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Hotel Rebranding: Marketing Plan

Piter Inn Petrozavodsk



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ABSTRACT

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This thesis is commissioned by Piter Inn Petrozavodsk, the biggest hotel in Karelia, Russia. The hotel has been a franchise of the Park Inn brand until August of 2017, when the owner had decided to relinquish the franchise and changed the name to Piter Inn Petrozavodsk. Thus, this study aims to provide the company with marketing plan that will help solve the main research problem: how to rebrand the hotel.

The research is mainly based on marketing tools, such as marketing mix, PESTEL, SWOT, and Porter's five forces. Additionally, the study shows the basic fundamentals of strategic management, online marketing, and branding.

The analyses for the research are based on quantitative and qualitative methods. The data collection methods are the questionnaire for the guests and face-to-face interviews with the directors of various departments respectively.

The results and findings of the thesis are associated with the changes in the company's operations and marketing actions. The suggested strategies and ideas can be a source of gaining a competitive advantage for the hotel. According to the research outcome, all findings and recommendations should be considered as guidelines and supportive material.

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1 INTRODUCTION

This thesis is focusing on hotel's rebranding and creating new strategies and brand. Rebranding is necessary when a company needs to position itself differently in the market and in customers' minds.

Considering the reason for the rebranding, this thesis is important for the commissioning party as it is aimed at providing the hotel with the required theoretical information and empirical data. The main goal of this work is to help the hotel develop an authentic, new and independent brand that is not associated with the franchise. That is why, the authors decided to conduct a marketing plan to analyze a market situation, competitors and a future of the hotel. Four supportive sub questions of the research are linked to the main goal: 1. How to retain customers? 2. How to attract new clientele? 3. How to develop hotel's profitability? 4. How to increase brand awareness? This work benefits the hotel in a way that the management can take offered suggestions and ideas into action, implement a strategy, create a brand that will not imitate the franchise, and find something new for marketing.

In order to make a research for the marketing plan, analyze the micro- and macroenvironment of the hotel, and make any assumptions concerning marketing and brand ideas, the authors conducted a questionnaire for guests and face-to-face interviews for departments' head managers.

As most of the corporate information is confidential, it is impossible to analyze the financial aspect of the marketing plan. The authors also decided to omit possible scenarios from the marketing plan and some of the strategies, as they are irrelevant to the case.

2 THEORETICAL BACKGROUND

This part contains literature review concerning Hospitality management and marketing in order to understand how the hotel operates generally. The main research problem of the thesis is to find proper answers to the question “How to rebrand the hotel?” and other four sub questions. Thus, it is important to use the knowledge of marketing and branding. As regards to hospitality marketing, authors chose such models as SWOT (Strengths, Weaknesses, Opportunities, Threats), PESTEL (Political, Economic, Social, Technological, Environmental, Legal), Marketing mix, and Porter’s five forces to apply to the marketing plan for Piter Inn and analyze micro- and macroenvironment of the hotel. Additionally, branding theory is also described as it is the outlines of the thesis.

2.1 Hospitality management

Kvartalnov (2007) wrote that the sphere of hospitality is the leading factor and the cornerstone of tourism (p. 61). Indeed, hotels and food&drinks services play a very important and inalienable role in hospitality industry.

Hotel Piter Inn Petrozavodsk can be segmented as a midscale hotel with F&B (Food and Beverage) according to Platonova et al (2016). It meant that the hotel is located in the city (any area) and has limited services and inside infrastructure offered.

Before the transition, the hotel was a franchise (i.e. “a method for expanding a business and distributing goods and services through a licensing relationship” (What Is a Franchise, IFA) managed by the professional management company Conglomerate “Piter” (franchisee) and the franchisor Carlson Rezidor Hotel Group. Now, the hotel Piter Inn Petrozavodsk is managed by the owner (Conglomerate “Piter”). In regards to a managerial style, the hotel’s organizational structure is linear-functional (see Figure 1). Such structure means that full power is assumed by a line manager (or director), who leads a certain team (Platonova et al, 2016, 196).

