

Omena Hotels' Customer Satisfaction Survey in Helsinki

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<p>Title of report Customer Satisfaction Survey Case: Omena Hotels, Helsinki</p>	<p>Number of pages and appendices 50+11</p>
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<p>The bachelor's thesis examines the importance of customer satisfaction via customers' opinions. The objective of the thesis is to measure the level of satisfaction of Customers in Omena hotels in Helsinki region. The research exposes the expectation of customers that could assist the Omena hotels to upgrade their IT-enabled business operational services.</p> <p>The theory part of this thesis covers the concept of customer satisfaction, customer service and service quality dimensions. The empirical part examines the analyses of the obtained findings and provides future development recommendations.</p> <p>The study was conducted by using quantitative approach. A survey was designed in the form of questionnaire to the Omena Hotels customers. 225 questionnaires in 3 different languages were designed and were placed in side rooms for the customers who visited between May 1 and May 25. 149 questionnaires were returned but 112 were completely answered and the rest of 37 were discarded. The results were evaluated by using the IBM SPSS statistic software.</p> <p>The main results showed that Omena hotels sends booking confirmation quickly and their locations have easy access to transportation routes, bar and shopping malls. The possible need for customers in future is sauna, family or group dinner, Gym and TV subscription. For the benefit of the Omena hotels, this study depicted that some facilities could be improved and such facilities are door code system and security service.</p>	
<p>Keywords: Customer satisfaction, customer service, service quality dimension, Gap model, Omena Hotels.</p>	

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1 Introduction

The need to conquer the highly competitive hospitality management industry has prompted most companies not only to provide the best services for their customers but also to support customers when needed. Most companies realize that, satisfying the needs of their numerous customers goes a long way beyond Porsche architectural designs and serene locations but to ensure that customers' needs are met in time. (Clarke & Chen 2007, 6-12.)

The economic meltdown that happened in 2008 has influenced organizations around the world in different ways, therefore Kotler & Keller (2012, 150-153) assume that the situation is now tightened companies' competitions and enforced the organizations to find ways to keep their existing customers satisfied and try to attract new customers as well. Hence, timely delivery of quality service and excellent customer service are the backbone of a successful hospitality business management.

According to Zeithaml et al. (2009, 48-52), companies need to enhance their understanding of customers' choices, because customers' previous experiences are based on their evaluation of the services. Customers' cultural backgrounds, previous experiences and travel motivation are factors that define customers' behaviors in tourism industries which influence the end results. It is essential for organizations to pay attention to customers' opinions and to obtain vital information about company's customer satisfactions.

Hospitality is rarely a matter of protection and survival, but it is more associated with etiquette and entertainment. However, it involves in showing respect for customers, providing for their needs, and treating them as equals. Cultures and subcultures vary to the extent that one is expected to show hospitality to strangers, as opposed to personal friends or members of one's in-group (Clarke & Chen 2007, 6-10.)

Webster's new 20th Century Dictionary (1961) orchestrates that, two decades ago, people defined service as "Anything useful such as maintenance, supplies installation, repairs, etc. provided by a dealer or manufacturer for people who have bought things from them" but people believe this definition is not sufficient to cover what service means. Therefore, it is more appropriate of Merriam Webster online dictionary (2013) to define service as "useful labor that does not produce a tangible commodity" from a customer-oriented point of view.

It is applicable to also stretch the fact that utility derived from a service being rendered define the quality of the service delivery. However, it is imperative to measure customer satisfaction continuously in order to discover any negative or positive changes in it, which could reflect on the company's customer turnover and revenue (Aaker, Kumar & Day 1998, 716.)

This study will assess and measure the Omena Hotels' customer satisfaction with aim to attain a result that can be used in improving customer service and quality in the areas where it is necessary in the foreseeable future. Omena Hotels is located in 8 different strategic environments in Finland where tourists, business and leisure people like to stay (Omena Hotels 2012.) However, this thesis is only dedicated to Omena Hotels that locates in Helsinki regions and it has 3 different branches providing multiple services for tourists, business people and travelers (Omena Hotels 2012.)

The research approach is a combination of primary and secondary data collected. The primary data will be acquired through quantitative questions which is important in this kind of study, because drafting of questionnaire is only option to contact Omena Hotels' customers by putting the questionnaires in the rooms for customers to fill out. The research utilises different secondary data sources. The outcome will be arranged and analysed with the IBM SPSS 21.0 statistics software.

1.1 Research problem

Omena Hotels is a modern online booking with self-service facilities (Omena Hotels 2012.) The main research problem is to find out customers' perception about Omena Hotels' current service in order to evaluate and measure the customer satisfaction. Hence, the research problem is basically to obtain feedback about the opinions of the customers in respect of the satisfaction being derived and how it can be improved with the hope of strengthening the customers' relationship. As a result, this study will provide solution and answers to the under listed research questions.

1. What is the current level of customer satisfaction in Omena Hotels?
2. How do customers perceive the current service?
3. How well the customers' expectations are met?
4. How does the services delivery meet up with customers' satisfaction?

1.2 Research objectives

The objective of this thesis is to assess and measure the level of satisfaction of Customers in Omena hotels in Helsinki region. This study will take a look at the importance of customer satisfaction from the customers' point of views and also how the Omena Hotels can improve and upgrade on its IT-enabled management procedure.

The study aims to discover if the customers are satisfied and if there is need for improvement on services rendered to the customers. The study will assist the case company to know where there is needed to improve and how to improve it. It will provide reliable information regarding their customers' perceptions and satisfaction on general pre and post experience during their stay. The outcome of the study will assist the management to identify the areas of problem and possible solution to improve them if needed. The author is currently working for one of the outsource clients of Omena Hotels and he has observed the certain inconveniences and difficulties that some customers are facing, therefore such issues will be dealt with properly in future.

1.3 Thesis structure

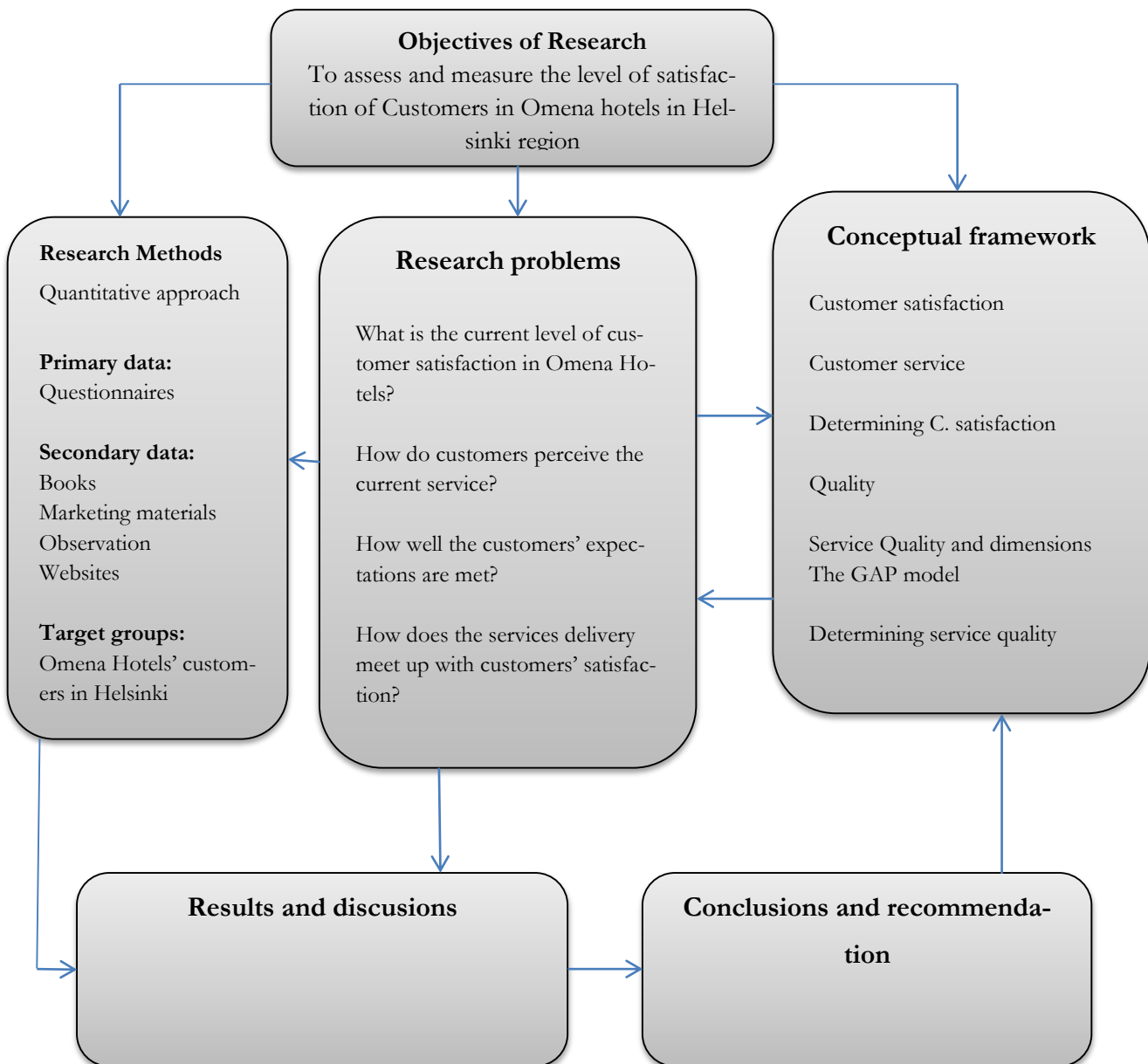


Figure 1 Illustration of thesis structure

The figure above illustrates the connection between the aim and objective of the study that already include research problem which bring about the use of primary and secondary data to proffer possible answers to those questions. The results and discussions of the study were generated through the use of primary and secondary data obtained.

2 Omena Hotels

This chapter enlightens us gives us the overview of Omena hotels and its company structure. It also describes its operational concepts and management issues that brings about the link between Omena hotels and its outsourcing clients.

2.1 Overview of Omena hotels

Rabbe Grönblom established Omena Hotel which is a private owned Finnish company. Rabbe is a well-known businessman in Finland who originates from Vaasa. He started with a pizza company called pizzeria which set up in 1976 in Vaasa, Finland (Omena Hotel 2012.) Today, it is also known as the Pizza-emperor. He is the creator of a well-known pizza franchise chain called Kotipizza. Rabbe is also the founder of a shipping company called RG Line, a hotel chain called Omenahotelli and another pizza chain called Golden Rax Pizzabuffet (Laine R. 2 Oct 2012a)

Most of his companies are subsidiaries of Grönblom International LTD, where Rabbe Grönblom acts as the director. Golden Rax Pizzabuffet is currently a part of Finland's largest hotel & Restaurant Company called Restel Oy Ltd, where Rabbe Grönblom is part of the board members. Since 2003, he is also on the board of the Finnish tyre company known as Nokian Renkaat (Omena Hotels 2012.)

Most people refer to an apple (in Finnish "Omena") as a fruit that is widely consumed, cheap, nutritious, locally grown, and disliked by few although not the most exotic alternative in the fruit selection. This largely reflects the basic idea in the Omenahotelli concept and there main purpose of the company. Omena hotels could be rate has a 3-stars hotel, a new Finnish hotel chain which challenges the conventional service concept used by most other players in the accommodation sector by drawing on a new innovative electronic-business model. Omena hotels developed an IT-enabled business model previously unnoticed even on a global scale in the accommodation sector (Omena Hotels 2012.)

2.2 Omena Hotels' customers

The management of Omena hotels believes that the new hotel concept can be appealing to almost all travelers, except for those who look for magnificence and luxurious special services. Omena hotels represents a natural choice especially for the following customer segments that do not necessarily want or require accommodation in a single room, but are willing to share the room with up to three other friends or family members (Laine R. 2 Oct 2012a.):

- ✚ Young people who appreciate the central location and the inexpensive rates for instance when attending a rock concert or festival;
- ✚ Clubs and teams and other non-profit associations that need low-priced, yet high-quality lodging during their training- and competition-related journeys;
- ✚ Families with children, who can choose comfortable and inexpensive hotel accommodation instead of the guest bed at their relatives' place.
- ✚ Business travelers who rarely have time to use any entertainment or luxury services offered by traditional hotels, but appreciate the central location and the opportunities for in-room wireless Internet access
- ✚ Many companies today are striving to cut down their travel expenses deeply, and Omena hotels hopes to be able to take advantage of this opportunity by targeting this particular customers segment ((Laine R. 2 Oct 2012a; Omena Hotels 2012.)

2.3 Omena Hotels' customer satisfaction

The actual concept behind customer satisfaction in Omena hotels and the main purpose of the company is to offer customers a standard hotel accommodation right at the heart of Helsinki. That is, a prime locations in the city centers at a truly affordable,

fixed room rate. It is high class, still inexpensive prices may seem like an impossible equation, but Omena hotels' business model excels in cost-efficiency by offering the core product of hotel operations a room for the night with inexpensive built-in auxiliary services (Omena Hotels 2012.)

Maximum occupancy per room is 4 persons. All rooms are similar in terms of size, amenities and interior design, and they do not definitely pale in comparison with the typical 4-star hotel rooms offered by the main competitors on the Finnish market as far as the room size and amenities are concerned (Omena Hotels 2012.)

The inexpensive room rate offered by Omena hotels Oy is largely a result of the fundamental cost cutting achieved by rightly maximizing the use of IT and the Internet in the reservations and payments, reception procedures, customer safety and convenience as well as management and maintenance tasks (Omena Hotels 2012.)

