



VAASAN AMMATTIKORKEAKOULU
VASA YRKESHÖGSKOLA
UNIVERSITY OF APPLIED SCIENCES

Roksana Manukian

CORPORATE REPUTATION EVALUATION AND SERVICE QUALITY

Case study Hotel Astor

Business Economics and Tourism

2015

VAASAN AMMATTIKORKEAKOULU
UNIVERSITY OF APPLIED SCIENCES
Tourism

ABSTRACT

Author	Roksana Manukian
Title	Corporate Reputation Evaluation and Service Quality
Year	2015
Language	English
Pages	44+5
Name of Supervisor	Helena Alamäki

The aim of the study is to make an investigation into such phenomena as Corporate Reputation and its connection with the service quality, as well as, to try to measure reputation at Hotel Astor.

Qualitative and quantitative methods are applied to the research in which the guests of the hotel were interviewed and asked to fill in the questionnaires, in order to evaluate the quality of the service. Later the results were used to measure hotel's reputation and compare it with the reputation of the hotel which was formed from the reviews of travel websites.

Finally, personal suggestions were expressed for the future improvement of the hotel operations.

Keywords Corporate reputation, service quality, SERVQUAL

Contents

1	INTRODUCTION	7
1.1	Goals of the study	7
1.2	Research method	7
2	CORPORATE REPUTATION.....	8
2.1	Definition	8
2.2	Corporate Image or Reputation?	9
2.3	Image.....	9
2.4	Corporate Identity	10
2.5	Building corporate reputation	11
2.6	Importance of reputation in hospitality	12
2.7	How reputation is measured.....	13
2.8	Dimensions	14
3	SERVICE AND SERVICE QUALITY	16
3.1	Service quality	17
3.2	Quality Dimensions	17
3.3	The Gummensson 4Q model of offering quality	19
4	SERVQUAL	20
4.1	Difficulties with measuring service quality	21
4.2	Expectations	21
5	TRUST, COMMITMENT AND ATTRACTION	23
5.1	Trust	23
5.2	Commitment	23
5.3	Attraction	24
6	HOTEL ASTOR	25
6.1	Services	25

6.2	Employees	25
6.3	Customers	26
7	RESEARCH METHOD.....	27
7.1	Internet reviews.....	27
7.2	Interviewing and SERQUAL.....	27
7.3	Compering qualitative and quantitative methods.....	28
7.4	Quantitative method.....	28
7.5	Qualitative method.....	28
8	RESEARCH RESULTS	30
8.1	Internet reviews.....	30
8.1.1	Booking.com.....	30
8.1.2	Yahoo! Travel	32
8.1.3	Tripadvisor.com.....	33
8.2	SERVQUAL results.....	34
8.2.1	Interview	34
8.2.2	Questionnaires.....	35
8.2.3	Results of the research	35
9	CONCLUSION	40
9.1	Reliability and validity of the research	40
9.2	Suggestions for improvement	40
9.3	Restrictions of the research	41
9.4	Offers for future research	41
	REFERENCES.....	43
	APPENDICES	45

LIST OF FIGURES AND TABLES

- Figure 1.** Corporate Reputation components
- Figure 2.** Connection among Corporate Identity, Image and Reputation
- Figure 3.** Reputation quotient model
- Figure 4.** Quality Dimensions
- Figure 5.** The Gummensson 4Q model of offering quality
- Figure 6.** Booking.com ratings
- Figure 7.** Yahoo! Travelling rating
- Figure 8.** Tripadvisor.com rating
- Figure 9.** Expected and perceived reliability dimensions
- Figure 10.** Expected and perceived responsiveness dimensions
- Figure 11.** Expected and perceived tangible dimension
- Figure 12.** Expected and perceived assurance dimensions
- Figure 13.** Expected and perceived empathy

LIST OF APPENDICES**APPENDIX 1.** Interview questions**APPENDIX 2.** Study Research Questionnaire

1 INTRODUCTION

Today it is becoming more and more difficult to compete in the business world, especially when it comes to the tourism industry. It is a fast growing sector and there are more and more hotels built each year. In order to catch stakeholders' attention and make them loyal companies have to make themselves stand out from the masses.

How to make an enterprise differentiate itself from its competitors? Why are some companies so special to their customers? What makes them so special? Reputation is the answer.

1.1 Goals of the study

I would like to dedicate this thesis to a research about corporate reputation creation and service quality. The main issues that are going to be looked into are: what is corporate reputation? What does it involve? Why is it so essential for a hotel? And what is the relation between corporate reputation and service quality?

By answering these questions the current reputation of the hotel can be evaluated. Apart from that, weaknesses and strengths in the hotel operations can be found and used by managerial personnel as a platform for future improvements.

1.2 Research method

Both qualitative and quantitative study methods are used in this research. Customers of the Hotel Astor are interviewed according to a list of questions, which has an intention of finding out how the guests discover the hotel and see what expectation they have. The guests are also asked to fill in a questionnaire, which was aimed at measuring quality of the service at Hotel Astor.

The research also involves examination of the reviews about the hotel, which have been left on the most visited travel websites. Having studied that, an overall picture of current reputation will be given.

2 CORPORATE REPUTATION

Throughout the years a big variety of definitions have been given to this phenomenon. Marketers claim that reputation illustrates corporate associations created by individuals using company name. Economists think that reputation is a source of information about company's behaviour in specific situations... (Roper and Fill 2012, p. 7)

For a service producing company corporate reputation is considered to be the main asset, even though it is intangible, so corporations should indeed protect it and make investments in it (Louisot 2004, p. 35).

2.1 Definition

In the Oxford Dictionary (2014) the following definition of the term "reputation" is given "The beliefs or opinions that are generally held about someone or something".

A considerable amount of discussions and critical reviews have taken place among the researchers from various disciplines, such as psychology, sociology, marketing, economy etc. on the concept of corporate reputation. Based on those analyses, Fombrun and Rindova (1996) came up with the following definition of corporate reputation that includes all the main characteristics: "A corporate reputation is a collective representation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders. It gauges a firm's relative standing both internally with employees and externally with its stakeholders, in both its competitive and institutional environments."

Stakeholders are individuals who have an interest in the economic performance of the enterprise because of own benefits derived from it. This relates to shareholders, employees, investors, customers, local and national government, suppliers, general public etc. (Roper and Fill, 2012, p. 28)

2.2 Corporate Image or Reputation?

For a long time terms corporate reputation and image were used as synonyms, but after conducting enduring and profound studies the researchers tend to separate them.

Based on Fombrun's studies of corporate reputation phenomena, Roper and Fill (2012) come up with a matrix that clearly shows four components: Social image, Financial Image, Product Image and Recruitment Image, which together form reputation (Figure 1).

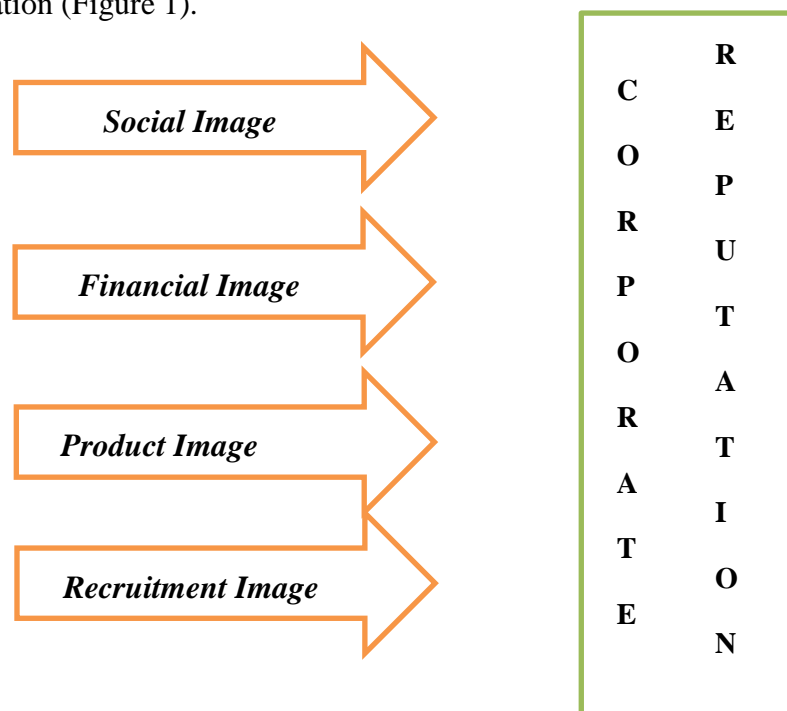


Figure 1. Corporate Reputation components (Roper & Fill, 2012)

2.3 Image

The word “image” itself means “A mental representation or idea” or it also might be “the general impression that a person, organization, or product presents to the public” (Oxford Dictionary).