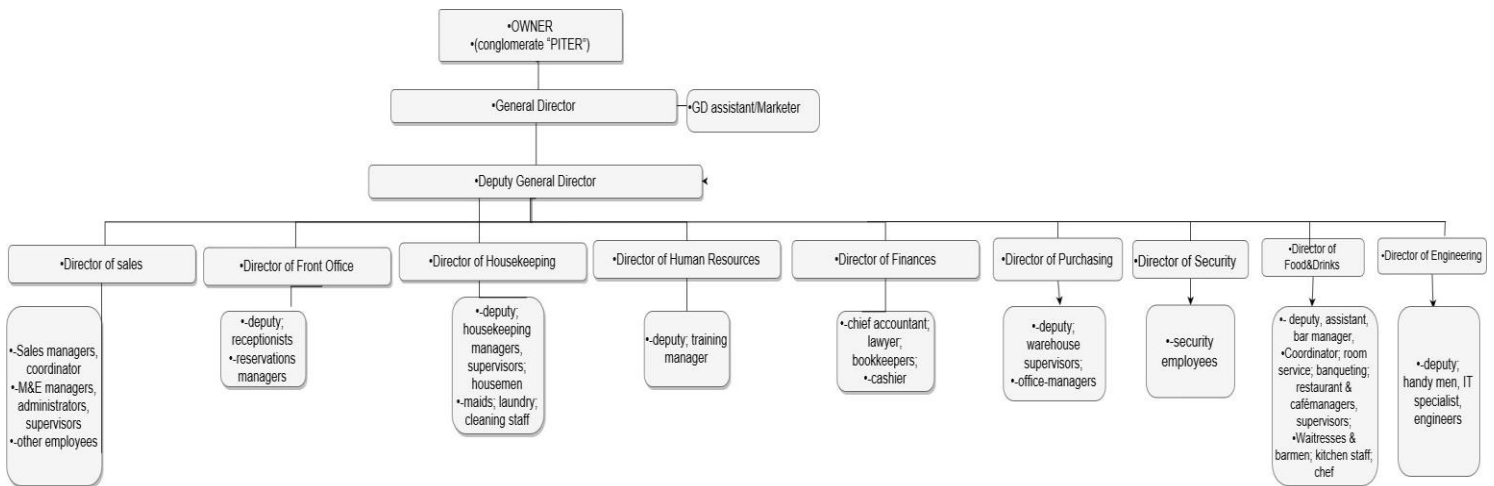


Figure 1. Organizational chart of Piter Inn

Adopted from the interview with the Director of sales

“A hotel is not simply a premises with rooms, food and beverage services, but a business oriented towards a constantly changing clientele.” (Page 2009, 266). Generally speaking, hotels are considered to be service businesses. This means that services they offer and sell are intangible (i.e. they cannot be seen, felt, tasted, heard, or smelled before they are bought), inseparable (i.e. usually produced and consumed at the same time), variable (i.e. they depend on the provider, time and place they are provided), and perishable (i.e. they cannot be stored). According to Kotler (1991), services have many different variations in terms of ownership, objectives, needs, and other aspects (p. 455). Applying Kotler’s statement, it is safe to say that services of the Hotel Piter Inn Petrozavodsk are people based, require the client’s presence, and meet both personal and business needs, and service providers are profitable and private.

Page (2009) stated that “aside from the owners and managers who are responsible for delivering accommodation products and experiences to visitors on a daily basis, a wide range of other stakeholders interact with the sector” (p. 261). This means that every entity in the hotel operation is important, such as government, investors, suppliers, etc.

2.2 Hospitality marketing

Kvartalnov (2007) states that marketing in tourism (either in Russia or Europe) does not get enough attention, as entrepreneurs rely only on practical matters that they have ex-

perience in and they do not need any marketing researches (p. 239). Such tendency was also noticed in Park Inn by Radisson Petrozavodsk as this particular hotel had minimum advertisements and lacked accurate market analyses. However, market researches are extremely important for the hotel because again according to Kvartalnov (2007) they help reveal problems impeding effective business operations, reasons to those problems and possible ways of dealing with them, and future tendencies on a touristic market (p. 246).