The entire booking and cancellation process are handled by the customer themselves through the company's exclusive online reservation system at www.omenahotels.com. The customer makes a reservation, pays for it by using secure online banking and credit card payment solutions, and receives a booking confirmation which shows the room number and the key to the room which make up of a 5 digit numerical personal door code, which is valid throughout his or her stay (Omena Hotels 2012; Laine R. 2 Oct 2012a.)

All Omena hotels operate without a reception desk or reception personnel, as all traditional reception tasks have been completely automated using IT (Laine R. 2 Oct 2012a.) Since all reservations have already been paid for, and the room keys have been delivered electronically in advance, there is no need for check-in or check-out procedures such as handing over keys or charging the customer. The entrances are equipped with Internet-connected electronic service points called kiosks, through which walk-in customers can make reservations, and pay with their credit cards (Omena Hotels 2012.)

Also customer safety and convenience are highly IT-supported, without contacting security. All doors are always locked, and only guests with a valid door code can go into the premises. The entrance and the lobbies are monitored by recording surveillance cameras, and the digital recordings can be accessed remotely by the security personnel. In case of emergency and problem situations, the guests can contact the security company through the in-room TV or by phoning the help desk on duty 24h. Through the TV-system the customers can also get all the necessary hotel information, and contact the service company for maintenance or extra housekeeping, etc. (Omena Hotels 2012; Laine R. 2 Oct 2012a.)

2.4 Features of Omena hotels' customer services

For Omena hotels, this meant focusing exclusively on the electronic sales channel, thus not offering alternative sales channel such as call centers or sales offices not even reception desks or personnel. Value creation is a complex process which strongly relates to every aspect of a company's operation and the choices it makes; what it sells and how its products are advertised (Omena Hotels 2012.)

The main driving factor in Omena hotels' chosen strategy was that a company cannot exploit, in full, the many potential benefits of IT and e-commerce by using new technologies just to support or as an extension of existing processes and operations. The key value proposition of Omena hotels primarily relates to the provision of real-time information, instant gratification, and high quality of content and applications online; the simplicity of lodging (no check-in and check-out procedures), and especially a fixed room rate and a very attractive price and total privacy (Omena Hotels 2012.)

2.4.1 Customer self-bookings

The low prices are the end result of numerous factors, the most important of which are a full automation of many tasks with a resulting reduction in labor costs in compar-

ison to hotels using traditional business models. Following intuitive logic and established theory, Omena hotels reasons that online self-bookers, which clearly cut costs for suppliers in comparison to reservations, handled by a sales agent, both can and should be rewarded in the form of lower rates (Laine R. 2 Oct 2012a.)

2.4.2 Disintermediation

No middlemen are used in the booking process, meaning that no commissions have to be paid to intermediaries. The savings are returned to the customers in form of inexpensive prices (Laine R. 2 Oct 2012a.) At present, (Helsinki -3 hotels, Tampere -2 hotels, Jyväskylä, Lahti, Seinäjoki, Turku, Vaasa, Copenhagen, Stockholm and Oulu (total number of 1,112 rooms), eleven (11) Omena Hotels are in operation in Finland, but several new units will be opened by renovating existing office spaces located in city centers into new modern hotels (Omena Hotels, 2012.)

2.5 Omena Hotels' Organization structure

The business model of Omena hotels also symbolizes originality when observing the company's organizational structure. Since the routine tasks have been arranged according to self-service principles and automated by using IT system, the company is, to a certain extent, managed by Omena hotels' outsourcing clients and by computerized systems. Omena hotels have, in fact, only one employee which is the managing director (Omena Hotels 2012; Laine R. 2 Oct 2012a.)

The company relatively draws on an extreme outsourcing strategy, relying on a large network of partners to handle tasks such as:

- (i) Project management relating to opening new hotels (architects and engineers);
- (ii) IS (hosting, system monitoring, etc.);
- (iii) Housekeeping (cleaning and maintenance);
- (iv) Security;
- (v) Customer service; and
- (vii) Marketing (Laine R. 2 Oct 2012a.)

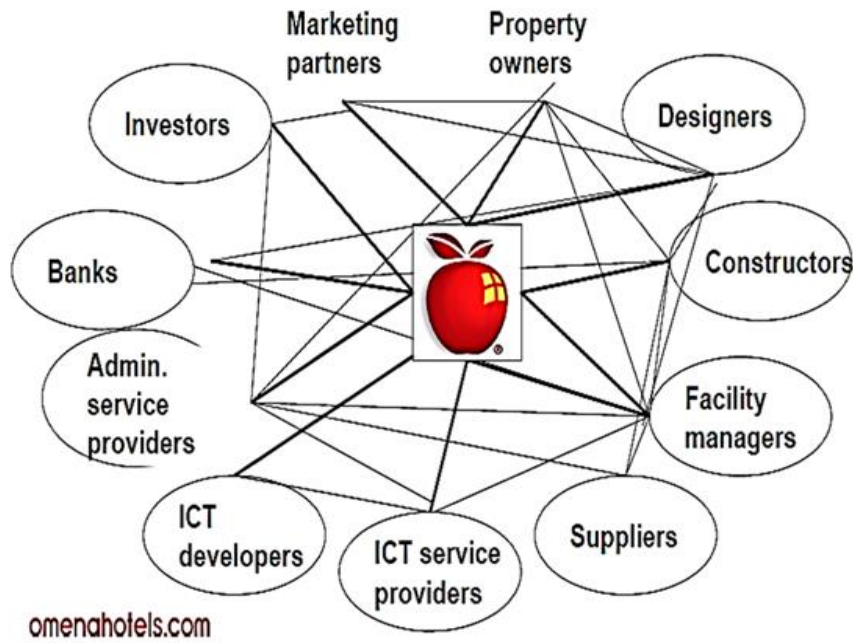


Figure 2 Illustration of Omena hotels' Organization structure (Laine R. 2 Oct 2012a.)

The company has no office facilities, but is operating through “laptop management” using a virtual, largely paperless office (Omena Hotels 2012.) The foundation stone in Omena hotels' strategy is the proprietary online reservation and hotel administration system that was launched in May 2003, which has been appropriate for Omena hotels' exceptional, automation-based business model (Laine R. 2 Oct2012a.)

2.6 Summary of financial statement analysis

Analyses of financial statements of Omena Hotels were extracted from financial statement of year 2011-2012. They were highlighted in form of chart (Omena Hotels 2012.)

Volume (Percentage changes in sales)				
	2008	2009	2010	2011
Company	38,7	10,7	39,9	27, 1
Upper quartile	13,2	4,6	9,7	12,5
Median	3, 0	-6,6	-1,5	2,9
Lower quartile	-7,8	-18,5	-11,1	-7,4

Table 1 shows the percentage changes in Sales over the 4-year periods (Omena Hotels 2012.)

Viability (Return on investment)				
	2008	2009	2010	2011
Company	20,2	-13,5	-21,9	-40,1
Upper quartile	17,4	8,4	12,2	13,0
Median	4,3	0,8	1,6	1,8
Lower quartile	-3,2	-7,3	-4,9	-5,6

Table 2 shows the return on Investment over the 4-year periods (Omena Hotels 2012.)

Solvency (The equity ratio)				
	2008	2009	2010	2011
Company	51,8	26,1	-4,3	32,0
Upper quartile	55,6	53,4	50,4	54,2
Median	18,6	15,9	16,0	19,4
Lower quartile	-4,1	-8,8	-9,2	-6,5

Table 3 shows the equity ratios of Omena Hotels over the 4-year periods (Omena Hotels 2012.)

Liquidity (Current ratio)				
	2008	2009	2010	2011
Company	2,7	0,5	0,5	0,5
Upper quartile	1,7	1,5	1,7	1,7
Median	1,0	0,8	0,8	0,9
Lower quartile	0,5	0,4	0,3	0,4

Table 4 shows the current ratios of Omena Hotels over the 4-year periods (Omena Hotels 2012.)

3 Theoretical Framework

The conceptual section presented in this chapter three is sub-divided into various sub-headings. Each subheading analyses carefully the role of service business in satisfying customers. Firstly, customer satisfaction is discussed, more specifically in details, and the relationship between customer satisfaction and customer service which tends to lead to loyalty, and how to determine customer satisfaction. As service expectations are main connection between customer satisfaction and service quality, therefore service quality discussion includes in the theoretical part of the research.

3.1 Important and meaning of customer satisfaction

From my point of view, customer satisfaction is an indispensable topic for both researchers and managers, mainly because of its high level of customer satisfaction which leads to an increase in recurrence patronage among existing customers and aids customer recruitment by enhancing an organizations marker reputation.

According to Zineldin (2000) defines customer satisfaction as an “overall customer attitude in the direction of a service provider”, or an emotional reaction to the difference between what customers anticipate and what they receive regarding the fulfilment of some need, goal or desire.

Zeithaml et al. (2009, 103) believe that customer satisfaction has become one of the key issues and also loyalty is increasingly valued in today’s businesses most especially service providers. Customer satisfaction could be referred to as personal feeling of pleasure or contentment that is derive from certain products or services by comparing the perceived products or services performance to the expectations. Customer satisfaction is a business attitude which leads to the creation of value for customers’ anticipations and managing their expectations, and demonstrating the ability and responsibility to satisfy their needs and wants.

Yen & Su (2004) stress further that the biggest challenges that encounter tourism industry nowadays is the ability to provide and sustain customer satisfaction in order to ensure finest business income; and certify business survival in the face of stiff business competition. Customers' requirements for quality products and service delivery in the hotel industry have become increasingly unique to professionals.

Customer satisfaction could be defined as the positive reaction of customers towards a company's product or services. It is of crucial importance for the profitability of the company to ensure customer loyalty. It has been proven on different occasion that it more difficult to get new customers than to retain old customers. Customer satisfaction is a challenging objective for many organizations due to the pressure of competition and the variety of customer needs and wants (Zeithaml et al. 2009, 106-110.)

Dru (2000, 47) explains further that the importance of a company is to concentrate on customers and their needs since they are crucial part of the companies' achievements. Customer needs are the first priority because their needs produce more satisfied customers. Hospitality managements understand that customers need to be excellently taking care of in order to increase their market shares and profit margins.

Therefore, Dru (2000, 47) adds that exceptional customer service should be delivered to the customers. Since service is produced and consumed at the same time, if companies are able to render excellent services to the customer's first visit to hotel leads to a satisfaction. Jobber (2004, 15) emphasize that, for a company to be able to satisfy customer needs, their needs should be identified, and it is possible when the customers are recognized as particular personalities. Some customer needs can be derived from social-psychological values that control consumer behavior.

Zeithaml et al. (2009, 105-110) understand that the best way to identify the customers' needs is to know their personal details by listening, obtaining their contacts, observing and establishing a personal relationship based on trust and respect. If companies understand their customers better, they can be more effectively developed products or services and continually improve them to drive competitive advantage.

Customers coming to a hotel for the first time with expectations that are influenced by many factors, such as the purpose of their stay, previous experiences, the opinions of friends, etc. If their expectations are not fulfilled, they are disappointed with a decision not to come back again. On the other hand, highly satisfied customers, whose expectations were fulfilled, would like to patronize, are not price conscious, are loyal, and talk positively to the others about the hotel (Zeithaml et al. 2009, 107.)

Customer satisfaction measures how well a customer's expectations are met. If customers received what they expected, they are satisfied. If their expectations were exceeded, they are extremely satisfied. It is customers' opinions to decide whether they are satisfied or not. Customer satisfaction plays a fundamental role in achieving customer loyalty and profitability. In fact, it is a requirement for loyalty. The customer's expectations are important to be met in order to build the loyalty (Lovelock & Wirtz 2004, 44.)

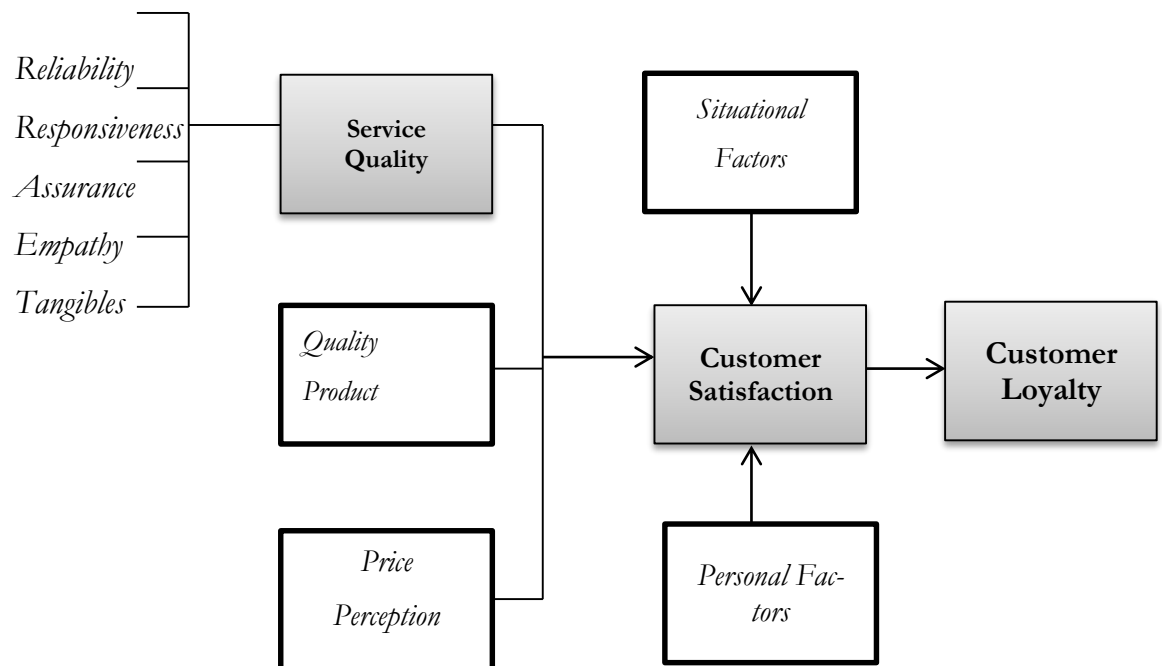


Figure 3 Customer Perceptions of Quality and Customer Satisfaction (Zeithaml et al., 2009, 103).