What is more, the company's image is a reflection of an organisation's identity, which means that firm's actions and appearance form an image. Unlike reputation, image can change frequently, but in a long run these images create a reputation. (Roper and Fill 2012, p. 35)

There are external uncontrollable variables and internal controllable variables that have an influence on the firm's image. Corporate personality & Identity, Corporate Advertising, Brand Image, Public Relations, Frontline Employee Behaviour are included in internal controllable sphere of influence, whereas Industry Image, Country of Origin Image, Word of Mouth, Press Reports are components of external uncontrollable sphere of influence. Uncontrollable variables can be influenced by manipulations caused among internal controllable variables. (Zinkhan, G. M., Jaishankar, G., Anumpam J., Hayes, L., 2001, p. 152-160).

It is also important to remember that a company's image changes as person derives more information. So, by controlling the flow of information the company can influence the way it is perceived by stakeholders. Providing information that defines the firm can create a desirable image. Another crucial point to be taken into account is that a company that performs well needs to raise awareness about its image. This point and the one mentioned above are the matters of good marketing communication skills. (Marconi J. 1996, p. 13).

2.4 Corporate Identity

“Who are we, what do we stand for, what is our core purpose, and what does it mean to be involved in this company?” this is what van Riel and Fombrun (2007) consider identity and identification in the context. It is essential that the company's perception of itself is similar to the public's one, otherwise, this will have a negative effect on the corporate reputation.

Corporate identity refers more to the behaviour of the organisation members, the employees must be aware of directions and reasons of the brand existence, in order to convince the people from outside (van Riel & Balmer 1997, Roper & Fill

2012). This will be efficient in narrowing down the gap between internal and external views, internal identity and external image.

The core of corporate identity is corporate personality, which stands for the nature of the company (Roper and Fill 2012, p. 35).

Albert and Whetten (1985) offered three criteria that could be used to measure corporate identity:

- Centrality – characteristics of the organisation that are spread among members;
- Continuity – how the members see the past, present and future and link them together;
- Uniqueness – what characteristics make the company stand out among other similar organisations in the minds of the members.

2.5 Building corporate reputation

“It takes many good deeds to build a good reputation and only one bad one to lose it.” – Benjamin Franklin.

As mentioned previously, corporate identity and corporate image are closely related to each other and link in a chain that consequently forms corporate reputation. On the way of building good reputation, organisations might face several challenges, because the company needs to win the trust of the stakeholders by fitting in core values, being responsible for own actions, providing with goods and services of a high quality, treating personnel well and providing the shareholders with fair value (Ethics Resource Center Journal 2011, p. 5).

The first challenge refers to developing a strong brand, which can be compared to a promise, hence, positive reputation is based on keeping the promises. The second one concerns the flow of information, meaning that companies need to learn how to spread a good word of mouth using mass media, but keeping in mind that too much information might also have a negative impact (Ethic Resource Center Journal 2011, p. 5-7).

Finally, image, which mediates between brand and reputation, needs to be analysed, in order to understand what different stakeholders think about the company. So for the customers the quality of the offered goods and services matters, community image involves the performance of the company on the market, as well as the opinion of other organisations operating in the same sector. Investors evaluate the risk associated with the industry in relation to return and the employees are interested in having favourable working conditions (Figure 2).

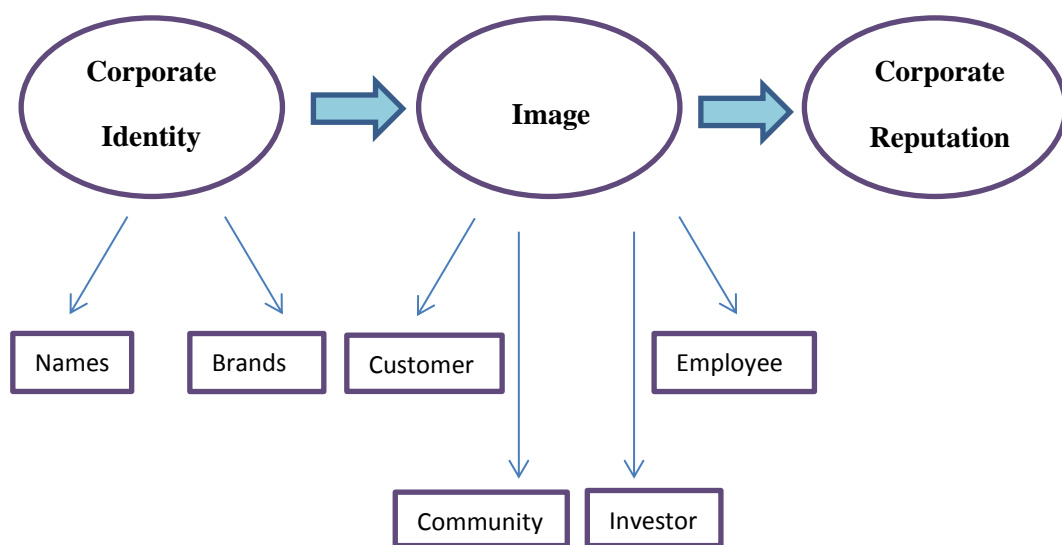


Figure 2. Connection among Corporate Identity, Image and Reputation (Argenti & Forman, 2002)

2.6 Importance of reputation in hospitality

Some business writers are convinced that reputation might be the only source of “truly sustainable competitive advantage” in hospitality service industry, as it is a reflection of various evaluations of the past performances. It is not a fact based phenomena but an interpretation, thus, is hard to imitate (Harrison & Enz 2005, p 159).

On the one hand, for the potential customers a good reputation can signal excellent quality and human-resource management as well as highly innovative products and services. On the other hand, it can broaden the horizons of organisation's development by attracting investors and talented workers, charging premium prices, keeping loyal customers and also entering international markets with less obstacles (Harrison & Enz 2005, p. 98).

Reputation raises certain expectations from the organisation, in this specific case a hotel. Positive reputation facilitates an effective communication between the firm and the customer, which causes a distribution of favourable word of mouth (Roper and Fill 2012, p. 35).

Expectations of the customers, as well as, the perception of the performance of the company are strongly affected by reputation. Grönroos (2001) claims that some minor mistakes made, while providing the service, might be overlooked due to good image, hence reputation. However, if the mistakes take place on a regular basis in a long-term period, the company reputation may suffer. This also has an opposite effect. So mistakes made by a firm with a less preferable reputation will be more noticeable to a customer, which might cause a higher level of dissatisfaction. As for the neutral reputation, it will not cause any damage to the company but it will not be beneficial either

2.7 How reputation is measured

Corporate reputation quotient is model of measuring reputation which was proposed by Dr. Charles Fombrun and his colleagues Naomi Gardberg and Joy Sever (2000). The model is based on twenty attributes, which are grouped into six dimensions (Figure 3).

