mind also a major player who supplies the guests' demands.

“Everyone knows what they need to do so that we have this as in the back of our bones. The newer staffs are helped by their seniors and this is an ongoing process,” added Mr Storing, “In some respect, it might be attached with additional costs when something goes wrong. Then we might have to compensate somehow but in the long run, this concept is good.”

4.6 Evaluation: Medallia

Medallia Inc provides software-as-a-service customer experience and enterprise feedback management solutions. The company's solutions enable companies to gather, monitor, and act on feedback from customers, partners, and employees. (Bloomberg Businessweek, 2014)

As mentioned in part 4.3 on unique service concepts, one of the most important key indicators for supply chain measurements in the hospitality industry to evaluate a good performance at RMPT is called Medallia, which is considered to be a suitable source in measuring curtain business activities in the hotel. It
covers all service areas the customers would face and experience in using the hotel services.

At the hotel when the customers check out, the staff always ask for their email addresses. So that they then can send customer surveys in order to gain feedbacks for any improvements.

All the feedbacks come to Medallia system and this is used in all Radisson Blu hotels, for example, users can see how the properties are developing and what kind of feedback they have got.

Consequently, the performance results indicate differently in different types of business investment, the informations on other Radisson Blu properties in other parts of Europe such as in Nordic countries are also available as a benchmark in terms of comparisons to the hotel's current situation on how they have managed. It is substantial to compare them in the same categories. Otherwise, the results could be misunderstood, misinterpreted or even useless and lead to failure.

The important thing in a hospitality industry such as hotel is that the customers will certainly tell others the impression they receive. Hence, they have to correct what goes wrong to keep the customers satisfied. Every mistake is also a chance to improve. Once something goes wrong and it is handled well, the customers still leave happily from the hotels and that will make them come back.

Medallia addresses how successful the hotel service performs and take a significant role in showing whether the performance needs improvement in the future.

The latest version of Medallia in 2014 consisted of shorter lists of questions from the existing of 25 questions to a limit of only 12 questions and this attracts more responses and feedback from the customers because it is shorter average time consuming for the guests to participate and complete the survey according to Anna Hänninen, Service Manager at Radisson Blu Marina Palace.
She added that the questionnaires are designed to be more attractive to repeated customers and more appealing to mobile users. The questions are rephrased to be more customer friendly. There are also open text boxes where the hotel guests can also write their own words available. This new version encourage more comments from the guests and the hotel makes sure that every individual message is responded by a hotel personnel. This is to add more personal touch to the guests and show hotel's case follow up by forwarding it to related department to response directly to customers’ feedbacks as well.

The results are compared with the benchmarks for all Rezidor properties as guidelines how the hotel is doing among other similar properties. Currently, Redisson Blu Marina Palace Hotel, Turku is ranked the best among other Rezidor Hotel Group in Finland.