The above figure 3 revealed that service quality is an intensive appraisal that mirrors the customers' perceptions of reliability, responsiveness, assurance, empathy and tangibles. Customers comment on service quality based on several factors which are 5 dimensions and these dimensions represent how customers arrange service quality in their minds. Satisfaction is comprehensive due to influence by perceptions of service quality, product quality, and price, situational and personal factors (Zeithaml et al., 2009, 103).

The concepts behind the customer satisfaction and service quality, which associate with all dimensions, are important in a certain way. However, the dimensions that are most relevant in the case of this study are reliability, responsiveness, and assurance. Hayes (1998) defines customers' needs as "features of a product or service, which Point out its important dimensions". He suggests that for making researches on customer's satisfaction these dimensions should be applied in the form of particular examples or phrases relevant to their functions.

Reliability is a factor in the case of the online booking services since services are mostly on the internet as self-service. The customers have a trust of the information on the internet to be accurate and up-to-date at all times, which means assurance. Regarding the customer service on TV in-built system or 24hrs hep desk, quick response is important since the customers may face difficulties in their rooms. This aspect also belongs to the responsiveness factor (Zeithaml et al., 2009, 103).

3.2 Important and meaning of Customer service

Möller and Hallinen (2000, 33) defines customer service as an approach to achieve customer satisfaction and retention. Customer service regards as the most operational and economical process to advertise a business, meanwhile its highly important. Customer experiences with the quality services, bring about satisfaction, are mainly a result of a

good communicating between the company's personnel and the customers. This is because effective customers' service improves sales and profitability in likewise continuous sustainability of the business.

Harris (2000, 2) assumes that customer service is anything that an organization does for their customers in order to enrich their experiences. In a competitive marketplace where businesses compete for customers, customer satisfaction recognizes as a key differentiator and increasingly have become a key element of business strategy, for example, Bet365.com provides real time chat sessions to help customers understand the menus or betting options and this concept is applicable to all firms that provide services.

Zeithaml et al. (2009, 105) refer to the customer service as a service provided in support of a company's core product or service. Company typically do not change for customer service. Customer service can occur on-site or it can occur over the phone or via internet, for example, Omena hotels' rooms have in-built TV system that enables customers to get menus information or contact help desk in case there is problem or emergency issue. Quality customer service is essential in retaining customers (Zeithaml et al. 2009, 105).

According to Harris (2007, 2-4) customer service is one of the most effective and inexpensive process to advertise a business or attract customers, thus it is highly important in doing business especially in service business. In today's business, customers are more sophisticated and valued and they have expectations on the services they perceive to be appropriate for their satisfaction.

However, companies have to constantly prepare to measure and develop their service staffs or tools and make sure that customers' needs and wants are satisfied. The uses of technology and modern facilities have improved the customer service. Customer service is not only about great attitude but every activity that customers expect (Harris (2007, 3-4.)

Kotler et al. (2006, 46) require that successful service companies focus their attention not only to the customers but their employees as well but the case company of this study does not have office and employees. Thereby, Harris (2007, 24) expresses further that there are several new trends emerging in customer service industry. These trends are accessibility for the customers, proximity of response, feedback from customer service provider, outsourcing of customer service functions and non-traditional customer service.

3.3 Determining customer satisfaction

Hill and Alexander (2006, 1-2) explain that companies begin to understand the prominent role of customer satisfaction in their business activities. It is generally identified that keeping existing customers is inexpensive than acquiring new customers. Zeithaml et al. (2009, 105) enlighten that Customer satisfaction through a product or service has considerably influenced on the customer's evaluation of product or service features. The features of services offer by Omena Hotels are mainly affordable prices at logistic location, simplicity of lodging, a quality fixed room rate and total privacy.

Bateson (1992, 86) suggests that customer satisfaction is the main outcome of the marketing process and it is process that takes place in customers' thoughts. Bateson (1992, 86) continues that there are two reasons that make expectations to be important. Ability for companies to understand customers' expectations is crucial and it is reasonable for companies to manage customers' expectations in order to derive satisfaction without altering the quality of the perceived service or delivered action.

Customers' perceptions of products or services can be influenced by consumers' emotions. These emotions can be stable or pre-existing, for instance, negative or positive emotions. The positive frame of mind have influenced on how customers feel about the services they have experienced but negative feelings may lead to overreaction to any issue (Zeithaml et al. 2009, 105.)

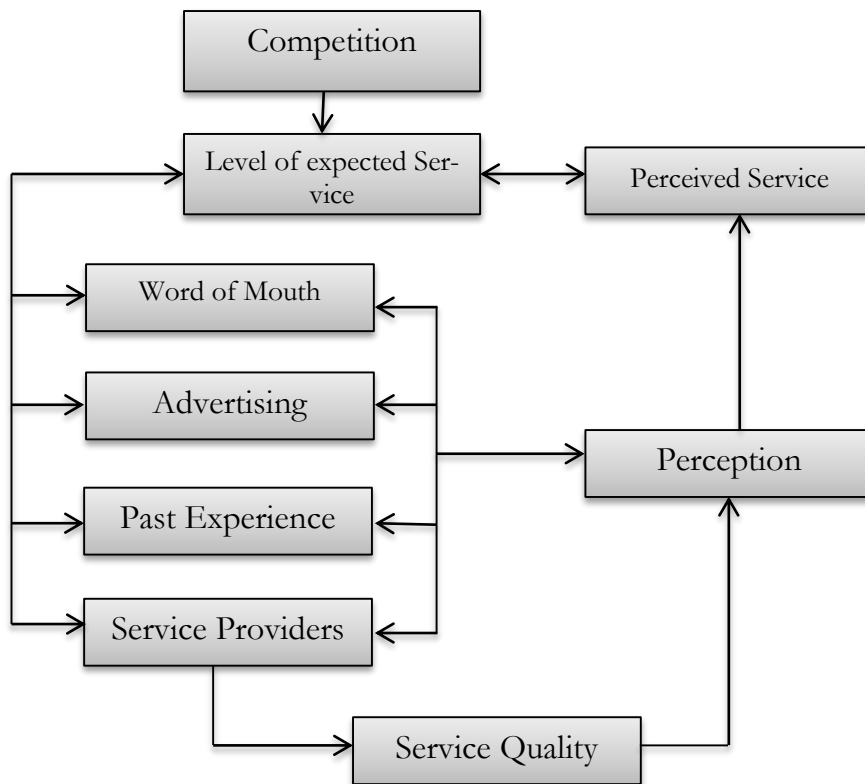


Figure 4 A model of Customer Satisfaction (Bateson 1992, 87)

The figure 4 estimates the customer satisfaction's model. The knowledge behind this the above sketch is forthright, because customer satisfaction can only be achieved when consumers evaluate services; they compare their perceptions, based on their past experiences, of the received service to their expectations on the services they received (Bateson 1992, 86-87.)

It can be uneasy for the management to regulate channels of expectations, for instance management cannot control word-of-mouth and past experience of customers but advertisement can be regulated and created expectations when advert convinces customers to have a trial of such products or services (Bateson 1992, 86.)

Conversely, if customers perceive that there is equity and fairness in services they received, then the customer satisfaction is being derived without hesitation. In some cases, individual feelings or beliefs can be influenced by other people via word-of-mouth which may lead to customer satisfaction (Zeithaml et al. 2009, 105.) Hence, past

experience or personal knowledge of products or service has a strong relation to satisfaction i.e., similar experience and comparison process become important. Customers' perception of service indicate how firm sells, serves and satisfies user behaviour, attitude and preference (Zeithaml et al. 2009, 105-106.)

3.4 Service Quality dimensions

Service quality is a compound, elusive, subjective and abstract concept. It is the combination of different things to different people. The commonly used definition of service quality is the comparison customers make between their expectations and perceptions of the received service (Parasuraman et al. 1988; Grönroos, 1984.)

Weinstein and Johnson (1999, 64-68) analyze that the term “quality” is widely acknowledged by most people; however it is hard for people to explain the term “quality” clearly. There are many definitions of quality but the most accepted one can be defined as set of selected features of service or product that characterize and satisfy customers' needs and wants.

Customers usually have an opinion on best quality they are expecting from certain services or products and based on this expectation, customers evaluate quality of the service or product they eventually perceived or received from service provider. However, customer may not have a personal opinion of expected service or product but sometimes, they have to trust their friends, family or firms' brands name to scheme an opinion and the quality perception of one's own is formed only after the service (Weinstein & Johnson 1999, 64-68.)

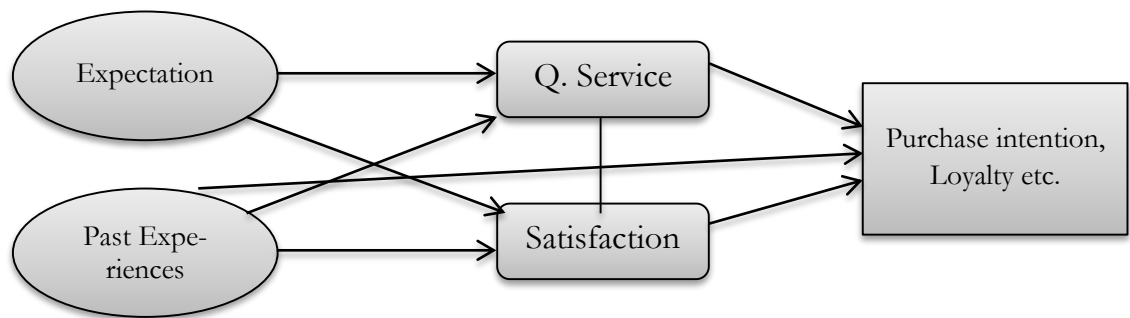


Figure 5 Customer evaluation of service quality & customer satisfaction (Akinola 2013)

The above sketch 5 is attributed to the author's understanding from previous chapter and subchapters which explained that customer's expectations and past experience lead to satisfaction or expectation and past experience is the result of quality service delivered by a company. In some cases, customers' past experiences can lead to customer retention or loyalty.

Zeithaml et al. (1990, 19) explains that there are four factors influencing the customers' expectations. These are word-of-mouth, personal need, past experience and external communication to the customers. Expectations are of the opinions of what should happen and perception is formed based on how the customer perceived the service he or she experienced eventually received.

3.5 The GAP model

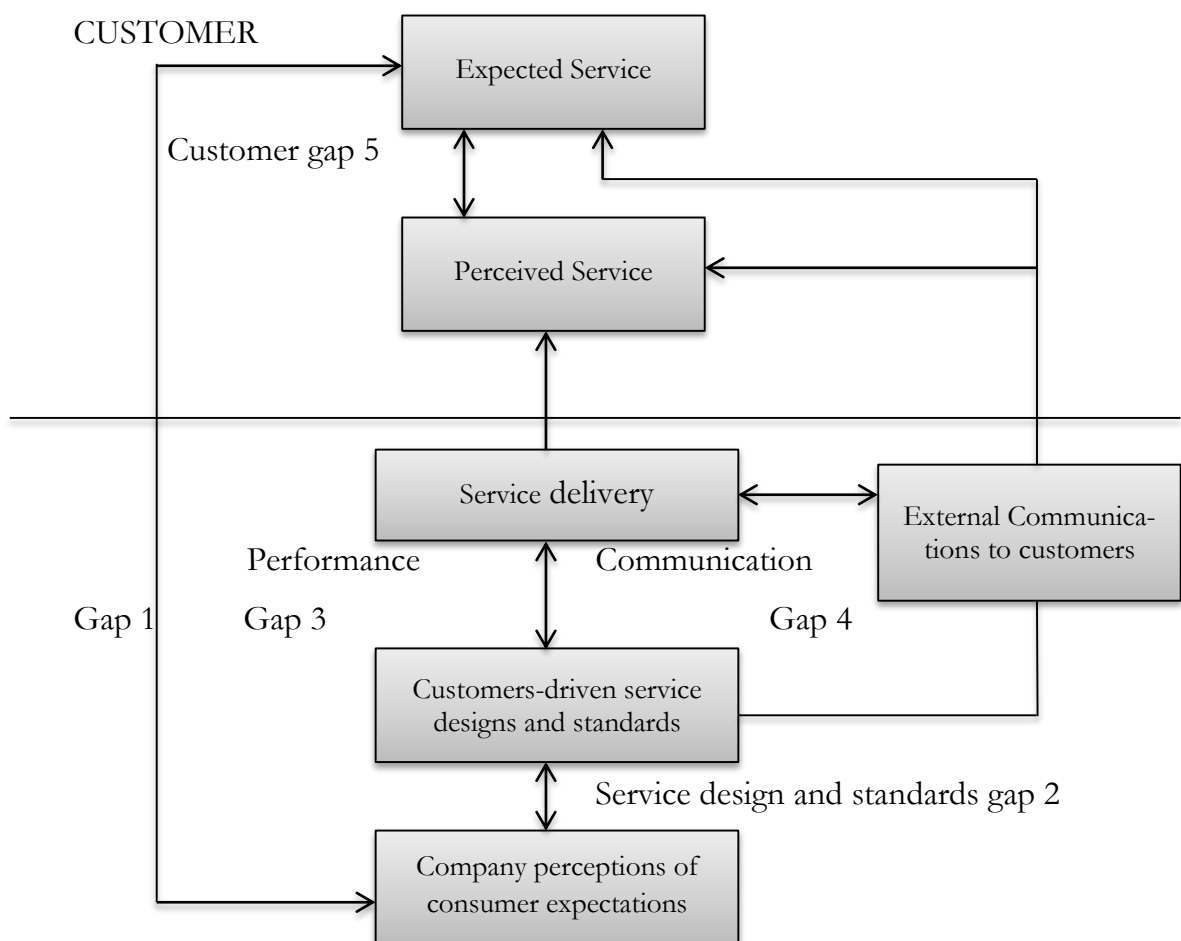


Figure 6 Gap Model of Service Quality (Zeithaml et al. 2009, 43)

The SERVQUAL service quality dimensions are often regarded as the introduction to the Gaps Model of Service Quality. In this chapter the researcher takes a deeper look at the model which points out the key concepts, strategies and decisions in services. The customer gap is the difference between customer expectations and perceptions. Customer expectations are ideals of service that the customer has prior to the service situation and perceptions are measurement of the actual service experienced in the service situation (Hoffman & Bateson 2001, 326.)