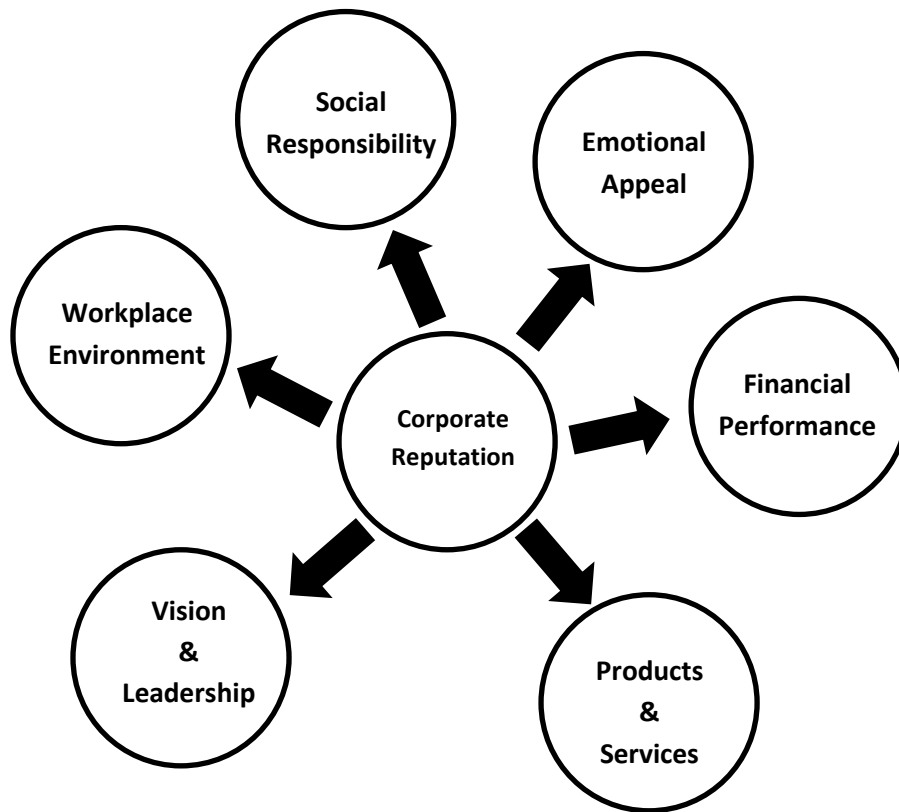


Figure 3. Reputation quotient model (Fombrun, Gardberg, Sever 2000)

2.8 Dimensions

The model is built in a way that different focus groups from various sectors are able to evaluate reputation of the company and make choice decisions as potential stakeholders:

- Emotional appeal is based on sympathy, trust, admiration and respect. Following statements refer to this driver: “I have a good feeling about the company”, “I trust this company”, “I admire and respect the company”.
- Financial performance focuses on strong results (“Has a strong record of profitability”), low risk (“Looks like a low risk investment”), competitive clout (“Tends to outperform its competitors”), growth potential (“Looks like a company with strong prospects for future growth”).
- Products and services involves vouches for “Stands behind its products and services”, innovative “Develops innovative products and services”,

quality “Offers high quality products and services”, value for money “Offers products and services that are good value for money”.

- Vision and leadership stands for inspiring vision, strong leadership and responsiveness.
- Workplace environment includes being well-organised, being a good employer and having a good work environment.
- Social responsibility: supporting good causes, being environmentally responsible and treating people well (Fombrun et al. 2000, p. 252-253).

3 SERVICE AND SERVICE QUALITY

As Grönroos states in his book (2001) “A service is a process consisting of a series of more or less intangible activities that normally, but not necessarily always, take place in interactions between the customer and service employees and/or physical resources or goods/or systems of the service provider, which are provided as solutions to customer problems”.

Based on this definition following characteristics of the service can be highlighted:

- Services involve activities rather than things;
- Production and consumption are simultaneous;
- Consumer participation in the service production process may be observed

Based on these features, it is clearly seen that even though services include a big variety of tangible elements, it is still the intangible side of the phenomena that matters, because when describing the service, customers use very abstract ways of defining it, for instance, feelings or experience. For that reason service can not be kept in stock. What is more, it is produced and consumed at the same time and the consumer actively takes part in the process, which makes the chain of production less controllable (Grönroos 2001, p. 51).

It is also important to remember that it is only the visible part of the service process that is evaluated by the customer and evaluation may vary from one person to another depending on such factors as personal background, knowledge, mood etc.

The entire service process results into outcome for the customer, which is vital for the general service experience (Grönroos 2001, p. 51). Therefore having control over the quality of the services provided is essential for running a profitable business, in this specific case running a hotel.

3.1 Service quality

Service quality is a feature of a particular product or service that is perceived by a customer in a certain way. The aim of the service quality studies is to help to develop relationship quality in a long-run partnership context (Grönroos 2001, p63). It is well known that finding new customers is much more costly than keeping the old ones and that is the reason why the needs and expectations of potential consumers should be met. A glance at this matter gives an overall representation of what the customers seek out and what is evaluated by them. In other words, service quality research needs to be conducted. Possession of such information provides the management of the organisation with an ability to control and influence the evaluations of the users in preferred directions.

3.2 Quality Dimensions

In 1984 Grönroos came up with three dimensions of service quality and those include technical quality of the outcome, functional quality of the process and reputational/image quality.

The first one stands for “what” is received by the customer during his interaction with the service company. In a hotel this can be applied to a guest who gets a room in a hotel.

The other dimension stands for “how?” the outcome was received. This point arises directly from the interaction between the consumer and the personnel, and general atmosphere, for example, during the check-in. It might also be influenced by other customers queuing or even decorations.

And the last but not least is corporate image, which sets certain expectations in the mind of the potential customer based on his view of the company. The first two dimensions are used as fundamentals for it (Grönroos 2007).

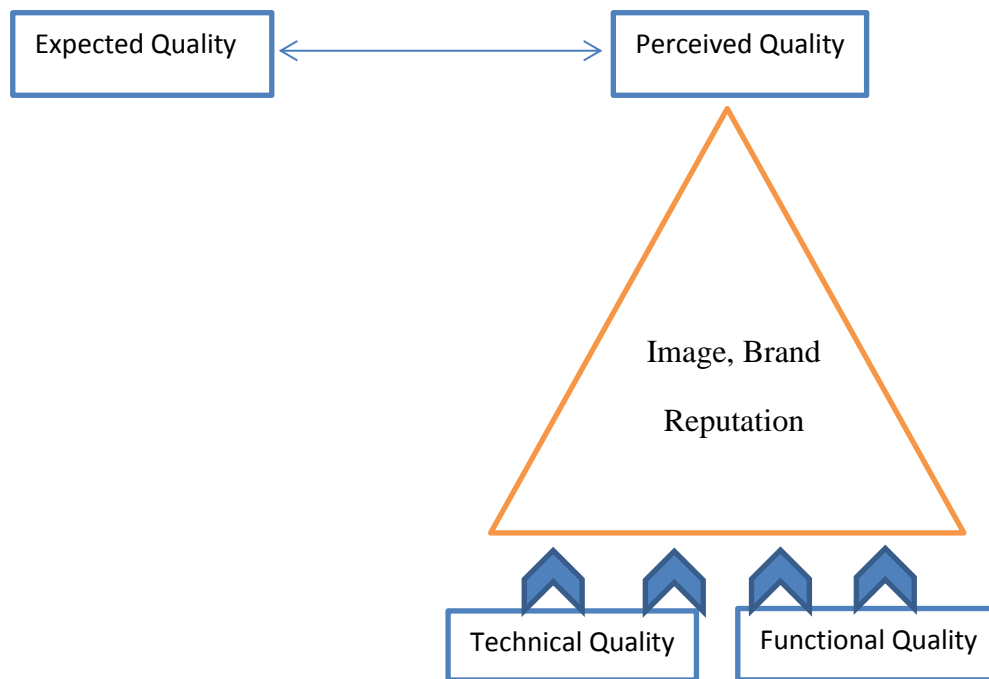


Figure 4. Quality Dimensions (Grönroos 2007)

Connection between quality dimensions can be followed (Figure 4) as well as the relation of expected service and perceived service, where expected level of service is a consumers' in-mind pre-assumption of the services offered by an organisation. They are affected by such marketing activities as advertising, PR, pricing etc. and external factors like word-of-mouth, ideology etc.