<table>
<thead>
<tr>
<th>Heading</th>
<th>Jan</th>
<th>Feb</th>
<th>Total 01/01/14</th>
<th>Benchmark 02/28/14</th>
<th>All toRezidor Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoters</td>
<td>75.86</td>
<td>80.19</td>
<td>78.93</td>
<td>65.09</td>
<td>+13.84</td>
</tr>
<tr>
<td>Passives</td>
<td>20.69</td>
<td>17.92</td>
<td>18.73</td>
<td>22.92</td>
<td>-4.19</td>
</tr>
<tr>
<td>Detractors</td>
<td>3.45</td>
<td>1.89</td>
<td>2.34</td>
<td>11.99</td>
<td>-9.65</td>
</tr>
<tr>
<td><strong>Loyalty</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood to recommend</td>
<td>8.95</td>
<td>9.19</td>
<td>9.12</td>
<td>8.53</td>
<td>+0.59</td>
</tr>
<tr>
<td>Likelihood to return</td>
<td>8.92</td>
<td>9.11</td>
<td>9.06</td>
<td>8.57</td>
<td>+0.49</td>
</tr>
<tr>
<td><strong>Overall Satisfaction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Check-in Process</td>
<td>9.18</td>
<td>9.32</td>
<td>9.28</td>
<td>8.98</td>
<td>+0.30</td>
</tr>
<tr>
<td>Hotel employees</td>
<td>9.26</td>
<td>9.28</td>
<td>9.28</td>
<td>9.03</td>
<td>+0.25</td>
</tr>
<tr>
<td>Bedroom</td>
<td>8.61</td>
<td>8.84</td>
<td>8.77</td>
<td>8.37</td>
<td>+0.41</td>
</tr>
<tr>
<td>Bathroom</td>
<td>8.33</td>
<td>8.75</td>
<td>8.63</td>
<td>8.17</td>
<td>+0.46</td>
</tr>
<tr>
<td>Check-out process</td>
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<td>9.25</td>
<td>9.22</td>
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<tr>
<td><strong>Services &amp; Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room service</td>
<td>9.4</td>
<td>9</td>
<td>9.1</td>
<td>8.71</td>
<td>+0.39</td>
</tr>
<tr>
<td>Fitness center</td>
<td>6.86</td>
<td>7.77</td>
<td>7.58</td>
<td>7.68</td>
<td>-0.10</td>
</tr>
<tr>
<td>Business center</td>
<td>8.67</td>
<td>8.71</td>
<td>8.7</td>
<td>8.39</td>
<td>+0.31</td>
</tr>
<tr>
<td>Internet</td>
<td>8.41</td>
<td>9.15</td>
<td>8.96</td>
<td>8.05</td>
<td>+0.91</td>
</tr>
<tr>
<td><strong>Satisfaction with</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F&amp;D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grill it! Marina</td>
<td>7.61</td>
<td>8.42</td>
<td>8.17</td>
<td>8.08</td>
<td>+0.09</td>
</tr>
<tr>
<td>Restaurant 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restaurant Hertua</td>
<td>8.77</td>
<td>9</td>
<td>8.91</td>
<td>8.20</td>
<td>+0.71</td>
</tr>
</tbody>
</table>
Breakfast | 8.7 | 8.95 | 8.88 | 8.46 | +0.41

Figure 4: Customer Satisfaction Measurement Table (New Survey): Radisson Blu Marina Palace Hotel, Turku. Response Date: 01/01/14 to 02/28/14

Source: Medallia 2014 (Toivonen, T. 2014)

4.7 Just-in-time service

The principles of JIT production have also changed the purchasing process from products to production capacity. JIT purchasing provides materials to production just as they are required for use. The fundamental ai is to ensure that production is as close as possible to a continuous process from receipt of raw materials or components to the shipment of finished goods (Gunasekaran 1999b)

The JIT philosophy can be applied to a wide range of production and service environments. In fact, one could easily argue that there is no environment that wouldn’t benefit from adopting its core principles. (Monczka, R.M. 2009. p. 601)

In an article, JIT in services, (Duclos, L.K. et al, 1995) conducted articles highlighting current applications of JIT in service sectors or service operations which are different from traditional JIT in manufacturing as following;

First, manufacturing firms produce "an object, a device, a thing" (Berry, 1980), while a service firm produces "a deed, a performance, or an effort". The service is basically intangible.

Second, customers are often, but not always involved in the production of a service, as can be seen in hotels, air transportation and universities. This involvement puts the customer in contact with the personnel providing the service and with other customers recieving the service.

Third, because the service is provided as needed by the customer, the quality of the service cannot be checked prior to its delivery, as it can with a manufactured
good. However, customers often have expectations as to what the service should consist of, influencing their perception of delivery quality.

Fourth, services cannot be inventoried. This fact, combined with the consideration that the customer is often part of the service process, increases the importance of timely delivery. There are limits to how long a customer is willing to wait for the service, especially if alternatives are available. These differences, however, may increase the importance of applying JIT techniques in service sector firms.

In hospitality industry, JIT principle is used to arrange, plan and sources suppliers to provide supplies to match the demands on the exact time when the products and services are needed at that moment.

Benson's (1986) guidelines for applying JIT in service are slightly modified and summarized as application techniques below:

- Synchronization and balance of information and work flow.
- Total visibility of all competences of the process
- Continuous improvement of the process
- Holistic approach to elimination of waste
- Flexibility in the use of resources
- Respect for people.