Gap 1 is called “Company inability to understand what customers expect” Zeithaml et al. (2006, 35-38) agree that there is a gap between the customer expectations and how the company understands those expectations. This gap leads to lack of understanding the customers’ needs and wants. If the company fails to conduct customer satisfaction surveys or asking feedback from customers, it is certain that the company will experience this gap.

Metters et al. (2006, 186) believe that lack of marketing research orientation, inability to communication between personnel and managers may be the reason for this gap. Managers need to ask questions about customer expectations or be prepared to address any arising problems.

Kotler et al. (2006, 431) assume that if a company is keen to find ways to make new customers and forget the importance of retaining existing customers may lead to another reason. Also, in what way the company handles customer complaints can have an influence on gap 1. To close this gap, the company needs to perform adequate marketing research, sufficient communication with their workers and regular conducting questionnaires or customers’ feedbacks (Metters et al. 2006, 186.)

Gap 2 is referred to as “Company is unable to have the right service quality specifications”. The cause of this gap happens to be inability or unwillingness of company to develop systems to deliver customers’ needs or wants despite the fact that the company understands customers’ expectations (Zeithaml et al. 2006, 38-39.) Whereas, Kotler et al. (2006, 431-432) consider that inadequate commitment to service quality, lack

of perception of feasibility, inadequate task standardization and absence of goal setting may be the cause of this gap. Bateson (2001, 328-329) assumes that the behavior of contact personnel or agent of company may result in this gap. If any company that invest in short term profit rather than invest in people and equipment is liable to cause service quality problem. To close the gap, company needs to perform adequately (Zeithaml et al. 2006, 38-39.)

Gap 3 is known as “Company is having poor performance” It can be said to be inconsistency between development of customer-driven service standards and actual service performance of employees of company. Management needs to ensure that employees have the skills and the proper tools to perform their jobs. Ineffective recruiting, lack of authorization and team work, role ambiguity or conflict, poor appraisals and compensation are the cause of gap 3 (Kotler et al. 2006, 433.)

Conversely, customers can also be the causes behind gap 3. If customers do not follow instructions, they risk deteriorating the service quality. Customers can also have negative impact on other customers by delaying the service situation and making others customers to wait. Difficulties can also arise in service intermediaries as it is difficult to control their performance quality. Hence, services cannot be stored for future demand so it is normal for service companies to experience lack of capacity. Varying the size of the employee pool and marketing strategies such as price changes, advertising and market segment can help in closing the gap (Zeithaml et al. 2006, 39-42.)

Gap 4 is called “Inability for a company to keep promise”. The difference between service delivery and the external communication leads to communication gap. If a company makes promises through advertisement or other channel of communication and the company fails to live up to expectations, then customers perceive such services as poor or insufficient. Companies need to create realistic customer expectations via honest and accurate communication about what they can and will provide. (Zeithaml et al. 2006, 42-43.)

Kotler et al. (2006, 434) suggest that companies have to be sure that customers are not misled and companies' services are delivered according to the promise. If the company does not keep promises and causes disappointment between customers, then this gap will occur. For instance, if a hotel room image on internet or information does not match what the customers perceive when they arrive into hotel, thus there is a gap and this may cause customers not trust any services that such a hotel will provide.

Gap 5 is known as "Inability to satisfy customers' wants and needs". This gap represents the difference between expected service and perceived service and it functions for other four gaps. Rise or fall in any of the other gaps affects gap 5 in same order. In order to satisfy customers, they should not receive below what they expected from service. This five-gap dimension supports in understanding the potential problem that related to service quality. It provides insight into delivery of quality service and aids to close those gaps that may occur in services (Kotler et al. 2006, 434-435.)

3.6 Evaluating service quality

Zeithaml et al. (1990, 23) designed a tool to evaluate service quality. This tool, is called SERVQUAL, consists of five service quality dimensions: tangibles, reliability, responsiveness, assurance and empathy. Palmer (1998, 161) believed that the tool's result aids to find which service components the organisation is principally best or worse at, to keep vigilant on the service frequently, to check the comparison performance with competitors or often measure customer satisfaction within specified service providers.

On the other hand, this technique can be used to better understand customers' expectations and perceptions (Hoffman & Bateson 2001, 334). SERVQUAL measures the gaps difference between customer expectations and perceptions in two segments (Zeithaml et al. 1990, 43). This section utilizes original SERVQUAL consisted of ten dimensions but five SEVQUAL dimensions will be analysed, beginning from empathy.

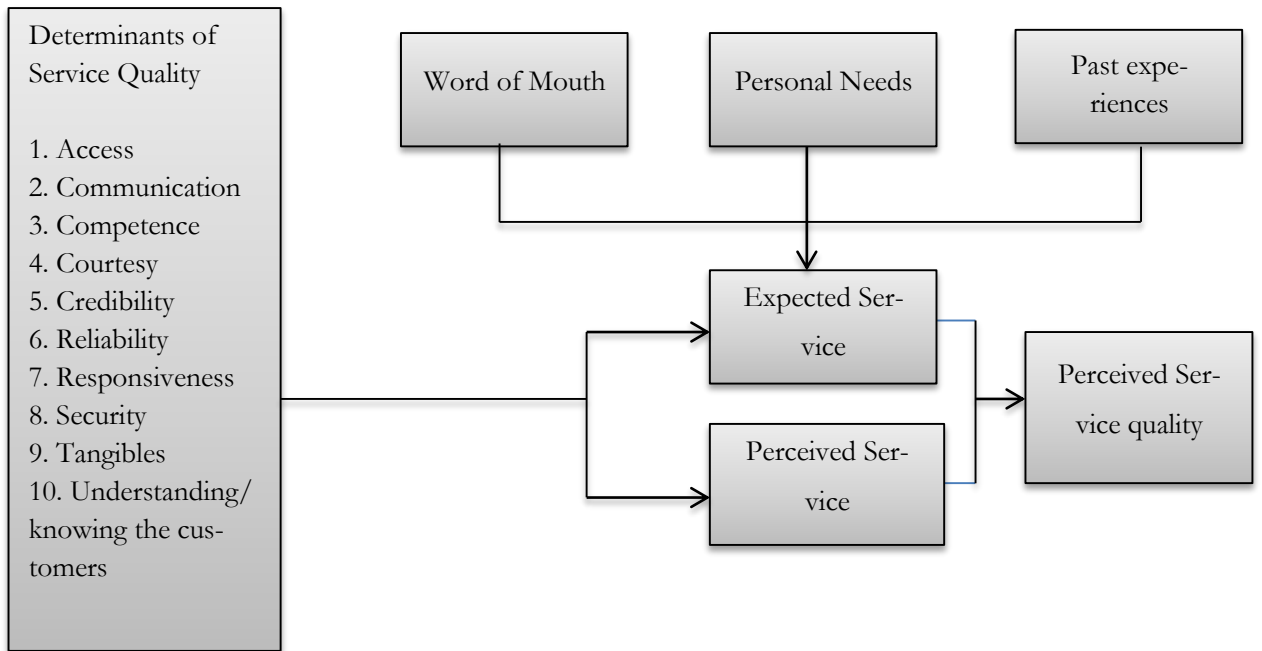


Figure 7 Service Quality determinants (Parasuraman, Zeithaml & Berry 1985)

Bateson (1992, 499) refers to empathy as “the human touch or feeling”. This dimension governs if the workers or agent of particular company are really devoted to offer or provide quality service that customers need or want i.e. ready to meet customers’ expectation. Empathy is a process of adding value to customer experience or personal situation. Empathy can be measured through employees’ willingness and kindness to deliver services beyond customers’ expectations and provide excellent services that customer may not expect at all.

Tangibles are those objects that customers can see, hear, touch and use to measure their satisfaction (Bateson 1992, 499). Hoffman and Bateson (2001, 334) further includes that customers simply depend on tangible evidences, since there is no physical good exists. In ServQual, tangibles have two dimensions. It consists of equipment and facilities while the other one consists of personnel and communications resources.

Bateson (1992, 499) further specifies that when customers arrive at a hotel, for instance, they pay attention to the location and its environment; the cleanliness of the exterior; distance to shopping malls and transportation; noisiness; employees’ appearances and lobby decorations or paintings.

Metters et al. (2006, 185) views reliability as another dimension that involves consistency and dependability which means the company should perform its service right from inauguration of business and also fulfil its promises. Bateson (1992, 499) analyses hotel customers believe that when they made a reservation or booking, they have been given a promise to use the hotel room and other available facilities with agreed price during their stay. Their perceptions of reliability suffer if the promise changes or breaks.

Responsiveness refers to as the customers' perceptions of ability or kindness or willingness of staffs to provide services. A highly skilled person with unkind attitude can create poor impression on customers whereas a hotel worker who has average skill with enthusiastic and kindness attitude can define a promising impression (Bateson 1992, 499.) Metters et al. (2006, 185) further include that responsiveness also involves promptly and timely service with enthusiastic gestures which responding customers need at particular time.

Assurance consists of knowledge, competence and courtesy of the employees' services and their talent to show trust and confidence of the product or service. Courtesy means politeness and friendliness of workers, based on the workers' communication with the customers (Metters et al. 2006, 185.) For instance, customers, receiving competent services when booking rooms, cannot worry whether their rooms are already cleaned and arranged when they arrive.

4 Research description

This chapter consists of the empirical part of the research. It will introduce method of research in detail, questionnaire design and process of data collection and analysis will be discussed.

4.1 Research methodology

The study has been conducted by using quantitative research method and descriptive research design as the most appropriate tool for this kind of research in order to enable the researcher to obtain mass information from the respondents' opinions. In descriptive study, setting of problem is understood, structured and included the detailed plan to proceed (Ghauri & Gronhaug 2002, 49.) Structured questionnaires and mechanical measuring devices are the distinctive tools to measure quantitative data (Bradley 2007, 304).

Bradley (2007, 304) buttresses that quantitative research focuses on the past, present or potential customers of a company. It predicts numbers and statistics. It measures customers' beliefs and performances about a brand or particular services. The purpose of quantitative research is to measure usage and attitudes. Quantitative research method was adopted and it is known as the systematic empirical study of quantitative properties and occurrences (Schmidt & Hollensen 2006, 143.)

The research approach was combination of primary and secondary data collected. Quantitative research method was used which is very important in carrying out large customers satisfaction survey. It might have been better to adopt qualitative approach but Omena hotels' customers are uneasy to contact because the Omena Hotels communicate through internet with their customers. However, the questionnaire drafting is only option to contact customers by placing the questionnaires in the rooms for customers to fill out.

It is practical procedures of survey questionnaire which comprises of structured and open-ended questions with different sections that respondents need to fill out. The research utilises different literature reviews in order to measure the connectivity between primary and secondary data. The outcome will be collected and analysed with the IBM SPSS statistics 21.0 programme.

The main study includes the collected data that is not in existence and this data is obtained through drafting of questionnaires which were designed and placed at Omena Hotels' rooms for customers to fill out during certain period. The secondary data was acquired from numerous educational sources, online theseus.fi and Journal.

The questionnaire involves different segments that indicate origin, gender, activities, observation, decision, attributes, opinion and open-ended questions that gave Omena Hotels' customers chance to provide likely suggestions to the study

4.2 The questionnaire design

Hill et al. (2003, 39-40) discuss that self-completed questionnaires should be voluntary; should be handed out to every customers or randomly; and collect back to ensure reliable response rate. The primary and secondary data have utilized to solve the main research problem of this study. The primary data was developed through questionnaire, concerning customer satisfaction of the Omena Hotels. Structured questionnaires that allow respondents to have several options are suitable method when measuring customer satisfaction in service or hospitality organisations and it gives the accuracy to the collection of data. They are relatively low cost and offer respondents a complete privacy (Hill & Alexander 2000, 104-106.)

Gerson (1993, 69-70) describes that the questionnaires consist of a series of question or statement that include open-ended questions or simply a symmetric scale that permits respondents to choose. They are usually self-statement mechanisms that allow the customers to freely fill out the questions. The questions are designed in such a way that

it aids in gathering accurate answers from respondents to assess the customer services, service quality and level of customer satisfaction.

Structured questionnaire was formulated mostly with closed questions and few open questions in the end to enable the respondents to express their other related point of views or opinions. The questionnaire was piloted in three different languages which are English, Finnish and Russian languages. 225 questionnaires were printed out of which 75 represent each different language. The 3 questionnaires with different languages were placed in every room in order for the customers to choose their choice of languages.

The 149 questionnaires were answered out of which 37 questionnaires were discarded due to inconsistent and unfinished of most questions. Therefore, researcher was able to realize 112 questionnaires which were completed and consistent. After collection of the data, the questionnaire was transformed into SPSS IBM statistics 21.0 program to organize and analyze the wide-ranging statistical data provided by customers.