The aim of the firm is to make values of expected and perceived as equal as possible, in order to avoid the gap, which may appear between those two. For that purpose, marketing activities should reflect real technical and functional qualities and as a result expectations will not be set too high; as well as services perceived should be improved if the qualities are presented to be better than they are (Grönroos 2007, p. 77). Expectations may be different on each of the stages of the whole process, however, fulfilment of consumers' expectation will encourage them to have long-term relationship with the company and as a result make them loyal.

3.3 The Gummensson 4Q model of offering quality

The core idea of The Gummensson 4Q model (Figure 5) is to show that physical goods as well as services are fundamental parts of the service that is being offered. So combination of these elements helps to develop and manage quality no matter if they are the key features of the offering or not. This model involves such variables as expectations, experiences in addition to brand and image, which have direct connection with the customer's perception of total quality. Two quality concepts on the left hand side are considered to be the sources of quality. So, design quality relates to the development and design of the services and goods that are blended into a functioning packaging. If any error occurs, poor performance and negative experiences may ensue. If a fault occurs in production and delivery quality, expectations will not be met again, and this leads to a quality problem. As for the concepts on the left hand side, they refer to the result of service processes, so Relational quality comprises employees' attentiveness, empathy and skillfulness. And lastly, technical quality refers to the facilities and equipment used to produce certain services, their serviceability (Grönroos 2007, p. 81).

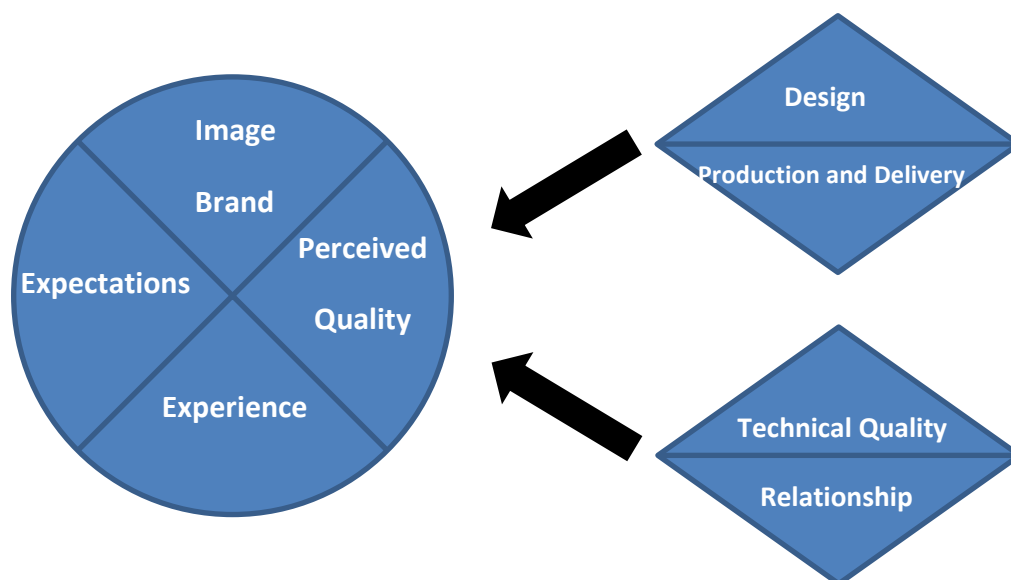


Figure 5. The Gummensson 4Q model of offering quality (Grönroos 2007)

4 SERVQUAL

After studying service quality dimensions, in 1980s Berry, Parasuraman and Zeithaml came up with method of measuring customers' perception of the service and following determinants were found:

- Reliability stands for practicality and stability, this in a hotel refers to accurate billing, for example;
- Responsiveness refers to readiness and desire of the personnel to arrange services: for instance, giving prompt services;
- Competence means that personnel has needed skills and knowledge;
- Accessibility of the services involves time and location;
- Courtesy refers to appearance of the staff, its politeness and friendliness;
- Communication means the ability to keep the customers informed about the specifications of the service, prices etc.
- Credibility concerns trustworthiness of the organisation, its name and reputation;
- Security includes both physical and financial safety, as well as confidentiality;
- Knowing customers' needs and wants, providing with personal attention;
- Tangibles involve such elements as physical facilities, tools, equipment, uniforms etc. (Grönroos 2007, p. 85)

SERVQUAL is an instrument that is used to measure the quality of the service. Main idea is to compare customers' expectations of the service performance and their experiences of how the same service was actually delivered. Then the scores are compared and if the points of expected service are dramatically higher than the results of the perceived service, actions need to be taken by the managing staff members, due to low results of perceived quality. This means the gap between expected and perceived services exists (Parasuraman A., Zeithaml V. A., Berry L. L. 1988, p. 30)

Since the principle of this instrument is based on the determinants mentioned above, not only the overall score can be calculated but also each of the individual attributes can be analysed (Grönroos 2007, p. 84).

4.1 Difficulties with measuring service quality

Based on the results of the research carried out by Parasuraman, Zeithaml and Berry (1988), it was proved that SERVQUAL has a high level of reliability. Outcomes from four samples were compared and they were consistently high among all of the instances.

As for the validity, certain problems may occur, as SERVQUAL is based on measuring expectations. For instance, if the expectations are evaluated after the service experience or simultaneously as it occurs, then something based on experience is measured. However, measuring expectations prior service experience might also be useless, as the customer may not necessarily compare his experiences with expectations he has beforehand. Expectations can be changed by experiences the customer already has. And lastly, experiences are perceptions of reality, so they are prior expectations, hence, expectations are measured twice (Grönroos 2007, p. 88)

4.2 Expectations

As expectation play a crucial role in measuring service quality, it is relevant to state that, according to Jukka Ojasalo's study, three types of expectations are distinguished. They are Fuzzy, Implicit and Explicit expectations. Fuzzy expectations appear when the customer needs a service but doesn't know what kind and how it should be provided. If the need is not fulfilled, the customer feels disappointed. If expectations are implicit, it means that some services seem to be so obvious, that the customer doesn't think about it and expects the service provider to take care of that, otherwise he will be unsatisfied. And finally, customers may have explicit expectations which are divided into unrealistic and realistic ones. The service provider should tend to turn unrealistic expectations

into realistic in order to increase customer service satisfaction level (Grönroos 2007, p. 101).

5 TRUST, COMMITMENT AND ATTRACTION

In relationship management concepts of trust, commitment and attraction are highly important, because they show to which extent one or another stakeholder can rely on the organisation. When company at a certain stage meets or exceeds customer's expectation, fulfills promises trust, commitment and attraction arise. Companies with positive reputation are more likely to attract new stakeholders and build long-term relationships with them, here the concepts of trust, commitment and attraction are crucial.

5.1 Trust

Trust can be defined as expectations of one party from another to behave in a certain predictable way; they are based on previous experience. If expectations are not met, the expecting party will face a more negative result of interaction. There are four types of trust distinguished:

- Generalized trust – originates when the customer knows that a large company with positive reputation will stay in business and offer same goods
- System trust is dependable on regulations, laws and contracts
- Personality based trust arises when a person relays on word or statement of another person based on “personal traits”
- Process based trust forms from positive previous experience that a customer and a service provider could have had.

All four types of trust depend on such factors as past experience, contract, regulations, social norms and personality factors (Grönroos 2000, p40).

5.2 Commitment

Commitment can be described as desire of one party to do business with another party and being motivated at the same time. This can happen if the service

provider has proved his trustworthiness, he has shown that he is able to offer solutions that successfully support the value-generating or value-formation processes of the customer” (Grönroos 2000, p41).