Output from the service firm must match customer demand as, frequently, the customer is directly involved in the process, waiting for the results, and may have other alternatives available. Service operations often cannot inventory the output of their process making balance even more vital. (Duclos et al, 1995)

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4.8 Customer Relationship Management (CRM)

Now that supply chain is fast becoming the one key competitive advantage that sets one business apart from its rivals, what could be more natural than to
extend the concept to the supply chain as a whole – and to use marketing and customer relationship management to pilot the process? Benefits can be multiple, including a boost to the bottom line as IT vendor Dell showed in reducing operational costs by US $1.5 billion by using CRM and SCM in a new multichannel market strategy. (O’Byrne. 2014)

The customer and the customer’s customer have been a critical part of the supply chain since its inception. The customer is quite clearly what the supply chain is all about. Having procurement, warehousing, manufacturing and distribution in place is all well and good, but without a customer it is academic and lacking in profit.

Knowing your customers means knowing who your customers are, what their needs are, and the means by which you communicate with them. When this data becomes a part of your database, there is no reason to research this data again. You can focus instead on updating customer information, processing orders, and extending your knowledge of the customer. (Malone. 2002)

The Role of Customer Relationship Management is about building and maintaining profitable long-term customer relationships; typically by supplying customers with what they want. To know what your customers want, ask them; or ask the customer relationship management system that the marketing and sales departments rely on to track what customers want, prefer, dislike and are likely to do in the near future. (O’Byrne. 2014)

CRM's standard core applications consist of sales force automation, marketing automation, and call center technology. These applications give more attention to customer needs by providing a better handle on the product or products involved, the content of the service, and added value. (Malone. 2002)

Not only does an existing CRM system contain a ready-made database of customer information, but it is also a purpose-built tool for getting more. From web surveys that ask supply chain related questions, or unstructured notes made by customer service representatives, a CRM system can collect valuable data to show which groups of customers want which kind of service. However
you do it, supply chain has to connect with the marketplace. Leveraging the
knowhow and tools of your marketing colleagues is a smart way forward.
(O’Byrne. 2014)

According to an article written by Martin Murray on CRM, there are three areas
which the company interacts with customers.

✓ Front Office Contacts - These involve the direct contact your employees
have with your customers which can include phone calls, e-mail, instant
messages and face to face communication.

✓ Back Office Operations – These are processes that are used to facilitate
the front office, such as finance communications, marketing, customer
billing and advertising.

✓ Business Contacts – Your employees will interact with customers and
suppliers through networking, industry events and trade associations.
(Murray. 2014)

4.8.1 Hotel's CRM: Sales Wave and Arvo

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company requirements"
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Chapter 5 SCM implementations in each hotel department

5.1 Room divisions or front office

**OPERA: Hotel software support logistics.**

According to a diagram of RMPT’s logistics and supply chain (See Figure 2 on page 14), in order to deliver the services to the downstream of the supply chain, hotel software support logistics are designed to enhance customer service and hotel operations. The hotel softwares used in RMPT are varied to match activities in each department of the hotel. One of the most important tool used for the front office department is OPERA.

Opera is quite a common hotel reservation system that many chain hotels worldwide for their hotel management software. The OPERA Property Management System (PMS). Designed to meet the varied requirements of any size hotel or hotel chain, OPERA PMS provides all the tools a hotel staff needs for doing their day-to-day jobs – handling reservations, checking guests in and out, assigning rooms and managing room inventory, accommodating the needs of in-house guests, and handling accounting and billing. The property management software is configurable to each property’s specific requirements and operates in either single-property or multi-property mode, with all properties in an enterprise sharing a single database. (Opera Property Management System, 2014)

The software gives total control over future bookings. Search rooms in seconds and get real time availability to ensure full occupancy during peak periods. Planning for groups and blocks easier, fast and more profitability. Opera is very
easy tool to use in the front office for the regular check-in and check-out process of the hotel. Opera can be manually set to each hotel preferences of usage to perform required services. The check out process and billing customers are fast and accurately done within two minutes through Opera.

OPERA system is also used at Radisson Blu to make sure that the hotel guests do not have to wait in a long queue at the reception because the whole process is done effectively.

Mr Storing explained the steps which are quite simple that when the guests arrive, a hotel front office staff asks the guests’ last name. With that the staff check the reservation system. The reservations contain special requirements from the guests, for example, special breakfast, room type, and etc. When the room is booked, it is locked and traced. He continued that during the check-in, it is a process to make sure that the guests have everything they ask for correctly. After that they will be given the keys and take their rooms.

The different department in the hotel have traced to this system, for example, by the reservation, their housekeeping department will know if they need to bring a baby cot to the room.