The beginning of questionnaire included introduction, respondents' gender, age and nationality. Saunders et al. (2009, 365-368) claims that the respondents' background data enables the researcher to study how opinions, behaviors and decisions vary between respondents' characteristics and tastes.

The questions 4-14 were designed to provide solution to the research problems and to define the aims of study. The questions 4 aimed at finding out how often customers stay in Omena Hotels which indicates if customers are satisfied and loyal to the Omena Hotels' services. There were several options for customers to choose their appropriate answers.

The question 5 designed to know the customers' purpose of visiting Omena Hotels at Helsinki and it categorically shows the customers' classes. The question 6 also meant to know how customers made their reservations and it depicts that if customers find it

easy to book their reservations through Omena hotels' webpage or customers got assist from other relevant sources.

The next question was intended to test the customer satisfaction and there are several factors were listed whereby respondents were able to mark those factors according to how they felt and experience those factors during their stay in Omena Hotels. Thus, it is easier to know if respondents were not satisfied. The five point Likert-scale rating was utilized to define the extent at which customers agreed or disagreed to different opinions

The questions 8 was used to discover how important the mentioned factors which are yet to be implemented were meant for customers and also if those important features could prompt them to revisit Omena Hotels in future. The four point Likert-scale rating was used to show the important of the listed features.

The question 9-10 designed to know the customers' perceptions towards Omena Hotels' services. Omena Hotels offer varieties of services which managed by outsourcing companies. The opinions of the customers were needed to know if those services were handled effectively and efficiently by partner companies. The five point Likert-scale rating was utilized.

The question 11 projected to know the customers' expectations of the delivering services of Omena Hotels. The question were asked how well did services meet customers' expectation and this gave rooms for customers to mark based on their expectations. The four point Likert-scale rating was used to define the customers' expectations.

The question 12 and 13 expected to find out if customers would be involved in recommending Omena Hotels to their friends, family and colleagues and this is regarded as word-of-mouth which is cheapest and effective form of advertisement. Thus, to know if customers would like to stay in future is another part of question and this means that

if customer satisfied with the services they received. The scale was from 1-3, 1 being “no”, 2 being “maybe” and 3 being “yes”.

4.3 Data analysis

Bradley (2007, 302) refers to the SPSS program as a user-friendly software package that offers the researcher several techniques to evaluate the results. It performs the regression, logistic regression, analysis of variant factors and multi-tasking analysis. The results of this study were organised and analysed with the IBM SPSS (Statistical package for social sciences) 21.0 programs which transformed the collected data into frequencies tables, descriptive statistical tables, cross-tabulation, simple bar chart and clustered bar chart to support and illustrate the findings.

Naumann & Geil (1995, 238) describe that analysis of statistical data and understanding of its outcome is the strategic approach in descriptive study. The process of data analysis is purposely utilized to define the features or qualities that influence the finding of this study.

The mean scores, standard deviation and non-parametric techniques were used to evaluate the outcome, and these symmetric measurements help this study to derive the validity and reliability of the data. The most important results were examined by cross-tabulation, bar chart and descriptive tables which are the best technique to discover the values of individual data and inspect the frequencies between different variables (Saunders et al. 2009, 439-447.)

5 The results of customer satisfaction survey

This chapter highlights the background variables of respondents and it reveals important figures of analysed data.

5.1 Background of the respondents

This section introduces the detailed background information presented by the customers in the survey. The background information consists of age, gender and their nationalities.

5.1.1 Age

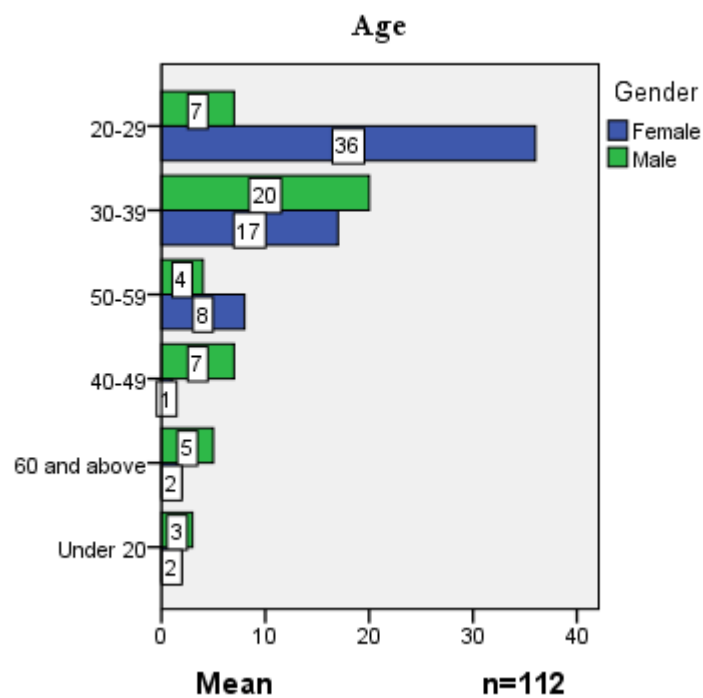


Figure 8 Numbers of Age and Gender

The above figure 8 shows the population distribution of customers' age and gender. The total number of 46 males and 66 females were all together answered the questionnaires. 3 of the male and 2 females were under 20 years of age. Between the ages 20-29 is representing 7 males and 36 females while ages 30-39 is representing 20 males and 17 females. Between the ages 40-49 is representing 7 males and only a female while the ages 50-59 is representing 4 males and 8 females. Between the ages of 60 and above is representing 5 males and 3 females. The percentage of population is depicted as 41.1% of males while 58.9% of females. The usage of clustered bar chart was to compare the age and gender in the distribution.

5.1.2 Gender

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Female	66	58,9	58,9	58,9
Male	46	41,1	41,1	100,0
Total	112	100,0	100,0	

Table 5 Gender

The above table is used to buttress the clustered bar chart of Age and gender. The table show the frequencies of gender and its percentage in population distribution.

5.1.3 Country of origin

The figure 9 below demonstrates the respondents' country of origin. The responses to the survey came from 12 different countries as figure 9 shown. The biggest country group was Russia with 22 respondents and it followed by Finland with 20 respondents. The next largest groups were Latvians (11), Swedish (10), Slovakian and Canadian (8)

and China (7). The lower groups were Germans and Swiss (6) respectively, while Norwegian and British were only (5) respectively. It was only France with small group of (4) respondents.

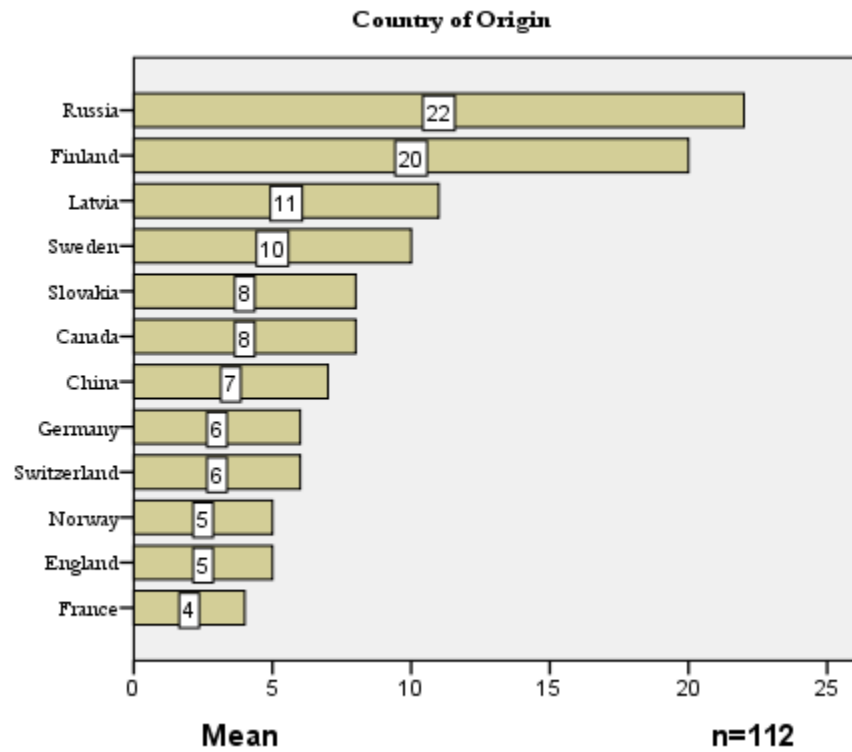


Figure 9 Country of Origin

5.2 Periods of staying

As it can be seen in table 6 below, which indicates the number of times that customers have stayed or revisited the Omena Hotels during the past 12 months. In order to analysis the each response very well, cross tabulation was utilized and this brought about clear understand of each nationalities and their periods of staying. The total number 61 respondents have visited for the first time out of which Finland has 11 and it's followed by Russian (8), Germany, Slovakia & Sweden have (6) each, Latvia & Canada have (5) each, Switzerland & France (4), China (3), Norway (2), its only England has one respondent who just visited for the first time. Total number of 7 respondents has visited twice out of which 2 respondents each from Finland and Russian. 23 respondent have visited thrice out which China, England & Russian have (4) respondents each. Total number of 6 respondents visited 4-5 times, but Russian has 3 respondents who

have visited 4-5 times while Finland (2) and Canada (1). Total number of 4 respondents have visited more than 5 times and up to ten times in which, it comprises of Finland (2) and Russian (2) respectively. Besides, Finland (2), Latvia (1), Norway (1), Slovakia (1), Switzerland (1) and Russia (1) have visited several times. Total number of (2) Latvia and (2) Russia didn't know how many times they have revisited Omena Hotel. Altogether, total number of 112 respondents has visited at least once; thereby 22 respondents were from Russia and 20 respondents from Finland, it is only France has lower number of respondents (4) in total (according to figure 9.) In essence, almost 50% of respondents have stayed in Omena Hotels more than once and it is clear evidence that those customers have experienced excellent customer satisfaction and quality services of Omena Hotels before which prompted them to revisit.

Count

Nationality	Periods of Staying								Total
	First time	Twice	Thrice	4-5 times	More than 5 times	Up to ten times	Several times	Unknown	
Canada	5	0	2	1	0	0	0	0	8
China	3	0	4	0	0	0	0	0	7
England	1	0	4	0	0	0	0	0	5
Finland	11	2	1	2	1	1	2	0	20
France	4	0	0	0	0	0	0	0	4
Germany	6	0	0	0	0	0	0	0	6
Latvia	5	0	3	0	0	0	1	2	11
Norway	2	0	2	0	0	0	1	0	5
Slovakia	6	1	0	0	0	0	1	0	8
Sweden	6	1	3	0	0	0	0	0	10
Switzerland	4	1	0	0	0	0	1	0	6
Russia	8	2	4	3	1	1	1	2	22
Total	61	7	23	6	2	2	7	4	112

Table 6 Period of staying

5.3 Main purpose of visit

Table 7 indicates the purpose of the customers visit to the hotel. Vacation & relax has the major part of the visitors with total number of 49 respondents out which Finland

visitors were (11), Russia (10), but both France and Germany have lower visitors of just only one each. Respondents that visited for leisure & fun were 20 in number but Swedish visitors were (5); Canada, Switzerland, Latvia and Russia visitors were (3) respectively. China, England and Germany have just only one visitor each, while Finland, Norway, France and Slovakia have no single visitor at all. Total number of 19 respondents visited because of business meeting, out of which Finland and Russia have large number of 5 visitors each. 14 respondents have visited the hotel due to meeting their friends while 6 respondents had different purpose of visit the Omena Hotels but 5 out of 6 respondents stated that they visited the hotels because they were Ice hockey supporters' teams and only one Russian customer visited because of transit traveling. Respondents having concert & rock events were just only 4 in numbers and it is lowest part in the distribution range.

Nationality	Purpose of Visit						Total
	Business meeting	Leisure & fun	Vacation & relax	Concert & rock events	Meeting friends	Other what	
Canada	0	3	3	1	1	0	8
China	1	1	4	0	1	0	7
England	0	1	3	0	1	0	5
Finland	5	0	11	1	1	2	20
France	1	0	1	0	2	0	4
Germany	1	1	1	1	1	1	6
Latvia	2	3	6	0	0	0	11
Norway	0	0	3	0	2	0	5
Slovakia	2	0	2	0	3	1	8
Sweden	2	5	3	0	0	0	10
Switzerland	0	3	2	0	1	0	6
Russia	5	3	10	1	1	2	22
Total	19	20	49	4	14	6	112

Table 7 Main purpose of visit

5.4 Reservation

Count

Nationality	Reservation					Total
	Omena webpage	Travel agency	By phone	Electronic service point "Kiosk"	Other what	
Canada	5	1	1	0	1	8
China	5	0	0	1	1	7
England	4	0	0	1	0	5
Finland	11	0	1	0	8	20
France	2	1	1	0	0	4
Germany	5	0	0	0	1	6
Latvia	7	1	1	0	2	11
Norway	3	0	0	1	1	5
Slovakia	6	1	1	0	0	8
Sweden	8	0	1	0	1	10
Switzerland	4	0	1	0	1	6
Russia	13	1	2	0	6	22
Total	73	5	9	3	22	112

Table 8 Reservation

As it shown from the table 8 above, most of the customers' reservations were made in Omena hotels webpage (73). 65% of population distribution who made their reservation from Omena website comprises of Russia with major part (13) and it follows by Finland (11) while only 2 French customers made their own in webpage. Thus, 22 of respondents confirmed that they did their reservations from other webpage and 18 out of 22 stated that it was booking.com while the rest (4) of 22 which were Finnish visitors stated that it was reserved by their employers. 9 respondents made their reservations through phone channels and 5 respondents confirmed their reservations via travel agency while only 3 respondents utilized Electronic service point called "kiosk" at Omena hotels' corridor to make their own reservations.