5.3 Attraction

Attraction can be financial, technological or social factor that causes interest of one party into another, it should be something that one party would find interesting about the other one. If attraction is mutual the parties are more likely to cooperate (Grönroos 2000, p41).

In order to develop good relationships with the customers companies need to invest in constant marketing communication and in creating value for the customers.

6 HOTEL ASTOR

Hotel Astor is a privately owned four star hotel closely located to the railway station in the city centre of Vaasa. The hotel offers 42 rooms with antique-style furniture. There are several types of rooms available for a stay: single room, single room with sauna, double room, double room with sauna and a suite.

All rates include breakfast at a Swedish Gustavian style restaurant. A bar and a library are also presented there.

Hotel is actively involved in the local cultural activities. It cooperates with Vaasa theatre and offers its visitors special packages, which include a one-night stay at the hotel, a ticket to one the performances that currently take place and a dinner at a restaurant.

6.1 Services

All the rooms in the hotel are equipped with the following items: TV, Telephone, minibar, hair dryer and bathroom. There are also rooms with sauna and jacuzzi. Air-conditioning is available in some rooms.

Reception operates for 24h and staff members offer their services in various languages.

6.2 Employees

There are about 7-10 employees in the hotel including receptionists, housekeeping and the manager.

Due to the size of the hotel there are no strict divisions within departments, so, for example, front office personnel is also responsible for serving the bar and the restaurant during breakfast time.

6.3 Customers

Businessmen are considered to take the biggest share of the target groups visiting the hotel. The second biggest share is occupied by leisure customers, who mostly come to the hotel in pairs. The majority of the guests stay at the hotel for one or two nights.

High seasons are thought to be spring and autumn and low seasons are summer and winter holidays.

7 RESEARCH METHOD

As it has been mentioned in the theoretical section of the research, there are six dimensions that are used to evaluate reputation of the company. This reputation analysis is done from the customers' perspective and for that reason the following points will be reviewed:

- Stands behind its products and services;
- Develops innovative products and services ;
- Offers high quality products and services;
- Offers products and services that are good value for money.

7.1 Internet reviews

Based on the definition given in the theoretical study of this research, reputation forms throughout the time and it is built from the images in the minds of people. That is why it is decided to look through the reviews left by the guests who stayed at the hotel, as they have personal experience and a certain image has developed in their minds about the Hotel Astor. Tracking reviews may be useful in observing the changes that took place in people's attitude towards the organisation in order to see whether the company took any steps towards improvement.

The websites are chosen according to the eBizMBA Rank which is continually updated and is based on the number of visits of the websites. The top three most visited websites are Booking, Tripadvisor and Yahoo!Travel.

7.2 Interviewing and SERQUAL

As Gummensson 4Q model demonstrates, service quality has a direct influence on the reputation of the company. For that reason, a decision is made to evaluate service quality of Hotel Astor to gain a more clear vision of the existing reputation and to get opinions of the guests and come up with suggestions regarding improvements.

7.3 Comparing qualitative and quantitative methods

Qualitative and quantitative research methods have five basic differences and they touch on topics of analytical objectives, types of questions used, data collection instruments, forms of data produced and “degree of flexibility built into study design” (Mack, Woodsong, Macqueen, Guest, Namey 2011, p. 2). Using both of them gives an opportunity to study more about the same subject.

In the section below there is a description of both data collection methods given and both advantages and disadvantages of these methods are expressed.

7.4 Quantitative method

This study method tends to prove hypotheses about phenomena, it is highly structured and involves usage of questionnaires, surveys etc. And as a result quantifies the answers and give certain characteristics of the population, questions used are close-ended (Mack et al. 2011, p. 6).

This type of a research method allows conducting a broader study which involves vast number of issues and the results tend to be more objective and accurate. However, it avoids respondents’ personal bias and this consequently narrows down the dataset and makes it superficial. What is more, the answers received are not always the reflection of what the respondents truly think and feel, as the answers might be the closest match.

7.5 Qualitative method

Unlike the quantitative method qualitative method is used in order to explore the phenomena. Questions used are open-ended and the instruments that are used here, are more flexible. A descriptive way of analysing is used and the study design is repeatable (Mack et al. 2011, p. 6).

This research method provides with deeper and more detailed information about the interviewees’ feelings and behaviour. It also gives an explanation why a

certain response is given if used together with quantitative data collection. The main disadvantage of this study method is that there is a fewer amount of respondents involved, as it is time consuming and the results are more difficult to generalise.

8 RESEARCH RESULTS

This section involves analysis of the reviews left by the customers of the hotel on the following travelling websites www.booking.com , www.tripadvisor.com and www.yahoo.com/travel alongside with the results of the personal research done by using SERVQUAL method.

8.1 Internet reviews

Below there are all the generalised results collected from all the three websites, the criteria given on each of them differ a bit, but the idea remains the same. Scales used for the evaluation are also different, but it is not essential, as the main idea is to see the average scores and find out which variables have the strongest effect on the final grade. Attention is also paid to the most frequent comments left by the visitors.

8.1.1 Booking.com

Criteria for evaluating the hotel presented on this website are cleanliness, comfort, location, facilities, staff and value for money.

The scores are given from 1 to 10, where 1 stands for “poor” and 10 – “excellent”, each of the positions is evaluated and the final average score is calculated. The results are based on 270 reviews starting from the 19th of November 2013 and the most frequently repeated points are taken into consideration.

As shown in figure 6, location got the highest score, which means that the guests are satisfied with it. However, it did not gain maximum amount of points, as some of the guests complained about the lack of a view from the windows of the room.



Figure 6. Booking.com ratings

The next criteria are cleanliness and comfort, which are closely related to each other, they got 8,5 points each. This shows that the general level of both is good, yet, some guests complained about rooms not being heated enough and not being well cleaned.

Staff was evaluated with 8,3 points and after having all the reviews analysed the following results came up: lack of language skills and friendliness.

The following point refers to facilities which gained 8,1 points. A significant number of guests complained about the condition of the furniture and technical equipment of the hotel as well the general condition of the building, it is said to be too old.

Lastly, value for money was evaluated and as demonstrated in figure 6, the score is 7,9, which is evaluated as good.

The total average for this hotel was calculated to be 8.4 points which describes Hotel Astor as a very good hotel by the criteria given on this website.

8.1.2 Yahoo! Travel

The performance of Hotel Astor on this website is evaluated by the following points: food, service, location, room, hotel and ambiance

The scoring system here differs from the one presented earlier. The grades vary from 1 to 5, where 1 is “poor” and 5 is “excellent”. In figure 7 the results are presented.

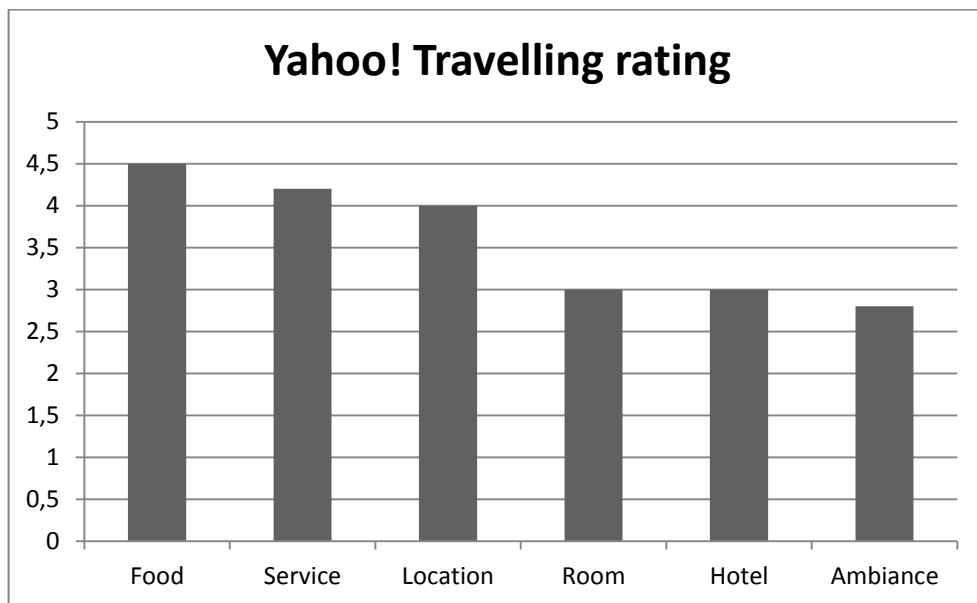


Figure 7. Yahoo! Travelling rating

The criteria offered by Yahoo! Travelling differ from the one on the booking.com, yet, some similarities also exist.

