

## **8. The results of the research**

In this chapter eight the collected research data is examined. The research data will be categorized within the same framework that a marketing plan has; situational analyses, SWOT-analysis, goals/objectives, marketing strategy and action plan. The nature of the in-depth interviews is that the interviewing process is not as strict and the discussion flows freely. That is why the collected research data is more clear to be gathered under the same topics rather than just outlining the respondent's answers question by question. The questionnaire form is attached to this research (Appendices 1 and 2). The aim of the research was to gather a strategic marketing plan meaning that there is no detailed marketing actions but rather more general marketing opportunities the Hotel X possibly has. This is why the research does not involve any specific information on pricing, budgeting or indicating which employees are in charge of what but the outcome is more general action plans concerning the marketing opportunities.

### ***8.1. Situational analyses***

The situational analyses examine where the hotel X is now using both external and internal factors. In the research the respondents were asked where the hotel had succeeded and what had been done poorly. Main success factors to arise from these questions were that the hotel has a good loyal customer base; regular customers coming back on weekly/monthly bases. The location of the Hotel is also essential; the hotel is located in the same building with Kiinko Real estate education. Kiinko is an educational centre that offers specialist postgraduate education and training for asset, property and facilities management professionals. This means that there are people coming for their courses from all over Finland and many of the courses can last several days meaning that the students have to stay the night. The Hotel X has a partnership agreement with Kiinko that their students can stay at the hotel for a special rate. These students staying at the hotel bring the most revenue during the weekdays. The hotel also has had a few other well working partnership agreements with other companies.

All in all Hotel X is producing profits so in that point of view it is a well working company. It has its competitors but none that are directly competing with it. For example all the hotels in Helsinki could be thought of as its competitors but there are no hotels in the same area where the hotel is located. The hotel has a couple of distribution channels that are bringing customers in regularly, most of them through the internet. For example booking.com has been proven to be a good channel for the hotel at the moment.

## **8.2. SWOT-analysis**

In the research the respondents where asked to identify the strengths, weaknesses, opportunities and threats of the Hotel X.

Strengths:

- Location
- Size of the hotel
- No outsourced workforce
- Privately owned family company
- Transportation connection to the centre of Helsinki
- Kiinko
- Staff
- Home-like feeling
- Wireless internet
- Regular customers
- Individual service
- Hierarchy among the staff

- Staff's possibility to influence who gets chosen for a new employee
- Hotel Vip club/ Hotel express

All of the respondents thought that the location of the hotel is one of its strengths. Mostly because it is located in the same building as Kiinko, so it makes it very convenient for the students to stay at the hotel during their courses at Kiinko. And the hotel's location in Malmi is also very good for it is almost right next to the train and bus station. This improves its accessibility from the centre of Helsinki as well as from the airport. Even though there is no direct shuttle from the airport to the hotel, the public transportation airport bus stops at the train station as well.

The size of the hotel was also categorized as a strength and was thought to contribute to numerous other factors as well. Being a small hotel it gives the opportunity to serve each customer more personally for the employees have more time to do so compared to a bigger hotel. This makes the new and old customers feel comfortable and welcomed and it also creates a home-like feeling in the hotel. The fact that the hotel is a privately owned family business also contributes to this. Many customers appreciate the fact that it is a small family business and choose the hotel for that particular reason rather than for example going to a bigger chain hotel.

The restaurant in the hotel is run by a different company but all other employees are the hotel's own staff. This is also seen as a strength. For example the housekeeping staff has not been outsourced and the employees of the hotel see this as a positive thing for it makes the communication between the reception and housekeeping easy and efficient. Also often a hotel's own housekeeping staff is more motivated to keep things in order and their work up to standard compared to an outside firm working for the hotel. The respondents also thought that the staff altogether is very good in the hotel; there is a good atmosphere among the employees. It was also thought that the fact that there is not really any

hierarchy levels among the staff besides the hotel manager which contributes to easy distribution of information for example in customer service related situations, especially when they have to be dealt with right away or as soon as possible.