5.5 Factors that satisfying customers

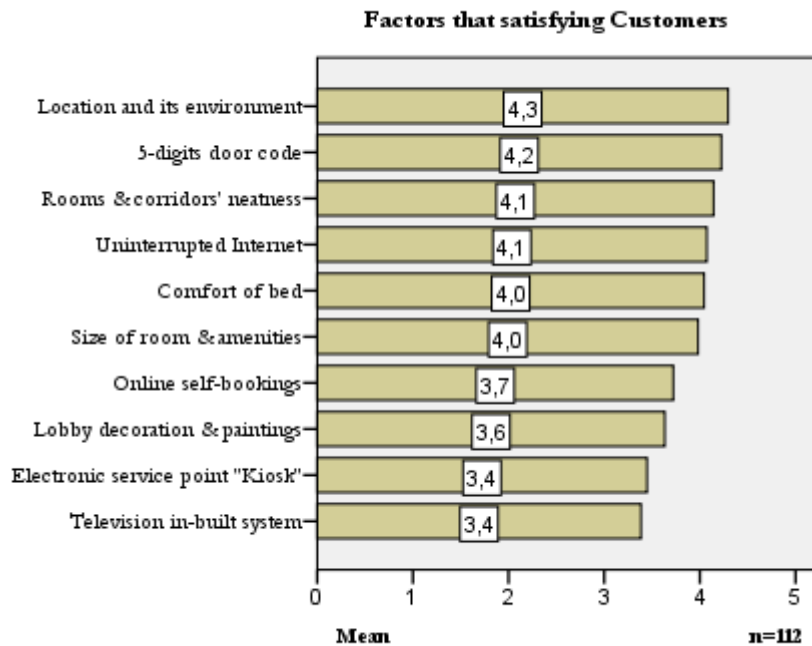


Figure 10 Factors that satisfying customers

Question 7 asked the amount of satisfaction customers derived from different factors during their stays in the hotels. It was also asked on a Likert scale with option 1 (highly dissatisfied) to 5 (highly satisfied). Figure 13 indicates the means of the answers to the questions. The most satisfied factors were the location & its environment (mean 4.3), 5-digit door code (mean 4.2), rooms & corridors and uninterrupted internet (mean 4.1), comfortable bed and size of rooms & amenities (mean 4.0). On the average, all factors were valued quite well. However, online self-booking was valued as (mean 3.7) and lobby decoration & paintings valued as (mean 3.6) while “Kiosk” and TV in built system were valued as (mean 3.4) respectively.

5.6 Needed factors

The question 8 was asked with different Likert scale of 4 and it allows respondents to make strictly decision based on factors that they might like to be included in the hotels

facilities. The most important factors for the customers was subscription of Extra TV-programs (mean 3.0) and it follows by Family or group dinner (mean 2.4) which is nice to have. Gym room (mean 2.0) and public sauna (mean 2.0) were considered to be nicely included in the hotels but emergency desk & reception was not actually considered to be important. However, Omena hotels' business operation does not support the idea of making use of receptions or emergency desk, therefore the rest of the factors could be important for the future development.

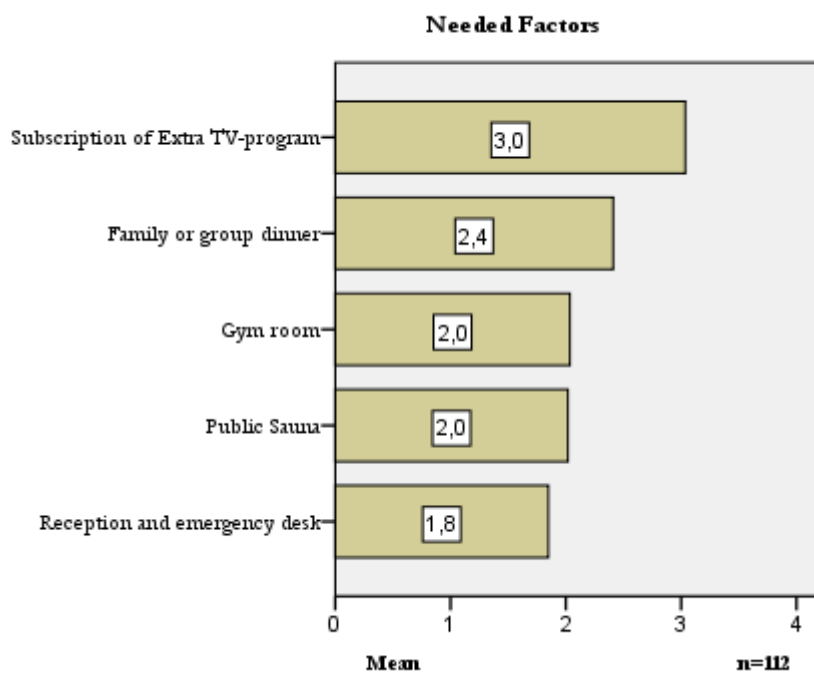


Figure 11 Needed factors

5.7 Omena Hotels' customer services

Question 9 was designed to ask for the opinions of the respondents based on Omena hotels' customer services that offer for the customers. It was also asked on a Likert scale with option 1 (strongly disagree) to 5 (strongly agree). Figure 15 below indicates the means of the answers to the questions. The respondents were quite unanimous that Omena hotels send booking confirmation (mean 4.2) and have easy access to transportation routes (means 4.2) respectively. They have simplicity of lodging in (mean 4.1).

They are very near to shopping malls (mean 4.0) and at the same time, they close to restaurant and night clubs (mean 4.0). Their services are reliable and secured (mean 3.9), they send instant gratification and have inexpensive fixed room rate (mean 3.9). Their service is unique and convenient and they offers service discount (mean 3.8) while their services' prices are equalled to quality (mean 3.7)



Figure 12 Omena Hotels' customer services

5.8 Customer perceptions of Omena hotels' services

The section provides vital information that concerns customers' perceptions by each service area of the Omena Hotels. The following questions are located in questionnaire

numbers 10. Question 10 was designed to ask in different sections and it enabled respondents to rate hotels' activities in Likert scale of 1 (very dissatisfied) to 5 (very satisfied).

5.8.1 Hotel Self-reception

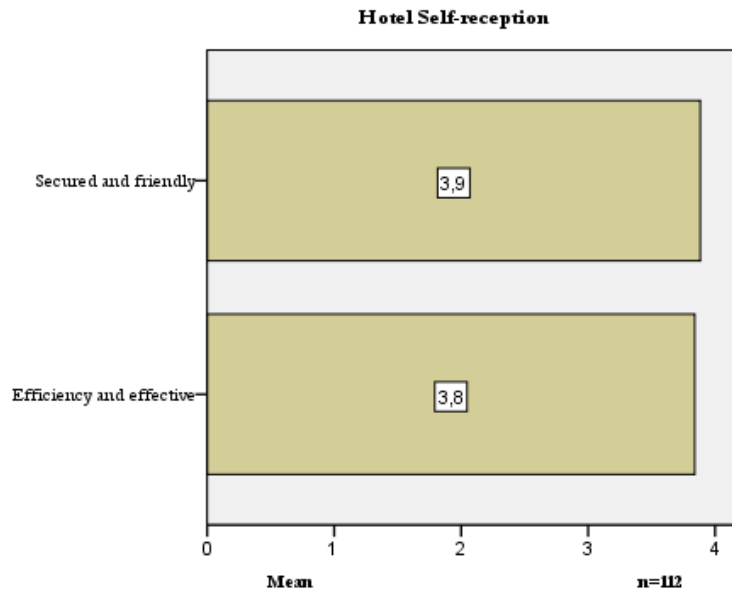


Figure 13 Hotel self-reception

The following figure 16 indicates the hotel self-reception ratings and respondents agreed that self-reception was secured and friendly (mean 3.9) and at the same time, it was efficiency and effective (mean 3.8).

5.8.2 Hotel room

Figure 17 indicates the respondents' rating of Omena hotel rooms. Hotel room was confirmed to be comfortable and peaceful (mean 3.7). It was also deeply rated to be fully furnished and equipped (mean 3.6). However, the rooms were also recognised to be cleanliness and freshness (mean 3.6).

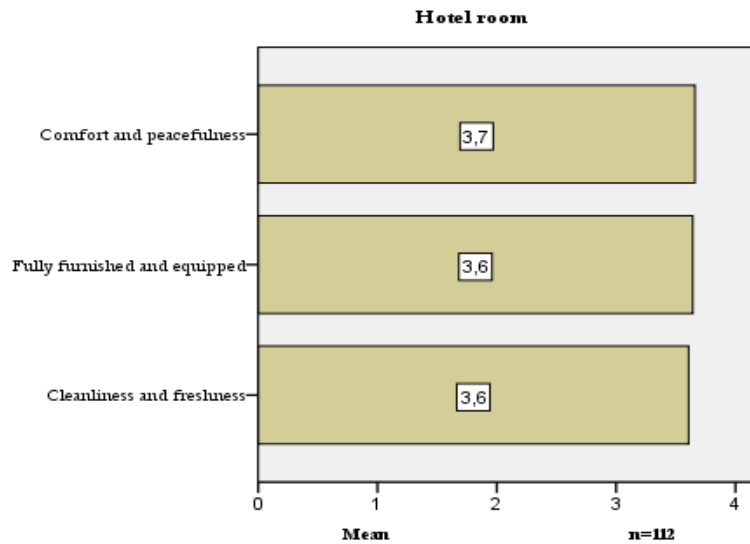


Figure 14 Hotel room

5.8.3 Breakfast service

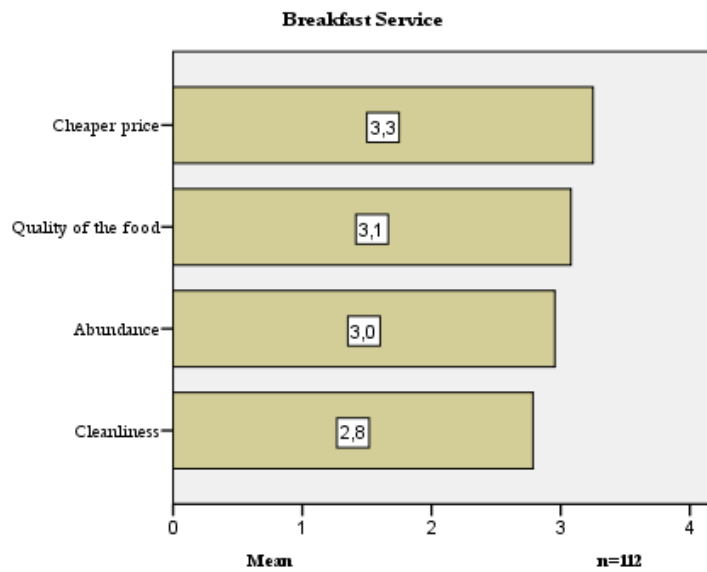


Figure 15 Breakfast service

The respondents' rating of breakfast service was averagely valued and it depicts that the breakfast has a cheaper price (mean 3.3) and it followed by quality of food which received rating of (mean 3.1). The abundance of breakfast food was averagely rated as (mean 3.0) while the cleanliness was below the par (mean 2.8).

5.8.4 Other auxiliary services

Other hotel services which include hotel location, free internet, emergency call, parking space, customer safety via personal door code and airport shuttle service. The hotel location received highest mean (4.1) together with free internet (mean 3.8). Emergency call was averagely valued with mean (3.8) and followed by parking space which rated as mean (3.5). Respondents lowered the rating of customer safety with mean (3.3) and airport shuttle received same mean (3.3).

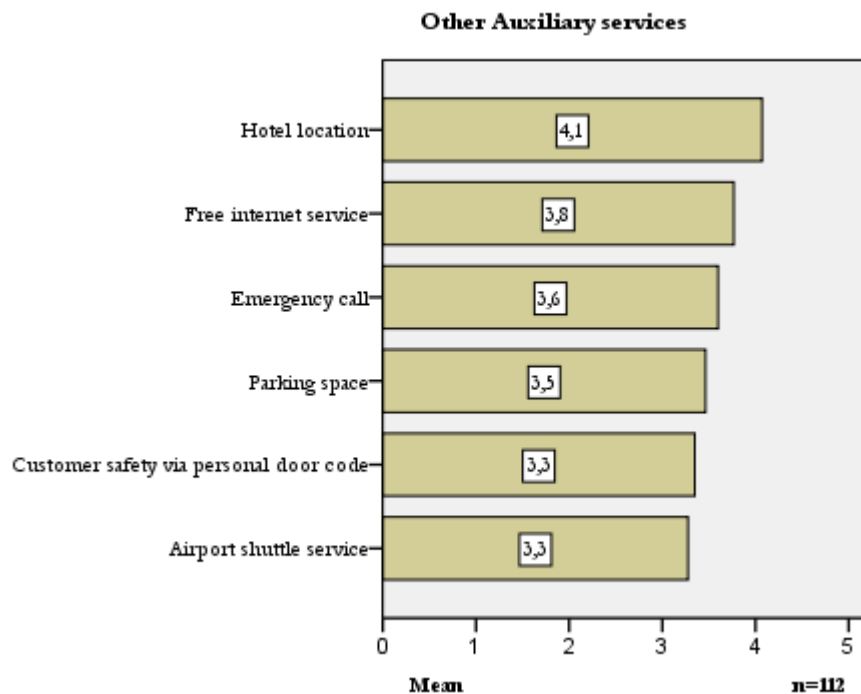


Figure 16 Other auxiliary services

5.9 Customers' expectation

Question 12 focused on determining respondents' expectations. Figure 19 establishes the outcome of customers' overall expectation comments on the service they received during their stay. The main question was asked "how well did Omena hotels' services meet customer expectations" It was also asked on a Likert scale with option 1 (didn't meet) to 4 (Exceeds).