Marketing planning helps link hotels' goals and resources to their marketing opportunity and provide the best use of resources. (Holloway and Robinson 1995, 14). That is why the outcome of this thesis is the marketing plan for Piter Inn. The hotel needs a new stable strategy after giving up the international brand.

2.2.1 Marketing strategy and marketing mix

Marketing strategy and Marketing mix is the main focus in the theoretical background of this thesis. Marketing strategy is a marketing logic by which the company hopes to create this customer value and achieve these profitable relationships. It consists of various steps and points that are defined in more details as the thesis proceeds.

The marketing strategy consists of four levels that also can be found in Figure 2: 1. *Customer Value&Relationships* which stands right in the center as every company aims to create customer value-driven marketing strategy and establish long-term customer relationships; 2. Then, the company needs to segment - divide the market (*Segmentation*) and decide which segment it is going to target (*Targeting*). Also, the company needs to decide how to proceed with targeting (*Differentiation* and *Positioning*); 3. The third level is *Marketing mix* which is the set of practical marketing tools – product, price, place, promotion – that the firm blends to produce the response it wants in the target market; 4. After the mix, the company follows *marketing analysis, planning, implementation and control*.

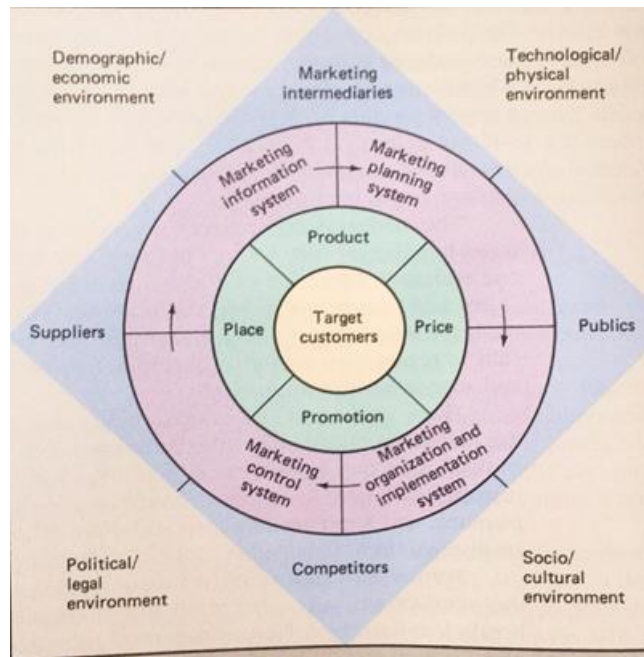


Figure 2. Forces influencing company's marketing strategy (Kotler, 1991)

Now, the detailed description of each level of marketing strategy is proceeded.

1. Each company aims to create customer value-driven marketing strategy. The company should consider different customers' needs and wants in order to achieve long-term customer relationships. The company is able to serve different segments differently. So, in order to be more profitable and customer-oriented, it needs to choose the main segments of customers it is willing to serve and can serve better. This involves market segmentation, targeting, differentiation and positioning.
2. Market segmentation is the process of dividing market into distinct groups of buyers who have different needs, characteristics or behavior, and who might require separate products or marketing programs. Thus, a company needs to identify which groups of customers it can serve the best way. After dividing a market, it is beneficial to choose one or several main customer segments and proceed with targeting them. At the beginning, the company may choose only one segment, and if it is profitable it can add more targets. The detailed description of segmentation and targeting is described below. After deciding which customers to target, the company needs to identify how it will differentiate its product. It is important to gain competitive advantage over other rivals. Positioning is the place the company's product takes in the minds of customers relative to competi-

tors' ones. The company can choose either low price strategy or differentiation strategy.

- When a company has chosen its overall marketing strategy, it begins to design and plan one of the most important concept – marketing mix, which successful planning is vital for a company. Marketing mix that is presented in Figure 3 is the set of practical marketing tools – product, price, place, and promotion – that the firm blends to produce the response it wants in the target market. The company uses marketing mix to position itself in target markets.