As the number of employees in the hotel is so small respondents thought that it is even more important that everybody work well together. When recruiting new employees the hotel manager usually chooses a couple of candidates that come to practice to the hotel with the old employees. After this the manager asks the employees' opinion on who they think is the best choice to hire. The respondents thought the fact that the employees are an important part in recruiting a new employee is a strength for it results in choosing a new staff member that really gets along both with the customers and the other employees.

The hotel Vip Club and Hotel express are organizations that offer annual membership to its customers. All the members get a Hotel Vip Club or Hotel Express-card that allows them to get accommodation for half the price at hotels which have joined the organization. Hotel X offers these half the price-deals for the members and all the respondents agree that it is a useful and good working partnership. On those nights that the hotel is booked to its capacity it does not have to offer the special rate for the members. But when there are rooms available, many Hotel Vip Club –and Hotel Express members find their way to Hotel X. This results in selling rooms that would probably otherwise go empty for the night. It is more profitable for the Hotel X to sell these rooms for a lower rate than not sell them at all.

Weaknesses:

- Out-dated
- Marketing
- Homepage on the internet
- Size of the hotel
- Communication between employees
- Utilizing of the employee's strengths
- Location
- Slow seasons; summer and weekends
- Slow evening/nightlife

All of the respondents thought that one of the biggest weaknesses that the hotel has is that it is out-dated, especially in its physical environment. The rooms themselves are clean but there are many signs of old age and the respondents thought that especially the restaurant and bar facilities in the hotel are in desperate need of renovation.

Also the marketing was thought as a weakness, partly because the lack of it and partly because it is difficult to find the right marketing channels. The respondents recognized that the hotel's homepage is one of the biggest weaknesses; it has not been kept updated and it gives false image of the hotel resulting in disappointed customers when they arrive at the hotel.

In many cases in this research the respondents felt that the elements that were thought of as a strength for the hotel could also be seen as a weakness. All the respondents felt that being a small privately owned hotel has its advantages and disadvantages. It is hard for a small hotel to get visibility in the market where there is dominant big nation-wide hotel chains to compete with. A hotel

this size has limited resources in terms of marketing as well as keeping the hotel facilities up to date or expands them.

Even though the staff of the hotel was seen as competent and everybody worked well together some of the respondents felt that there could be better communication between the employees and the management in work-related issues. The research also brought up a matter of utilizing the employees' different strengths; many respondents felt that the employees could perform better if they had better information and more authority to make decisions. And as said earlier; the respondents felt that the hotel is out-dated but not only in its physical environment but also in its process to seek and put in motion new ideas that could for example help bring more customers to the hotel.

The location was also seen as a weakness for it is problematic in a way that not many tourists come to the hotel for there are many other alternatives in the centre of Helsinki that are more accessible. And even though the Kiinko students are one of the hotel's main customer groups it results in low season during the times when there are no courses at Kiinko; during weekends and summers. Also the nightlife of the hotel was seen as weakness. The respondents felt something should be done in order to attract more customers to the hotel's restaurant and bar during evenings. If the restaurant is always very quiet, it does not give a good image of the hotel. Some evening activities would give a livelier image of the hotel X.

Opportunities:

- Marketing; finding the rights distribution channels
- Motivation of employees
- New fresh ideas
- Restaurant
- Sauna

- Internet
- Invitations to different companies to visit
- Malmi's other companies and sport organizations

Often in SWOT analysis the weaknesses can be reversed into opportunities and it was also seen in this research. The respondents saw opportunities in strengthening the hotel's marketing and finding new distribution channels. It was also emphasized that it is important to keep up with the time and always keep looking for new and innovative ideas to market the hotel. It was also thought that motivating the employees more could result in new ideas and more enthusiastic work place. The respondents also saw opportunities in the hotel's restaurant; maybe changing the menu or renovating the restaurant facilities in order to make it more comfortable and up to date. The hotel's sauna department was renovated a few years ago and the respondents felt that more could be done in order to attract more customers to rent the facilities for different occasions.