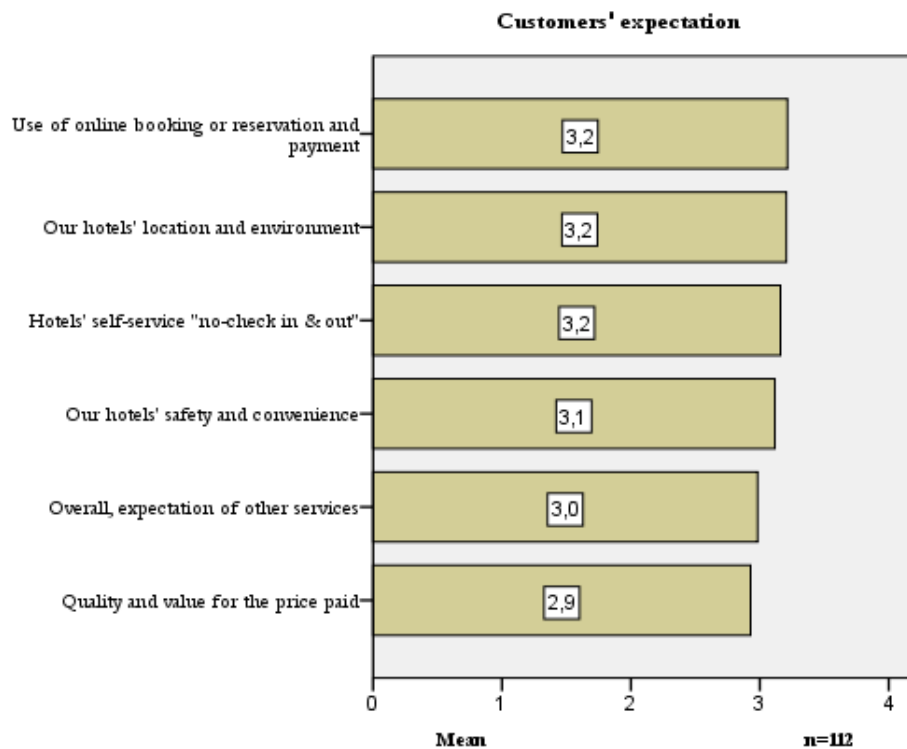


Figure 17 Customers expectation

The uses of online booking or reservation and payment was highly recognised and confirmed that the services met their expectation though, it did not exceed their expectation because it has (mean 3.2) while Hotels' self-service "no check in & out" shared same (mean 3.2) which means that the service met the demand of customers. Thus, Omena hotels' safety and convenience was rated as (mean 3.1) and it also met customer expectation. The overall expectation of other services received (mean 3.0) which means all the unmentioned services that customers experience in Omena Hotels had met their expectations, but quality and value for the price paid (mean 2.9) received low rating and it can be assumed to be below expectation or met customers expectation.

5.10 Word-of-Mouth

The word-of-mouth is worldly known as best form of promoting products or services by the help of existing customers to their relatives, friends and families, in some cases to their work friends, acquaintances and neighbors. Question 13 was designed to know

if the customers would recommend Omena hotels to their families, colleagues and friends, 55.4% of the population said yes (62) and this will help Omena hotels in reduction of marketing and advertising cost.

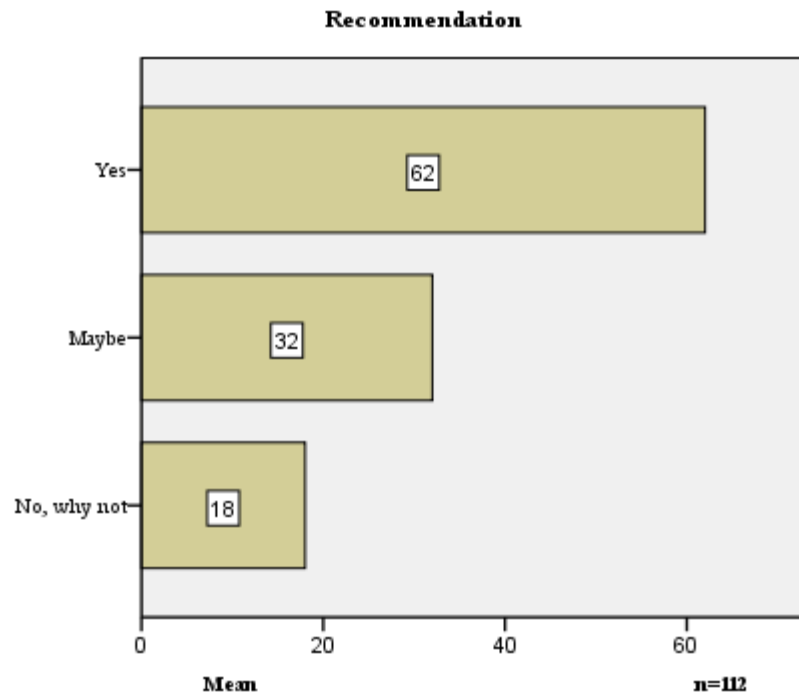


Figure 18 Recommend

Therefore, 32 respondents also were not precisely answered but they preferred to say “maybe” and it is often meant “yes” in constructive way but 18 respondents rejected to recommend Omena hotels to anyone and only 2 respondents gave reasons of rejection, while the rest of them were silent. One of the reasons was that “there was no luggage rooms and they assumed that they would find it uneasy to move around with their luggage after check out at 12:00 am” while the other reason was that “there were noise from other rooms and nobody was around to stop them”.

5.11 Nearest future

Question 14 was asked to know if the respondents would like to stay in Omena hotels in nearest future. In the future 49 out 112 respondents agreed to revisit Omena hotels

and this means Omena hotels' services met or exceeded their expectation and perception, thereby customers (49) had enjoyed and experienced excellent self-services designed by Omena hotels Oy and there is absolutely possibility that they will revisit. While 42 customers' responses were "maybe" which means "yes" and it is good sign that company can receive from customers.

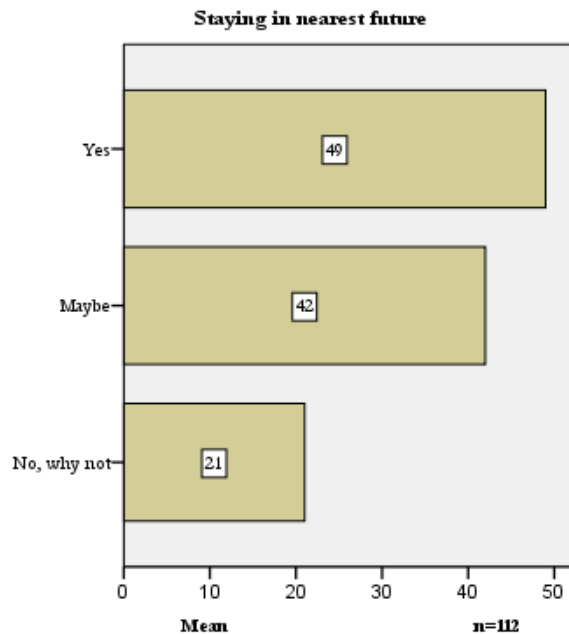


Figure 19 Staying in nearest future

On the other hand, 21 respondents rejected to revisit Omena hotels Oy and it was only 4 customers stated their reasons of not staying in the nearest future. Out of 4 reasons, 2 reasons were same and it was stated that they would like to visit another countries; thereby they won't be coming to Finland anymore. Also customer stated that she may like to visit different city and there is tendency that there won't be Omena hotels in such city and this is true because Omena Hotels only cover few cities in Finland. Lastly, the customer said that there is no point to revisit because she likes to experience new things. All these reasons were not negative responses towards Omena hotels. However, it is hard to guess the reasons behind 17 respondents that were silent.

5.12 Open questions

Question 15 was an open question to give respondents opportunities to freely express their opinions, suggestions, experiences, comments and greetings to the company and its services. This kind of open questions reveal some aspect of business operation that needs to be improved or modified. Several questionnaires were not answered and those questionnaires that were answered had almost the same responses.

There were quite a few positive feedbacks such as Omena hotels were very close to transportation routes, bars, clubs and shopping malls. Another one is that Omena hotels have an affordable price for families and friends. It has comfortable rooms, toilet and other hotel's necessity amenities.

Conversely, several respondents had commented on the issue of no waiting room like lobby and there is no luggage room. One respondent angrily said that it's super inconvenient for his families to move around with many luggage while some complained that there is no air condition and most of these comments were answered in Russian language. Also, one comment was based on driving instructions to the hotels' locations.

One respondent expressed disappointment on the check out and check in procedure and further explained that the door code was not secured but confirmed that decorations, corridors and restaurant breakfast were excellent. One wishful customer was begging for a sauna, gym room and swimming pool.

Overall, almost all the open feedbacks were positive with excellent compliments of the services, as well as constructive suggestions and recommendations for further improvements. It is observed that some of the respondents were not satisfied with self-reception and emergency phone services.

6 Discussions

This chapter allows the author to analyse the highly important results by connecting them to theoretical framework in chapter 3 of this study. The collected quantitative data has been presented in forms of different statistic tables and graphs in the previous chapter. This final chapter will provide conclusion, summarise the findings of the study as well as reliability and validity of the study and recommendation for the further research for the Omena hotels in order to improve customer service and satisfaction.

6.1 Conclusion

The result of the study showed that the self-reception service which differentiate Omena hotels from other hotels that utilize conventional methods. It has strongest impact in decision making of Omena hotels' customers and it gives privilege to customers to easily carry out their activities without interruptions from staffs. The purpose of this research was to assess and measure the level of customer satisfaction of Omena Hotels Oy in Helsinki region.

There are several positive open comments that support the fact that Omena hotels operate without a reception desk or reception personnel as all traditional reception tasks, have been completely installed automated using IT solution to offer services.

The result of customers' perceptions showed that the functional quality in hotels' services is considered to be very good. Thus, the discussion about technical qualities, some service facilities that include sauna, family or group dinner and subscription of extra TV program may need to be attentive when Omena hotels Oy considers to improve or upgrade the services that can satisfy customers' needs and wants.

Though, the basic idea in the Omena hotels' operational concept and the main promise of the company is to offer travelers high standard hotel accommodation at prime locations in city centers at a truly affordable, fixed room rate. It is high class, still inexpensive prices with inexpensive built-in auxiliary services. All these features are highly

graded and it is seemingly cleared that customers' perceptions and expectation are eventually met or even exceeded. Since the expectations of customers have been met, the result can be concluded that hotels have succeeded in its marketing performance and forming its customer's right image of the hotel.

Statistically, there are significant differences between genders, where male respondents were more satisfied and comfortable about the Omena hotels' services, whereas female respondents were not completely satisfied or comfortable. Many Finnish and Swedish nationalities gave most of positive feedbacks but other nationalities especially Russian speakers did complain about rooms, insecure door code and checking procedure.

When discussing about respondents who have made reservation, it can be clearly seen that those who made reservation by themselves were more satisfied in all aspects or services and their expectations were also exceeded. Those whose reservation was made by their friends, employers or via travel agency were more critical and unsatisfied on every aspect.

Respondents that are main purpose of visit were business, vacation and leisure had differences opinions about breakfast's cleanliness and abundance with quality of foods and hotel rooms' comfort, cleanliness and furnished. Also, business travelers were critical and less satisfied than leisure and vacation, but the respondents that visited due to their friends, concert, events and others were all satisfied with the breakfast and hotel rooms.

Most respondents who were females were more comfortable and satisfied with the hotel location and decoration, whereas males were not really concerned about those features. It is obvious that the Omena hotels locate at prime place that enables customers to move around the city freely. Also Omena hotels' internet service are running smoothly and this is contented by most of respondents. Lastly, the main concepts of customer service and service quality are both needed to achieve customer satisfaction.

6.2 Recommendations

According to the study that carries out on customer satisfaction survey, Omena hotels should utilize the study findings to improve their services for their customers and to satisfy the needs of customers. They should always inform their customers to tender their complaints via customer service channel as it will always indicate where to improve and then turn the complaints into opportunities by improving on the areas criticized about.

The outcome of this study indicates that the customers satisfy with the internet service, room decoration, corridors and simplicity of lodging in and out. It might be important or necessary for Omena hotels to try to build Gym room and sauna; to install TV-extra subscription program and to arrange family or group dinner. For the benefit of the Omena hotels Oy, this study depicted that some facilities could be improved and such facilities are door code system and security service.

It will be suggested that the further study can be carried out on the same customer satisfaction survey. It will help Omena hotels to improve their performance better as a company. Also customer satisfaction research should be carried out at least twice in a year in order to increasingly improve and keep the promise of business concept.

6.3 Reliability and Validity of the research

Validity and reliability of the research have to be examined on each phase of the research procedure that includes questionnaire structure, the sample, data collection method and proper analysis of findings (Bradley 2007, 64.) It does happen that research can be reliable but not valid, but if research approach is acutely valid, then it is also reliable (Chisnall 2001, 38.)

Reliability of the research means that the stability and consistency of the findings that are established from the study which means the measuring of questionnaire has no random-error variance (Ghauri & Gronhaug 2005, 80.) On the other hands, validity of

study means the research is measured and shown credibility of the study which has to do with accuracy and adequacy of the sample (Bradley 2007, 64.)