So, food in the hotel is evaluated by 4,5 points and it is also estimated that approximately 89% of the guests found breakfast to be of a good quality, yet some guests thought that breakfast area was too small.

Service is evaluated as “Friendly” and gained 4,2 points. However, no comments were left regarding this criteria.

Location got 4 points, the guests appreciate that the city railway station is close.

The room and the hotel in general were evaluated as 3, and main comments referred to the non-modern equipment.

Ambiance stays for the general perception of the hotel and was granted 2,8 points without clear explanations.

8.1.3 Tripadvisor.com

The criteria on this site are: location, sleep quality, rooms, service, value and cleanliness

The scoring system on this website is similar to the one on Yahoo! Travel and grants points from 1 “poor” to 5 “excellent”. The figure below (Figure 8) shows the ratio of the scores. The reviews are from October 2009.

The comments on this website were mostly positive and contained similar remarks as the previous sources. The average score is calculated to be 4,2.

The guests complained about the cleanliness of the rooms as well as heating issues, lack of parking space.

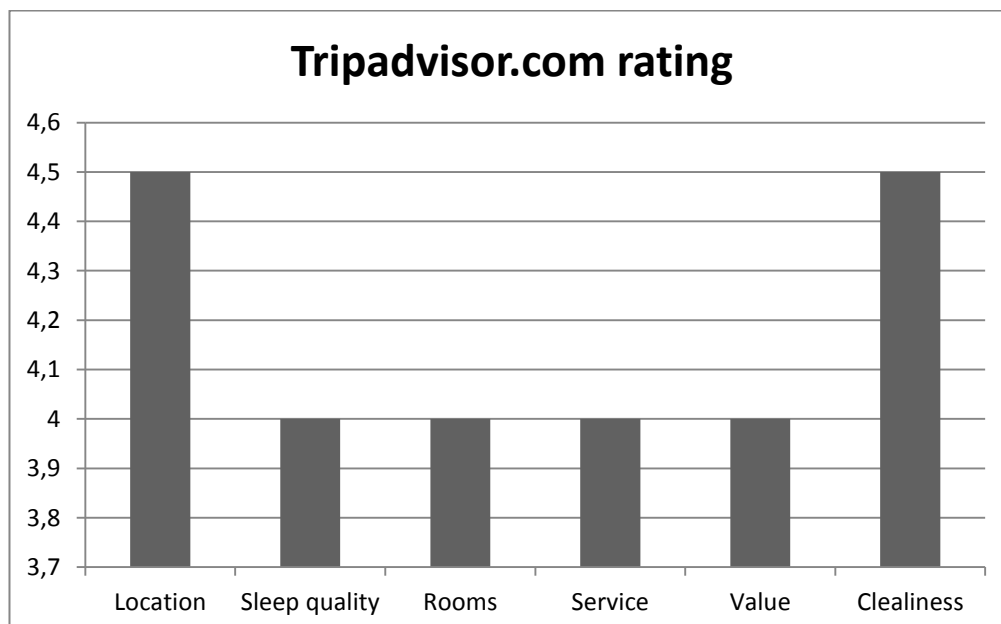


Figure 8. Tripadvisor.com rating

8.2 SERVQUAL results

The research is conducted by using standard SERVQUAL questions suggested by Parasuraman, Zaithaml and Berry. They are aimed at measuring customers' expectation from the services at Hotel Astor and perceived quality.

The research involves both qualitative and quantitative methods, as the guests were first interviewed and then are given the questionnaires to be filled in.

8.2.1 Interview

The aim of the interview is to find out how well the guests are familiar with the hotel and its reputation in order to see how their expectations might have been affected by hotel's further actions. The guests were also asked how they found out about the hotel and whether they were interested in reading the reviews.

Then they are offered a list of statements where the customers of the hotel have to evaluate them from 1 to 7 and give an explanation why a certain point is given. This is done in order to find out how important the criteria are for them when they travel to any hotel. The statements are based on ten service quality dimensions:

- Reliability
- Responsiveness
- Competence
- Access
- Courtesy
- Communication
- Credibility
- Security
- Understanding/Knowing the customer
- Tangibles

8.2.2 Questionnaires

The questionnaires are constructed based on the same principle as the interview, but the guests have to evaluate how well the Hotel Astor corresponds to those statements mentioned in the interview.

There are seventeen statements presented with a scale from 1 to 7, where 1 stands for “Strongly disagree” and 7 stands for “Strongly agree”. The respondent is asked to circle the number which best shows the extent to which he believes the hotel has the feature described. The respondents are also asked to leave additional comments and suggestions.

The statements correspond to those ten service quality dimensions mentioned earlier.

Later the numbers collected from all the questionnaires are gathered and the average is calculated for each of the statements.

The numbers gained during both processes are compared and the results are then analysed.

8.2.3 Results of the research

In total 10 people participated in the research, most of them were business travellers and 4 of them were loyal guests of the hotel.

Two of the loyal guests recommended the hotel to their friends who also took part in the research.

So there is an opportunity to evaluate service quality from the point of view of loyal customers and those who visited the hotel for the first time.

The following results will be divided by groups according to each dimension.

Reliability

This involves accuracy in billing and keeping records, as well as the performing time.

Comparing expected and perceived reliability dimensions shows that the difference in numbers is not significant; hence, expectations of the guests are met (Figure 9).

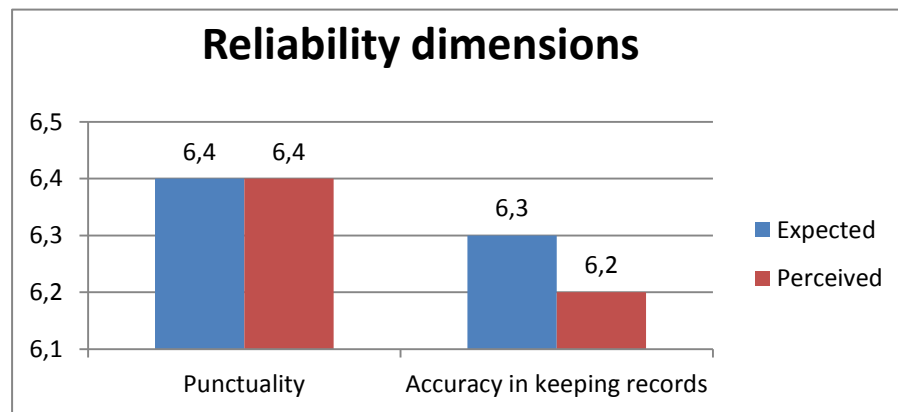


Figure 9. Expected and perceived reliability dimensions

Responsiveness

This means that the employees are always willing to help the guest and inform them about the time when the services will be provided.