Hotel X co-operates with many of the educational institutes, especially with the vocational institutes of this particular field of hotel and restaurant business and the hotel has many trainees to come and do their practical training periods at the hotel. This brings the opportunity of having new and fresh ideas from them and keeping up with the development of the field in regards what they the trainees are being taught at school about the business.

As the hotel's webpage on the Internet was seen as a weakness the respondents felt that there is a good opportunity there to improve the pages and make them more accurate presentation of the hotel. Also the respondents felt that the internet has a lot to offer in terms of marketing and that there are still many different ways the internet could be utilized to market the hotel.

Many travel agencies and online-booking website representatives come to hotels to visit when invited. As they see the hotel in real life instead of only pictures it gives them a better idea of what it is the hotels have to offer. This makes it easier

for them to sell the hotel's services to customers. Some of the respondents felt that there could be a good opportunity there to invite these representatives to the hotel so they get first-hand information and get better acquainted with the hotel's services.

Some of the respondents also saw the potential customer base the Malmi area has to offer. There are a lot of other businesses in Malmi, some who already use the hotel's services when they have guests who need accommodation but there are many others that could be the hotel X's future customers.

Threats:

- Kiinko leaving
- New hotels to Malmi
- Depression
- Frequently changing personnel

As one of the main customer groups of the Hotel X is Kiinko and its students all the respondents listed Kiinko leaving as one of the threats. And as the hotel X is at the moment the only hotel in Malmi a definite threat would be a new hotel located near by. This would result in significant decrease of customers coming to the Hotel X.

Also the respondents brought up economic threats such as depression. Of course the economic uncertainty always brings threats. How is the hotel prepared for them? Depression combined with the low seasons of the hotel can easily create a real threat for this kind of a privately owned company.

Frequently changing personnel was also listed as a threat by some of the respondent in the research. If there are many old employees leaving and new ones replacing them, it can create an ineffective workplace. It always takes time to

familiarize a new employee to the work and if most of the employees keep changing it is hard to keep the employees motivated.

### ***8.3. Marketing objectives***

In the research part concerning the Hotel X's situational analyses SWOT the respondents were asked where the hotel is now. In the next part of the research concerning marketing objectives the respondents were asked where they would like to see the Hotel X going. What are the objectives they would like to achieve? The respondents were asked about both short term and long term objectives.

All the respondents listed marketing to be one of the main goals; both short –and long term. The key factors were to develop and improve marketing as well as making sure it is targeted to the right customer groups. The hotel's website was thought to be in need of quick up dating or forming new webpages all together for the hotel. Another main goal was to renovate the hotel; maybe just start with small things and then continuing into bigger renovations. All the respondents felt that in order to achieve many of the smaller goals it was important to renovate the hotel and make it more modern.

There were also other objectives brought up by the respondents concerning modernising; for example the TV channels in the hotel rooms at the present are limited; no pay-tv or movie channels. Some of the respondents felt that it would serve the customers better if there were more TV channels, especially in other languages than Finnish and English. As one of the weaknesses of Hotel X the respondents felt the restaurant and evening life should be increased and made livelier. It would give a better image of the hotel to its customers; not only that it is a place to sleep but also the customers could gather to the restaurant to have something to eat, watch TV from the big screen or do other activities that could be invented for the customers.

Another short-term objective is related to customer service. How to better service the regular customers, take their needs and wants into account? Some of the respondents felt that even though there is a good regular customer base, there is

not enough done in order to keep them content and keep them coming back to the hotel. Part of keeping the regular customer satisfied is to react to their improvement suggestions and complaints. And even though the hotel X is a small hotel with the advantage of having the possibility to react to complaints at a fast pace if need be, some of the respondents felt that some things should be fixed right away in a way that they would not bother the customers again. One such thing the respondents brought up was the wireless Internet connection available to the customers and problems with its functionality.