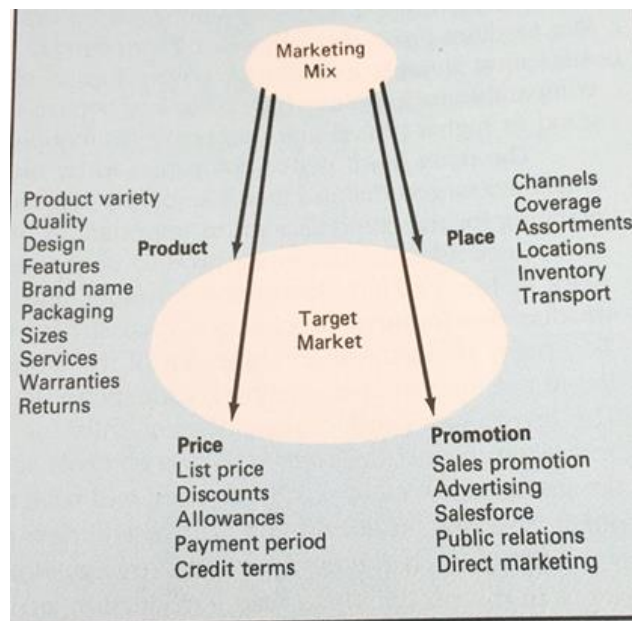


Figure 3. Marketing mix (Kotler, 1991)

- The next stage would be analyzing the market; the company needs to make a complete analysis of its situation. A company performs SWOT analysis in which it identifies its overall strengths, weaknesses, opportunities and threats. More detailed description of SWOT analysis technique is provided in a separate section of the thesis.

Adopted from Kotler (1991).

According to Kotler (1991), the core of strategic marketing is STP marketing - segmenting, targeting and positioning. So, target marketing includes three major steps. At the first step of market segmentation, which is “the act of dividing a market into distinct groups of buyers who might require separate products and/or marketing mixes”, a company needs to identify segmentation variables and “develop profiles of resulting market

segments". The next step is market targeting - "the act of developing measures of segment attractiveness and selecting one or more market segments to enter". And the final step is product positioning that includes identifying possible positioning concepts for each target segment and selecting, developing and communicating those concepts (p. 262-263).

To segment consumer markets a company has to look at the variables.

According to Kotler (1991) the major segmentation variables include: *geographic segmentation*, where market is divided into geographic units such as region, city, state, density, nation, country. A company can decide to operate in one or several geographic units or in all of them. The next variable is *demographic*. This segmentation divides a market based on such variables as age, sex that is usually applied in clothing, cosmetics, family size and life-cycle, income, occupation, education, religion, race, nationality. Demographic variables are the most often used for segmentation as "consumer wants, preferences, and usage rates are often highly associated with demographic variables and are easier to measure than most other types of variables". *Psychographic segmentation*, where customers are divided into groups based on social class which has a strong influence on buyer's preferences, lifestyle, or personality because brand personalities correspond to consumer personalities. Next follows *behavioral segmentation*, considering buyers' knowledge, occasions, benefits that is "a powerful form of segmentation is the classification of buyers according to different benefits they seek from the product. Benefit segmentation usually implies that a company should focus on satisfying one benefit group". Behavioral segmentation also includes usage rate where customers are divided into light-, medium-, and heavy-user groups. User status is also related to behavioral segmentation including nonusers, ex-users, potential users, first-time users, and regular users of a product. Moreover, this segmentation variable includes loyalty status as different customers are loyal to different amount of brands, readiness stage, and attitude towards product (p. 268-275).

Moreover, a segmentation needs to be effective and useful, so it needs to exhibit four characteristics:

1. **Measurability:** how the size and purchasing power of the segments can be measured.
2. **Sustainability:** segments should be profitable/large.
3. **Accessibility:** chosen segments should be easily reached and served.