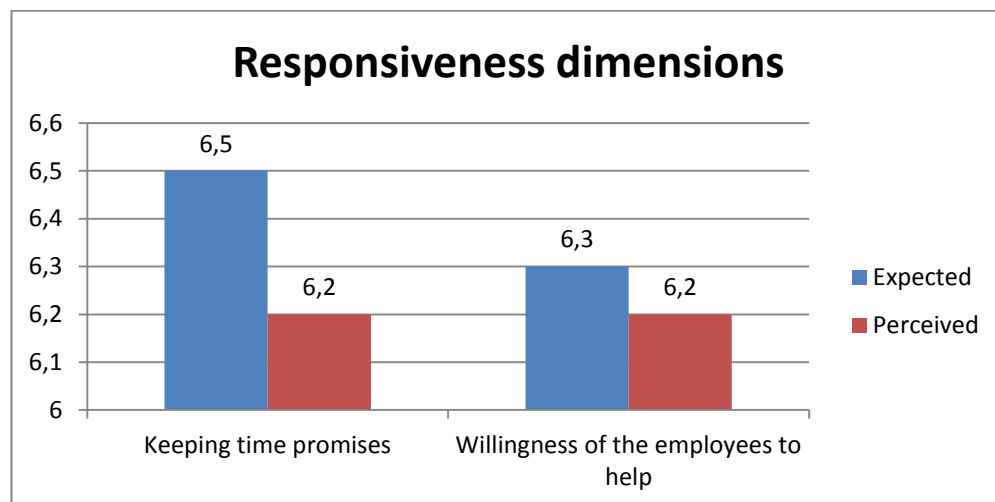


Figure 10. Expected and perceived responsiveness dimensions

The figure 10 shows that when the promises were given to the guests, they were not provided at a certain time still the expectations about personnel's willingness to help were exceeded.

Tangibles

Tangible dimensions are focused on the equipment used in the hotel, employees' appearance and the general appeal of the facilities.

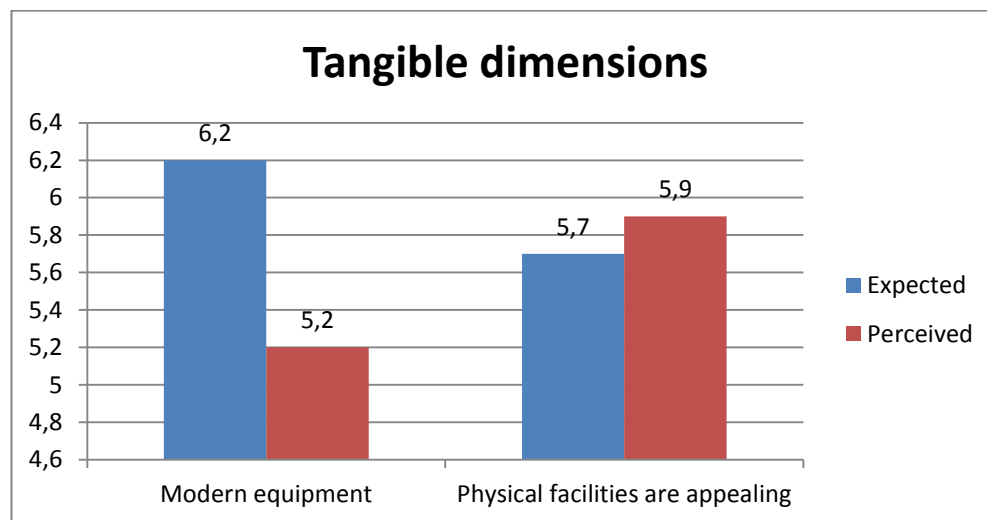


Figure 11. Expected and perceived tangible dimensions

Comparison between expected and perceived tangible dimensions (Figure 11) clearly shows that it is highly important for the guests to have modern equipment in the rooms and the hotel overall. Apparently, the hotel was not able to provide that. As for the physical facilities, the guests seem to be quite satisfied with them. What is more a lot of comments were given regarding the style of the hotel; the guests appreciated its uniqueness.

Assurance

The behaviour of the employees makes the guests feel confident in the hotel. Also the staff members seem to have the necessary knowledge to help the customers.

And as the figure 12 shows, Hotel Astor was able to imbue confidence in the customers, yet, the personnel was expected to be a bit more skilful.

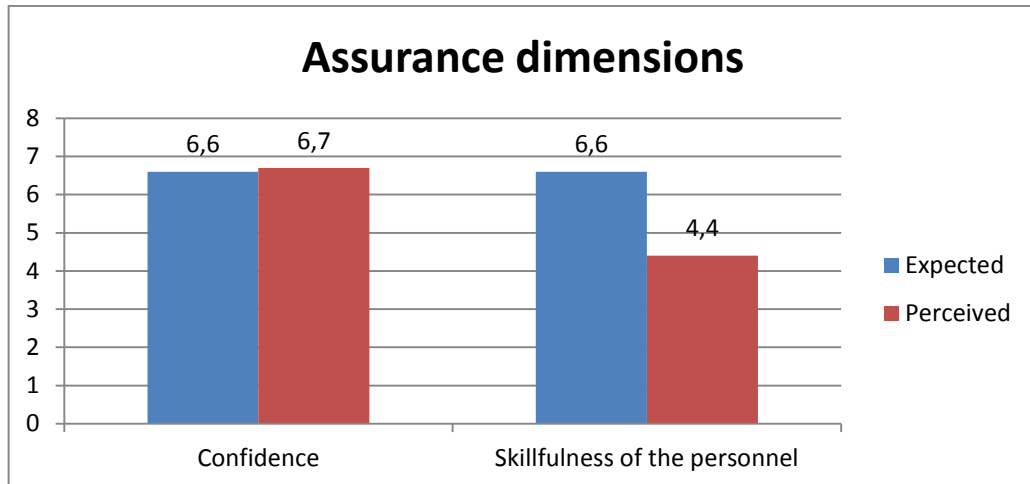


Figure 12. Expected and perceived assurance dimensions

Empathy

These dimensions represent how well the personnel is able to understand customers' problems and how it tries to do its best to give personal attention and perform in the interests of the guests (Figure 13). As the results show personnel was able to exceed customers' expectation in terms of providing personal attention and knowing the needs.

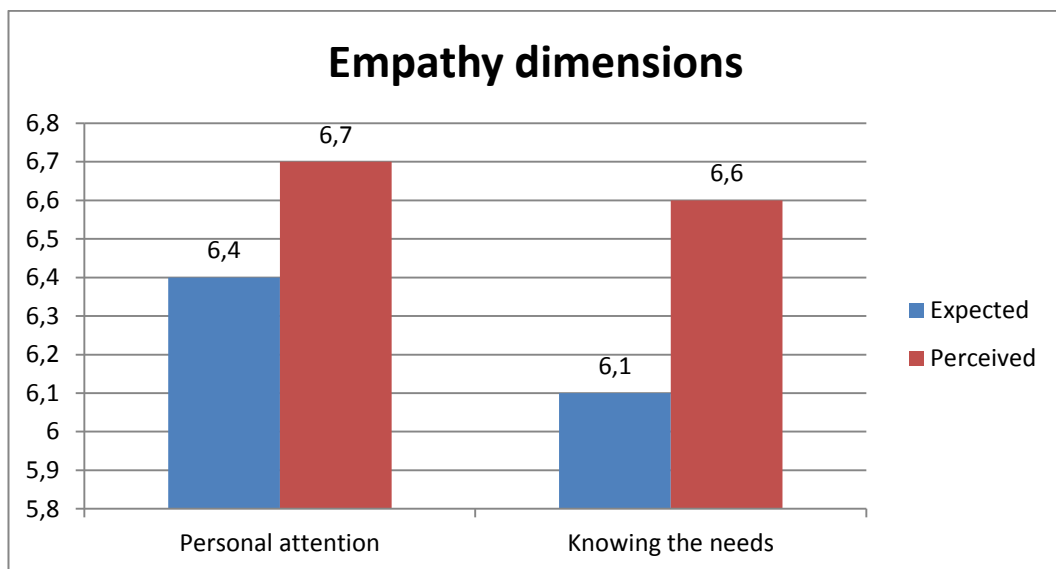


Figure 13. Expected and perceived empathy

As the results show expected personal attention and knowledge of customers' needs were exceeded. This means that the personnel at the Hotel Astor indeed

pays as much attention to the guests as possible by making an effort to understand the customers and their needs.