In addition, the restaurant system is also linked to OPERA as well. If the guests do not wish to have bills there, they can have them added to their rooms and pay when they are checked out.

5.2 Housekeeping

For the housekeeping itself, they also goes to the OPERA for the consumption of the minibars and if the room is cleaned. This is just happened with pressing buttons and enter codes of a housekeeper.

The hotel was earlier outsourced the housekeeping service to private firms but has taken back to run the service on their own in order to efficiently control the service quality to the hotel's standard and preferences. Hence, the in-sourced housekeeping cost is monitored regularly to estimate whether they are cost-wised and under the budget plan as well.
The department manager ensures the room is clean and welcoming to all hotel guests through its standard on every single detail while the cost is minimized. The facility forecast is submitted well enough in advance, for example, the manager can see what kind of house status would be within five days, occupancy rates, arrivals and expected guests. So that numbers of vacant rooms and hours are allocated equally to each employee within a day to work on.

Another example is a turn down service, which is performed efficiently within 15 minutes. A regular procedure starts with collecting all dirty linens to one place and replace them with the new clean ones and continues with regular clean and locate hotel complimentary. The hotel complimentary is different in each type of room, there are additional instructions to follow especially for a VIP guest. It is time consuming to check all details that they are neat so it must be wisely spent because the time consumption is calculated into the company's expenses as salary to employees.

After the room is clean and minibar is refilled, a housekeeper submits the room status report through TV which is connected to Opera to inform the front office department.

In terms of sustainable supply chain management, the hotel encourages guests to re-use towels to promote its environmental friendly policy and it is important for housekeepers to acknowledge if the guests would like to have their towels replaced since guests from different cultural backgrounds have their own preferences.

**Hotel's linen outsourcing**

Moreover, one of the very first things all hotel guests expect to see in the room is inviting bed with clean linens. This is where Comforta, a company specializing in hotel linen services, comes to the upstream of the hotel supply chain as supplier in category 2 who supplies clean hotel linen to the hotel.

Comforta offers hotel and restaurant textile services and in Finland also health care textile services. It operates in the Northern Europe region: in Finland,
Sweden, Estonia and St. Petersburg, Russia. Comforta is part of textile services group Lindström, with operations in Europe and Asia. (Lindström, 2012)

The hotel buys laundry service for hotel linens including mainly bed sheets and pillow cases from Comforta. The company itself also operate laundry service for big ships berthing at Turku marina port and all major hotels in Finland.

The hotel remains frequent communication and good relationship Comforta as its main supplier to housekeeping department. For example, the linens are delivered on time and in an acceptable condition as the hotel standard. If found flaws, marks or broken, they must be returned to Comforta and can be financially compensated to the hotel.

5.3 Food and Beverage

Procurement and purchasing: Meira Nova

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“Non-disclosed text: Original text from the thesis work is non-disclosed following company requirements”

5.4 Kitchen

F&B inventory control software support logistic: RIS

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5.5 Meeting & Events

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Figure 5: Non-disclosed text: Original text from the thesis work is non-disclosed following company requirements
5.6 Supporting departments

Sales and Revenue departments

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5.6 Supplier relationships – Hotel business partner network.

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Chapter 6 Turku’s current tourism trends and future.

The current tourism trend in 2014 compare to last year is supposed to shrink a little. It is fewer than a former year due to the global economics and also in Russia where the main foreign tourist arrivals come from in Southwest Finland. It is more effected in Eastern Finland because the tourism there is based on shopping unlike in Turku, where tourism here is more like experiencing culture, museum, sightseeing, archipelago activities and business.

The whole Finnish tourism’s trend in 2014 will be a bit down but there is no dramatic change expected. The current percentage of tourist arrivals in Turku is 40% Russian, then followed by Swedish, other Baltic countries, Germany and the UK. (See Figure 6 in year 2012 2013 for comparison below)