The questionnaire was well-structured and designed by using Likert scales and option-tested before executed. Data analysis via SPSS software was properly checked and verified before transforming it into frequencies tables and figures. Besides, SPSS quantitative software is a reliable tool that is important in transforming the quantitative data results. Also secondary data was double-checked and accurately proved to be reliable.

The sampling size of 225 was also considered to be reliable for this quantitative study, though, overall 149 questionnaires were returned, 112 responses were correctly and completely answered which make response rate of 49.78% of distribution. The target group was all the customers that visited the hotel during the given time period and they were randomly chosen. The background information of customers serves as another reliability of this study since the survey reaches all visitors and it does not matter what their ages, gender or purpose of visit are.

Quantitative research approach is measured to be the most valid tool for analyzing this kind of study due to questionnaire designed involves. The questionnaire was as well re-structured with the help of hotel representative and supervisor and it was designed to be simple, clear and easier to be filled in. Questionnaire was based on theoretical frame of references as well as it was designed to respond to research questions in order to increase the validity of findings.

Primary data was collected from reliable sources who were the hotel customers that stayed at the hotel at particular point in time. Thus, the secondary data was literature reviews that were gathered from various relevant theories like journal, online thesis and management texts. Data was collected for almost a month which increased the response rate. Method of analysis was valid to measure the issues of this study and conclusions show that the purpose which was to assess and measure the level of customer satisfaction have been achieved, therefore the whole results is considered to be valid.

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Appendices

Appendix 1 – Cover letter and the questionnaire

Dear guest,

By answering this questionnaire, it takes about 2 to 5 minutes to complete it. All answers are handled anonymously and confidentially. Your participation is important for the company's improvement so that we can identify the areas that are needed to be upgraded. Please circle or tick the most appropriate answer.

Thank you in advance for your time and comments

Best Regards,

Akinola Adesina Ebenezer

HAAGA-HELIA UAS & Omena Hotels

Date:.....

Room Number:.....

1. Age: Under 20 20-29 30-39 40-49 50-59 60 and above

2. Gender: Female Male

3. Nationality:.....

4. How many times you have stayed in our hotel during the past 12 months?

first time Twice Thrice 4-5 times More than 5 times Up to ten times
 Several times Unknown

5. Main purpose of your visit to Helsinki?

Business meeting Leisure & funs vacation & relax Concert & rock events Meeting friends Other, what

6. How was your reservation made?

Omena webpage Travel agency By phone Electronic service point “ kiosk” Other, what

7. How well did you satisfy with these following factors during your stay in our hotels? Please mark on the scale (1-5), in which (1=highly dissatisfied; 2=somewhat dissatisfied; 3=Neutral; 4= somewhat satisfied; 5= highly satisfied)

Television in-built system	1	2	3	4	5
Comfort of bed	1	2	3	4	5
Uninterrupted Internet	1	2	3	4	5
Location and its environment	1	2	3	4	5
Neatness of the rooms and corridors	1	2	3	4	5
Lobby decoration and paintings	1	2	3	4	5
Size of room & amenities	1	2	3	4	5
5-digits Door code	1	2	3	4	5
Online self-bookings	1	2	3	4	5
Electronic service point “Kiosks”	1	2	3	4	5

8. How important these following factors are meant to you if Omena Hotels Oy decides to include it in the hotel premises? Please mark on the scale (1-4) 1=not needed; 2=Nice to have; 3=Very important; 4=critical required

	1	2	3	4
Gym room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Single reception and emergency desk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public sauna	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subscription of Extra TV-Programs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Family or group dinner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. In your own opinions, do you agree that Omena Hotels Oy or Oy's?

Please mark on the scale (1-5): 5=strongly agree, 4=Agree, 3= Neutral, 2= Disagree, 1= strongly disagree

Sends instant gratification	1	2	3	4	5
Sends booking confirmation	1	2	3	4	5
Has simplicity of lodging in	1	2	3	4	5
Services are reliable and secured	1	2	3	4	5
Services' prices equal quality	1	2	3	4	5
Service is unique and convenient	1	2	3	4	5
Has inexpensive fixed room rate	1	2	3	4	5
Has Easy access to transportation routes	1	2	3	4	5
Is very near to shopping malls	1	2	3	4	5
Closeness to restaurant and clubs	1	2	3	4	5
Offers services discount	1	2	3	4	5

10. How would you rate us in the following scale: 1-very dissatisfied; 2-quite dissatisfied; 3-neutral; 4-quite satisfied; 5-Very satisfied. Please circle appropriate ratings.

a. Hotel self-reception

Efficiency and effective	1	2	3	4	5
Secured and friendly	1	2	3	4	5

b. Hotel room

Cleanliness and freshness	1	2	3	4	5
Comfort and peacefulness	1	2	3	4	5
Fully furnished and equipped	1	2	3	4	5

c. Breakfast service

Cleanliness	1	2	3	4	5
Abundance	1	2	3	4	5
Quality of the food	1	2	3	4	5
Cheaper price	1	2	3	4	5

d. Other auxiliary services

Airport shuttle service	1	2	3	4	5
Parking space	1	2	3	4	5
Free Internet service	1	2	3	4	5
Hotel location	1	2	3	4	5
Emergency call	1	2	3	4	5
Customer safety via personal door code	1	2	3	4	5

11. How well did our services meet your expectations?

	Didn't meet	Below	Meets	Exceeds
Quality and value for the price paid	1	2	3	4
Our hotels' safety and convenience	1	2	3	4
Our hotels' location and environment	1	2	3	4
Use of online booking or reservation and payment	1	2	3	4
Hotels' self-service "no-check in & check out procedure	1	2	3	4
Overall, expectation of other services	1	2	3	4

12. Would you recommend our hotel to your friends, colleagues and families?

Yes No Maybe

13. Would you like to stay in our hotel in nearest future?

Yes No Maybe

14. In two or more sentences, Suggestions on how we could improve our service?

.....
.....

Thank you for your participation!

Appendix-2 Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Age	112	1	6	3,00	1,280
Gender	112	1	2	1,41	,494
Nationality	112	1	12	7,07	3,697
Number of Staying	112	1	8	2,42	2,030
Purpose of Visting	112	1	6	2,93	1,374
Reservation	112	1	5	2,07	1,620
Television in-built system	112	1	5	3,38	1,303
Comfort of bed	112	1	5	4,04	1,094
Uninterrupted Internet	112	2	5	4,07	1,046
Location and its environment	112	2	5	4,29	,917
Rooms & corridors' neatness	112	2	5	4,14	,847
Lobby decoration & paintings	112	1	5	3,63	,968
Size of room & amenities	112	1	5	3,98	,930
5-digits door code	112	2	5	4,22	,965
Online self-bookings	112	1	5	3,72	1,357
Electronic service point "Kiosk"	112	1	5	3,45	1,047
Gym room	112	1	4	2,04	1,098
Reception and emergency desk	112	1	4	1,85	,912
Public Sauna	112	1	4	2,02	1,090
Subscription of Extra TV-program	112	1	4	3,04	,948
Family or group dinner	112	1	4	2,41	1,135
Send instant gratification	112	1	5	3,88	1,020
Sends booking confirmation	112	1	5	4,26	1,020
Has simplicity of lodging in	112	2	5	4,14	1,003
Services are reliable and secured	112	2	5	3,94	,913
Services' prices equal quality	112	2	5	3,72	1,067
Service is unique and convenient	112	1	5	3,79	,895
Has inexpensive fixed room rate	112	1	5	3,89	,924
Has easy access to transportation routes	112	1	5	4,17	,948
Is very near to shopping malls	112	1	5	4,06	1,068
Closeness to restaurant and clubs	112	2	5	4,04	,986
Offers services discount	110	1	5	3,78	,999
Efficiency and effective	112	1	5	3,84	1,111
Secured and friendly	112	1	5	3,88	1,080
Cleanliness and freshness	112	2	5	3,61	,962
Comfort and peacefulness	112	1	5	3,66	1,190
Fully furnished and equipped	112	1	5	3,64	1,073
Cleanliness	112	1	5	2,79	1,204
Abundance	112	1	5	2,96	1,052
Quality of the food	112	1	5	3,08	1,058
Cheaper price	112	1	5	3,25	1,035
Airport shuttle service	112	1	5	3,28	1,261
Parking space	112	1	5	3,46	1,301
Free internet service	112	1	5	3,77	1,074
Hotel location	112	1	5	4,07	,937
Emergency call	112	1	5	3,60	,991
Customer safety via personal door code	112	1	5	3,35	,965
Quality and value for the price paid	112	1	4	2,93	,681
Our hotels' safety and convenience	112	2	4	3,12	,549
Our hotels' location and environment	112	2	4	3,21	,602
Use of online booking or reservation and payment	112	2	4	3,21	,592
Hotels' self-service "no-check in & out"	112	2	4	3,16	,692
Overall, expectation of other services	112	1	4	2,98	,684
Recommendation	112	1	3	1,73	,880
Staying in nearest future	112	1	3	1,94	,903
Valid N (listwise)	112				

Appendix-3 Frequencies statistics

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Under 20	5	4,5	4,5	4,5
20-29	43	38,4	38,4	42,9
30-39	37	33,0	33,0	75,9
Valid 40-49	8	7,1	7,1	83,0
50-59	12	10,7	10,7	93,8
60 and above	7	6,3	6,3	100,0
Total	112	100,0	100,0	

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Female	66	58,9	58,9	58,9
Valid Male	46	41,1	41,1	100,0
Total	112	100,0	100,0	

Nationality

	Frequency	Percent	Valid Percent	Cumulative Percent
Canada	8	7,1	7,1	7,1
China	7	6,3	6,3	13,4
England	5	4,5	4,5	17,9
Finland	20	17,9	17,9	35,7
France	4	3,6	3,6	39,3
Germany	6	5,4	5,4	44,6
Valid Latvia	11	9,8	9,8	54,5
Norway	5	4,5	4,5	58,9
Slovakia	8	7,1	7,1	66,1
Sweden	10	8,9	8,9	75,0
Switzerland	6	5,4	5,4	80,4
Russia	22	19,6	19,6	100,0
Total	112	100,0	100,0	

Number of Staying

	Frequency	Percent	Valid Percent	Cumulative Percent
First time	61	54,5	54,5	54,5
Twice	7	6,3	6,3	60,7
Thrice	23	20,5	20,5	81,3
4-5 times	6	5,4	5,4	86,6
Valid More than 5 times	2	1,8	1,8	88,4
Up to ten times	2	1,8	1,8	90,2
Several times	7	6,3	6,3	96,4
Unknown	4	3,6	3,6	100,0
Total	112	100,0	100,0	

Purpose of Visit

	Frequency	Percent	Valid Percent	Cumulative Percent
Business meeting	19	17,0	17,0	17,0
Leisure & funs	20	17,9	17,9	34,8
Vacation & relax	49	43,8	43,8	78,6
Valid Concert & rock events	4	3,6	3,6	82,1
Meeting friends	14	12,5	12,5	94,6
Other what	6	5,4	5,4	100,0
Total	112	100,0	100,0	

Reservation

	Frequency	Percent	Valid Percent	Cumulative Percent
Omena webpage	73	65,2	65,2	65,2
Travel agency	5	4,5	4,5	69,6
By phone	9	8,0	8,0	77,7
Valid Electronic service point	3	2,7	2,7	80,4
"Kiosk				
Other what	22	19,6	19,6	100,0
Total	112	100,0	100,0	

Frequencies Statistics

	N		Mean	Sum
	Valid	Missing		
Television in-built system	112	0	3,38	379
Comfort of bed	112	0	4,04	453
Uninterrupted Internet	112	0	4,07	456
Location and its environment	112	0	4,29	481
Rooms & corridors' neatness	112	0	4,14	464
Lobby decoration & paintings	112	0	3,63	407
Size of room & amenities	112	0	3,98	446
5-digits door code	112	0	4,22	473
Online self-bookings	112	0	3,72	417
Electronic service point "Kiosk"	112	0	3,45	386
Gym room	112	0	2,04	228
Reception and emergency desk	112	0	1,85	207
Public Sauna	112	0	2,02	226
Subscription of Extra TV-program	112	0	3,04	340
Family or group dinner	112	0	2,41	270
Send instant gratification	112	0	3,88	435
Sends booking confirmation	112	0	4,26	477
Has simplicity of lodging in	112	0	4,14	464
Services are reliable and secured	112	0	3,94	441
Services' prices equal quality	112	0	3,72	417
Service is unique and convenient	112	0	3,79	424
Has inexpensive fixed room rate	112	0	3,89	436
Has easy access to transportation routes	112	0	4,17	467
Is very near to shopping malls	112	0	4,06	455
Closeness to restaurant and clubs	112	0	4,04	452
Offers services discount	112	0	3,78	416
Efficiency and effective	112	0	3,84	430
Secured and friendly	112	0	3,88	435
Cleanliness and freshness	112	0	3,61	404
Comfort and peacefulness	112	0	3,66	410
Fully furnished and equipped	112	0	3,64	408
Cleanliness	112	0	2,79	312
Abundance	112	0	2,96	331
Quality of the food	112	0	3,08	345
Cheaper price	112	0	3,25	364
Airport shuttle service	112	0	3,28	367
Parking space	112	0	3,46	388
Free internet service	112	0	3,77	422
Hotel location	112	0	4,07	456
Emergency call	112	0	3,60	403
Customer safety via personal door code	112	0	3,35	375
Quality and value for the price paid	112	0	2,93	328
Our hotels' safety and convenience	112	0	3,12	349
Our hotels' location and environment	112	0	3,21	359
Use of online booking or reservation and payment	112	0	3,21	360
Hotels' self-service "no-check in & out"	112	0	3,16	354
Overall, expectation of other services	112	0	2,98	334
Recommendation	112	0	1,73	194
Staying in nearest future	112	0	1,94	217