9 CONCLUSION

The aim of this research was to try to learn how the phenomenon of corporate reputation is formed, what factors affect it and why it is important for a company to have a good reputation. The difference between reputation and image was followed and the connection of service quality with the reputation was revealed.

The better expectations of the customer are met, the higher service quality is and the better reputation is assigned to the organisation. And the better the reputation is, the higher expectations are.

9.1 Reliability and validity of the research

The research about measuring reputation is reliable, because the grades and the reviews collected from the websites are repeatable. As for the results of the SERVQUAL measurement, there were no crucial differences in the evaluations given by respondents in the interviews and questionnaires which gives grounds to state that the SERVQUAL results are also reliable. The outcome of the service quality analysis confirmed the results of the website investigation. It showed that Hotel Astor didn't face any rapid changes in the way the company is perceived by its customers, so the reputation is stable.

Validity of the study is not guaranteed because reputation is an intangible asset and not static, but it gives a clear vision of what the hotel looks like from the guests points of view. This information can be used by managing staff members to make corrections and improvements in either the marketing and communication plan, or change the hotel's routine operations to gain better results in the long run.

9.2 Suggestions for improvement

As the results of the research displayed the general reputation of the Hotel Astor remains positive as it supports principles of reputation measurements with positive results. The organisation indeed "Stands behind its products and

services”, but the equipment and the premises definitely need to be renovated. Otherwise, the “developing innovative products and services” criteria will not be followed. The hotel’s employees, according to the SERVQUAL findings, were able to give individual personal attention, which refers to “Offering high quality products and services” factor. Once products and services are innovated, the “value for money” factor will change from negative to positive.

9.3 Restrictions of the research

The following study has a range of limitations, which involve low hotel occupancy, hence, small sample size, lack of fluency in Finnish language and lack of time for interviewing the guests.

Due to the fact that the research was conducted in winter time, beginning of December – middle of January, the hotel’s occupancy was low and, for that reason, sample size was limited to ten interviewees. Other factors that affect sample size are lack of fluency in Finnish language, as only English-speaking customers were inquired, and having not enough time to conduct an interview, because most of the guests were not able to spend more than twenty minutes on answering the questions of the interview.

So, having a bigger sample size and more time during the interview could benefit the research in a way that more personal points of views and suggestions could be expressed by the customers. As a result service quality dimensions could be analysed in more detail.

9.4 Offers for future research

This type of study may be improved in the future. Reputation, as well as service quality can be analysed from the points of view of different target groups e.g. business, leisure etc. It will give a more clear vision of what each of the groups look for in the hotel and what can be done in order to correspond their requirements.

The study may also be applied when comparing reputations of the hotels in Vaasa region and innovating marketing plans. By improving the reputation of the hotels in the area the reputation and popularity of the whole region may grow, and this may attract more visitors.

REFERENCES

Albert S., Whetten D. A., 1985. Organisational identity. In: Cummings, L.L. & Staw, B.I.M.eds. *Research in Organizational Behavior*, Vol 7, p. 263-295.

Argenti P. A., Forman J. 2002. *The Power of Corporate Communication: Crafting the Voice and Image of Your Business*. 1st Ed. New-York. McGraw-Hill.

Building a corporate reputation of integrity. A discussion guide for executives about communication and ethics. Accessed 6.01.15 [http://www.ethics.org](http://www.ethics.org/files/u5/integrity.pdf)

[/files/u5/integrity.pdf](http://www.ethics.org/files/u5/integrity.pdf)

CIMA. Corporate reputation: perspectives of measuring and managing a principal risk.2007. Accessed 16.12.14. http://www.cimaglobal.com/Documents/Thought_leadership_docs/cid_exrep_corporate_reputation_june07.pdf

Ebiz MBA. The ebusiness guide. Top 15 Most Popular Travel Websites. Accessed 6.01.15. <http://www.ebizmba.com/articles/travel-websites>

Ethics resource center. 2011. A discussion guide for executives about communication and ethics. Accessed 5.01.15. <http://www.ethics.org/files/u5/integrity.pdf>

Fombrun C. J., Gardberg N. A., 2000. The reputation quotient: a multi-stakeholder measure of corporate reputation. *Journal of Brand Management*, vol.7, p.241-255

Fombrun C. J., Rie C. B. M. 1997. The reputational landscape. *Corporate reputation review*. Vol 1, p. 1-16

Grönroos C. 2007. *Service management and marketing. Customer management in service competition*. 3rd Ed. England. John Wiley & Sons Ltd

Harrison J. S., Enz C. A. 2005. *Hospitality strategic management: concepts and cases*. John Wiley & Sons

Joppe M. 2000. The research process. Accessed 20.11.2014.
<http://www.ryerson.ca/~mjoppe/rp.htm>

Louisot J.-P. 2004. Managing Intangible Asset Risks: Reputation and Strategic Redeployment Planning. Risk Management. Vol. 6, p. 35-50 Palgrave Macmillan Journals

Marconi J., 1996. Image marketing : using public perceptions to attain business objectives. London. McGraw-Hill

Parasuraman A., Zaithaml V. A., Berry L. L. 1988. Servqual: A Multiple-Item Scale For Measuring Consumer Perception of Service Quality. Journal of Retailing, Vol 64, p. 12-40

Roper S., Fill C. 2012. Corporate Reputation. Brand and Communication. Harlow. Pearson

Van Riel C. B. M., Balmer J. M. T.. 1997. Corporate identity: the concept, its measurement and management", European Journal of Marketing, Vol. 31 Iss: 5/6, p.340 – 355

Zinkhan, G. M., Jaiskankur, G., Anumpam J., and Hayes, L. 2001. Corporate Image: A Conceptual Framework for Strategic Planning. Enhancing Knowledge Development in Marketing, Vol. 12. Chicago: American Marketing Association

APPENDICES

APPENDIX 1

Interview questions

1. How did you find out about the hotel (friends, Internet, other) _____
2. Do you read the reviews about the hotel you are visiting? _____

Please grade the following statement from 1 to 7 (1 – strongly disagree, 7 – strongly agree)

1. The hotel should have up-to-date equipment
2. Personnel should be skillful
3. The hotel's staff should give personal attention to the guests
4. Hotel's physical facilities should be visually appealing
5. When something is promised to be done by certain time, it should be done
6. When a customer has a problem the hotel should be sympathetic and reassuring
7. The hotel should be dependable/reliable
8. The services should be provided at the time promised
9. The records should be kept accurately
10. The guests should be able to trust the employees
11. The guest should feel safe in communication with the hotel
12. The personnel should be polite
13. The hotel should have operating hours convenient to all the guests
14. Staff members should know guest's needs
15. The employees should be well dressed and appear neat
16. The personnel should always be willing to help

APPENDIX 2

Study Research Questionnaire

The following set of statements relates to your feelings about Astor Hotel. For each statement, please show the extent to which you believe Astor has the feature described by the statement. You may circle any number from 1 to 7. There are no right or wrong answers – all I am interested in is the number that best shows your perception about Astor Hotel.

1. The hotel has an up-to-date equipment

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

2. The personnel is skillful

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

3. The hotel's staff gave you personal attention

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

4. Hotel's physical facilities are visually appealing

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

5. If something was promised to be done by certain time, it was done on time

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

6. If a you had a problem the hotel was sympathetic and reassuring

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

7. The hotel is dependable/reliable

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

8. The services is provided at the time promised

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

9. The records are kept accurately

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

10. You can trust the employees

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

11. You feel safe in your communication with the hotel

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

12. The personnel is polite

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

13. The hotel has convenient to you operating hours

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

14. The personnel knows your needs

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

15. The personnel gave you personal attention

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

16. The service is delivered promptly

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

17. The personnel is always willing to help

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

If you have any comments or suggestions, please feel free to share them

Thank you for your time and patience!