<table>
<thead>
<tr>
<th>Countries</th>
<th>2012</th>
<th>2013</th>
<th>Change 12&gt;13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finland</td>
<td>34670</td>
<td>32504</td>
<td>-6.20%</td>
</tr>
<tr>
<td>Foreign countries</td>
<td>7004</td>
<td>6411</td>
<td>-8.50%</td>
</tr>
<tr>
<td>Total</td>
<td>41674</td>
<td>38915</td>
<td>-6.60%</td>
</tr>
<tr>
<td>1.Russia</td>
<td>1218</td>
<td>1195</td>
<td>-1.90%</td>
</tr>
<tr>
<td>2.Sweden</td>
<td>1091</td>
<td>1157</td>
<td>6.00%</td>
</tr>
<tr>
<td>3.Denmark</td>
<td>260</td>
<td>273</td>
<td>5.00%</td>
</tr>
<tr>
<td>4.Great Britain</td>
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<td>-27.60%</td>
</tr>
<tr>
<td>5.France</td>
<td>198</td>
<td>254</td>
<td>28.30%</td>
</tr>
<tr>
<td>Others</td>
<td>3868</td>
<td>3265</td>
<td>-15.48%</td>
</tr>
</tbody>
</table>
Figure 6: Overnights in Turku by country of residence 2012 & 2013 (Turku Touring, 2014)

Turku Touring has certain campaigns and promotions to Russia and what they have launched newly are social media contacts and blog writers which are very effective. “We have found four different types of Russian tourists in St. Petersburg area who would be interested in traveling to Turku and with this information we use it to plan our certain events, happenings and social media that match their interests.” said Tourism Development Director at Turku Touring, Lappalainen Päivi.

“We are looking all the time the new way of promoting tourism here in Turku. For Russian market, we have to know their languages as well as Chinese market. But that is not the problem. It is more challenging to create enough contents on social media services that would effectively attract tourists in different countries We come up with new strategies in response to customers' behaviors that have dramatically changed in the past few year.”

Turku Touring is creating new development activities and projects on how to find out what kind of social media services would be most effective in different countries and attractive enough.

“For example, blog writers provide insight articles to readers that they would feel that it is more like a trustful source to them. We also have more resources than tourism related businesses and entrepreneurs to promote tourism and that is why we cooperate closely with them to work on these activities. They also our partners at Turku Touring Limited, which is a marketing company to work together, for example, a summer campaign launched online on the website.”

Turku Touring is like a one stop service for all travelers linking them to other tourist activities and services here in Turku. It is always easier to buy flights and accommodation but to find activities and services at the destination you want to travel to, timetables, how to get there and whether they are available at the time when you are there would be types of services we offer to service.
There are marketing activities and events twice a month to promote tourism industry here. The most successful one would be Turku cultural city events with every stakeholder in tourism industry participated. Currently the events what Turku Touring are more like exchanging information between tourism stakeholders but in the soon future there will be also discussions.

Lappalainen suggested that what could be done more is to share knowledges, academic and scientific researches and information on customer behaviors, factors and things that effect tourism in the future, sustainable tourism, that enable entrepreneur run their business with advantages. The challenge is to make them available, easily accessible and usable for service operators. The European Commission also construct B2B information for European tourism portal with information on funding, creative business, better quality service, e-learning materials and they are the same types of the information Turku Touring is working on as well.

Chapter 7 Conclusion and recommendations

In this part of the research, the author brings proposal recommendations and potential ideas to improve business opportunities in the tourism supply chain here are provided by different tourism stakeholders in response to the author’s research questions (both RQ1 and RQ3). The focus is on the answers to RQ 3 which can be put into practices with good cooperations between each actor in the supply chain as well.

While the service industry is still considered not quite bleeding-edge when it comes to adopting the latest supply chain thinking and technologies, large enterprises are starting to close the gap.

By adopting new tools and processes, the industry is solidifying its belief that truly satisfying guests means taking a trip back to the basics—sourcing quality food, beverages, supplies, and services. (Terry, 2014)

In an email response to an author, Business Area Manager of Meira Nova Oy, Jukka Rintala (2014) explained that their supply chain basically starts from their
customers and ends to their customers as well. He also suggested the same idea mentioned above that the basics of SCM is sourcing. The firm plans its suppliers base on receiving the purchasing mandate from customers. The company works all logistic and supply chain on the products’ production, quality and origins. Then all products take competition on pricing and qualities as the most important issues.

They have prerequisite for example, right timing to their storages, level of service, quality standards and transporting machines. The customers make decisions on what products are best to their places before Meira Nova supplying those selected products to their customers. Taking all examples he mentioned to consideration, all of these are large cooperation between customers, producers and Meira Nova.