Other short-term objectives to come up in the research were to start balancing customer flows during the high and low seasons. The hotel has the largest number of customers during winter weekdays. The respondents felt that there should be a lot of effort put into attracting more customers also in low seasons during weekends and summers. This of course can be continued into long-term objectives; getting new customers, both one time visitors as well as regular customers. And not only singular customers but also one objective should be attracting different kinds of groups to come to stay at the hotel. And not all the customer have to be staying over night but the respondents felt that there could be more private events and occasions held at the hotel and one of the objectives should be to contemplate on how to attract particular customer group. As the hotel also has two apartments it rents on weekly or monthly bases, some of the respondents felt that the objective should also be in containing more of these long-term residents staying at the apartments so that they would not be empty long periods of times.

The long-term objectives contain many of the short-term objectives underlining the need for new customer groups, utilizing the neighbouring companies and their need for accommodation and all in all creating a steady and good image of the Hotel X as a family company. The respondents felt that the Hotel X should start with the short-term objectives and continue with them for a long period of time. This way the hotel creates a good base where to develop and improve from.

#### ***8.4. Marketing strategy***

After the respondents were asked what objectives they have for the Hotel X they were asked how they think those objectives could be reached.

In order to take into account the seasonality in customer flows, market segmentation should be done more effectively at the Hotel X. The respondents thought that there are potential different customer groups that could be reached in different ways. For example sport teams that come to play in Helsinki or Malmi and are in need of accommodation are one group. Other potential customer groups are the Malmi area companies. Reaching this objective the companies should be researched, contacted and negotiated with in order to determine what kind of needs they have for accommodation and how the hotel could meet those needs. The hotel already has had some co-operation with different schools of the area; there is a polytechnic near by. By keeping in contact with these schools and for example with their student bodies the hotel stays more aware when they have different occasions coming up and can offer the hotel and restaurant facilities for them.

Some of the respondents felt that there could be better pricing policy at the hotel. Or one that relates better to the high and low seasons at the hotel. The daily rate could for example change based on the occupancy of the hotel or there could be a more efficient way of boosting the sales before hand when there are low customer flows coming to the hotel. Some of the respondents said that different kinds of campaigns could be useful if they were marketed properly.

Some of the respondents felt that more effort should be put into taking care of the regular customers. How could they be taken into account and make them feel more that their customership is valued? In relationship marketing it is stated that it is highly beneficial for both the customer and the hotel to value a long-term relationship between them. The hotel does not have any loyal customer-programs but some of the respondents felt that something could be done for them. Starting with the check in process; could it be done efficiently and taking the customer more into account? For example the regular customers have to fill the registration form with their address-information every time they check into the hotel. The

hotel could start taking its customers' information and updating them into their hotel reservation systems; this way customers' contact information can always be found there and printed out as a ready filled registration form that the customer only has to sign. By up dating the customers' contact information in the computer system the hotel can start keeping an official record of the customers; they can be contacted more easily with campaigns, offers and other news and information of the hotel. This brings more visibility for the hotel within the customers that have already used the hotel's services and could be using them also in the future.

Another form of relationship marketing is to gather information from the customers in regard to their stay and how it was and whether they have any complaints or improvement suggestions. This already was one of the objectives; some of the respondents felt that the hotel could react better to the feedback given by the customers. This is especially important with the regular customers but with others as well. The hotel already gathers feedback from its customers with forms placed at the hotel rooms where the customer can fill them upon their departure. It is not enough that the staff reads the feedback. In order to make the customer feel valued and taken into account the hotel staff could answer to these feedback better. By contacting the customer for example by e-mail and thanking for the feedback and promising to take it into account makes the customer feel more in contact with the hotel. Responding to the feedback also gives an image of the hotel that it wants to be involved, develop and more importantly that it is not only a "forgotten little hotel somewhere in Helsinki".