Apart from concentrating on sourcing for quality based on customers’s requirements, enhancing the supply chain network and cooperation by frequently communicating, sharing information and knowledges is also the key to improve business opportunities between each SCM stakeholders.

The Travel Experience Director, Merja Hart (email response, 2014) responded to the author that efficient communication and accurate information are important. For example, their suppliers could recommend potential clients who could benefit from a DMC to keep the whole tour/event services in one set of hands and thus keeping the service level an service experience of clients at top quality level. While they are constantly looking for good quality partners who provide unique services with good ratio of price and quality, the supplier's pricing policy should give them opportunity to be a part of the supply chain.

The importance of online reviews is likely to increase, hence, prompt and professional responses to customers’ feedback are crucial as well. Making 24/7 consultation and communication available to the customers are no longer exceptional. For example, Finnair also invest in its social medias such as twitter to keep frequent communication with their customers.
In terms of sustainability in tourism supply chain management, minimizing cost is not the answer, pointed out by Terhi Hook (email response, 2014), Product development manager of Finish Tourist Board, it should be quality, customer feedback, understanding both customers and changing business environment, flexibility in offerings or tailored services. There need to be innovations either technological knowledge or just new ways to provide services to improve business opportunities.

When it comes to technological knowledge, the author got a similar suggestion from Darren Huston (email response, 2014), President & CEO of Booking.com that technological knowledge is in their business developing progress. At the highest level, their entire model is built around efficiently and effectively matching consumers to accommodation providers and this is done with extreme precision and a primary eye to optimizing the consumer experience through data and experimentation. Cost is not the governing issue, it is completely about customer experience which leads to satisfaction and higher conversion. There are still many opportunities, for instance, a big focus in on multi-screen execution (seamless across devices), deeper systems integration with accommodations’ providers.

All these processes are similar to the hotel's service accuracy by making sure the services are delivered as they should be by improving the use of software support logistics as support functions.

As the author mentioned in the beginning of the research's introduction that SCM concept for service industry needs a different approach as services cannot be stored, an efficient distribution is vital. Take a look from a destination perspective, Turku Touring's International Marketing Manager, Lotta Bäck (Email response, 2014) confirmed that it is more important to make the buying process for the end customers as easy as possible. This means improving accessibility of the destination or the tourism's product itself, for examples, flight connections and convenient access to archipelago.
Apart from accessibility, availability in information such as offering detailed travel information, maps, pictures, real time schedules are also what Turku Touring is currently working on as a one stop service for travelers visiting Turku.

In a bigger scale, European Tourism Association (ETOA), a leading trade association with nearly 700 members consisted of tour operators, European tourists boards, hotel attractions and other tourism suppliers contributing more than 12 billion euros of business within Europe plays a major role. ETOA's Kerstin Bock told the author that one way of increasing business opportunities is to facilitate tourist flows to and within Europe and removing barriers to travel and creating a favorable legislative environment, e.g. taxation, visas, etc. Also she added that due to greater connectivity, supply chain management will probably have to increasingly adapt to real time changes in demand and supply in the future.

Research Director, Melissa Teates, from ASTA, an organization that has many mediums for cooperation: a domestic and international chapter system (local events/networking), an e-newsletter, live webinars, a mailed magazine, linked-in groups, facebook, twitter, and events told that efficient supply chain management from an agency perspective is about their client's having the best travel experience possible. It can mean minimize cost or enhanced luxury or efficient/timely. Counts on the client and their need such as leisure and business. She also added that according to their members who are travel agencies in America, more transparency and accurate information on travel products is key to improving business opportunities. Additionally, the reputation and quality of the product is key to the decision making process when choosing a supplier.

In conclusion, the hotel industry depends majorly on tourism. Its supply chain management performs best once all actors in tourism industry are alliances. This means great networking and work collaboration between them will definitely increase business transactions and benefit supply chain stakeholders.
No business can survive just only by itself (Suriya, Email response, 2014) Therefore, collaboration is the most important factor for the success and survival of business today. Even competitors exchange information to make the industry grow. The Nobel Prize laureate also states that "Collaboration is a better choice than competition." Basically, stakeholders must be “friends”.

Greater collaboration between stakeholders shall include working together on business problem solving, on working some deals together with suppliers on promotional campaigns and on sharing information and knowledge.
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