It has been already brought up that the hotel's webpages are in need of improvement or altogether re-construction. The respondents felt that the hotel's webpages should be formed in a way that they can be quickly up dated by anyone. This way different campaigns and offers could be up dated to the sites more easily. The most important aspect about the webpages in order to make them serve the hotel X better is to make them show what kind of a hotel it is rather than giving a false image of it.

All the respondents felt that the internet is the main marketing channel for the hotel and a lot of effort should be put into staying informed about the different

channels that can be used within it; which ones are most popular among the customers at that particular time.

All in all there are a few key factors that should be taken into account when trying to reach the marketing objectives listed by the respondents. The staff should be used to their full potential; educating the staff and organizing their duties in a way that they can use their time at work more efficiently is not hard at a hotel this size. Keeping the hotel staff active with work related tasks directly impacting customer satisfaction and customer flow help to keep the staff motivated and satisfied with their own work.

Making sure that the marketing channels are working and constantly retaining and trying new ones help the hotel to keep up with the marketing development within the hospitality industry.

### ***8.5. Action Plan***

All of the respondents brought up similar marketing objectives as well as action plans on how these objectives can be reached. The respondents felt that most of all everything has to have clear instructions on who is in charge of what and what kind of authorization does everybody have to do these marketing actions.

#### **8.5.1. New customer groups**

Sport teams:

Contact sport –and ice halls in Malmi and other areas near by. See what events they have coming up, negotiate with them if they would like to advertise Hotel X's accommodation services in their newsletters and other information outlets concerning the up coming events. Also research and contact the near by sport teams and see what events they have coming within the year and negotiate and offer accommodation services to other sport teams coming to these events.

Companies within the near by area of Hotel X:

Make a list of the companies in Malmi, Pukinmäki and other near by areas of the Hotel. Research them first, see what kind of needs they could possible have in regard to accommodation services. Then contact them and start offering the hotel services and negotiating pricing and other relevant issues.

Stay in contact with the Haaga-Helia Polytechnic and see what events they have in the future and how the hotel X can provide restaurant services to those events.

Internet:

Find out why some of the online travel agents have not been producing so many customers compared to the past. Re-construct the hotel's webpages and make clear instructions who is in charge of them and who can update them. See what other possible channels could be used in the internet for example Facebook.

### **8.5.2. Relationship Marketing**

Customer contact and accommodation data:

Start collecting and observing more detailed information on the customers' contact information as well as accommodation data; how many times a particular guest has stayed in the hotel X, had he/she any preferences in regards to the room or could this customer be considered to be a loyal customer.

Feedback:

Go through all the feedback immediately as it arrives; the feedback forms from the rooms, face to face with customers and feedback that comes through the hotel's own webpages. Assign each feedback to the guest who wrote it and evaluate whether it is necessary to contact the customer. Make sure all the employees have the necessary knowledge and authorization to react to negative feedback right away or as soon as possible. Answer also to all improvement suggestions and positive feedback for example by email.

Loyal customer-programme:

Develop a loyal customer-programme. It does not necessarily require a membership card, only a well-done system where to follow the customers and how many times they have stayed at the hotel. Maybe give them some bonuses or some kind of other benefits for their loyal customership. Gather and maintain a list of items or other bonuses that the loyal customer can receive; discount on the room rate, better room type, chocolates/free beverages / other items delivered to the room before arrival.

### **8.5.3. Campaigns**

Plan and develop different kinds of marketing campaigns and offers. They can be derived for example from the different seasons or holidays. They can be directed to specific customer group, for example a special loyal customer-month or during summertime special campaign for sport groups. Market these campaigns on the hotel's webpages. Create and develop new campaigns on monthly bases.

### **8.5.4. Internal Marketing**

Have mandatory staff meetings to keep the employees up dated on the hotel's marketing objectives and up coming marketing actions. Give clear instructions and authorization so that the employees are aware of their duties and what they are allowed to do in different customer related situations. Maybe even have a written blueprint ready for the situations.

Involve and utilize the staff in researching new customer groups and developing loyal customer-programme.