4. Actionability: there have to be effective programs for attracting and serving the segments.

After segmenting the market, a company evaluates each of the segments and decides which ones to enter. So, the company faces target market selection problem. According to Kotler (1991) it can consider five patterns of target market selection: the first is *single-segment concentration*, where a company chooses only one segment to serve. The other is *selective specialization*, where a company selects several segments and matches its objectives and resources. The third one is *product specialization*, when the company focuses on making a certain product and sells it to several chosen segments. The fourth is *market specialization*, where a company focuses on satisfying different needs of a certain market segment. And the last one is *full market coverage* - a company serves all customer groups (p. 281-282).

To be successful in the market and be able to earn profit a company needs to monitor and analyze microenvironmental and macroenvironmental forces. Macroenvironmental forces are demographic, economic, technological, political, legal, social, and cultural forces. Customers, competitors, distribution channels, and suppliers relate to microenvironmental forces. Marketing opportunity is an area of need in which a company can perform profitably, therefore, when performing environmental scanning a company needs to identify new opportunities. However, sometimes new opportunities can arise because of unmet consumers' needs. (Kotler et al, 2017)

Environmental threat is a challenge posed by unfavorable trends or developments that would lead without marketing actions to sales or profit deterioration. Some threats can be more serious affecting company's profitability than others, thus those should be classified according to this seriousness. Moreover, today building risk management system is essential for the business as companies need to study and predict the impact of threats. (Kotler 1991, 45-455)

Goal Formulation

According to Kotler et al (2017) the next stage after defining a company's mission, analyzing the environment, and conducting SWOT is setting specific objectives and goals. When a company thinks about objectives it usually sets a mix of those. This could be profitability and sales growth objectives, market share objectives. Moreover, a business needs to decide and sort objectives from the most important to the least. When setting objectives management should follow SMART criteria - objectives must be specific (tar-

get a specific area of improvement), measurable (quantify or suggest an indicator of progress), assignable (specify who will implement that), realistic (the results should be realistically achieved), time-related (specify when the results can be achieved, specify time frame). Apart from that company's objectives need to be consistent. Particularly in the hotel industry challenges in setting and formulating goals can arise due to agreements between hotel owners and companies that operate a hotel. After goals are set, a company proceeds with strategy - goals answer the question what a company wants to achieve and the strategy answers how its goals will be achieved. There are three generic types of strategy for achieving competitive advantage that Michael Porter has suggested:

1. Overall cost leadership. This type of strategy is based on achieving lowest costs. Kotler (1991) points that "Firms pursuing this strategy must be good at engineering, purchasing, manufacturing, and physical distribution and need less skill in marketing." (p.54) However, there is a problem with this strategy as other companies usually emerge with still lower costs.
2. Differentiation. This strategy is based on achieving superior performance by a company and possessing unique features. Also, there are some companies that pursued a combination of low-cost and differentiation strategies with a hybrid approach.
3. Focus. In this strategy a business does not follow a large market but focuses on one particular or narrower market segment. With the chosen segment a firm realizes either low cost or differentiation strategy.

Not all brand, product or service differences are meaningful for the customers. So, the company needs to choose how to differentiate itself from its competitors in a right way. Criteria for differences to establish according to Kotler (1991) are: important (valuable to buyers), distinctive (offered in a distinctive way), superior, communicable, and preemptive (cannot be copied easily by the company's competitors), affordable, profitable (p.301). The company needs to develop positioning strategy which according to Kotler (1991) "is the act of designing the company's offer so that it occupies a distinct and valuable place in the target customers' minds" (p. 302).

Marketing planning

Every marketing plan is based on strategic planning, so solid and strong marketing strategy would be a foundation for a successful marketing plan. Therefore, a lot of attention should be paid to what marketing strategy a company would follow.

In order to achieve sustainable competitive advantage a company needs a long-term approach which would help with the planning of basic and fundamental goals. Marketing strategy fulfills this role. According to Homburg et al (2009), a company uses strategic planning to analyze the current situation which is vital before formulating, evaluating and selecting competitive position which would fulfill company's goals and objectives. There are three simple questions that a company needs to answer when choosing a successful marketing strategy: "(1) Where are we now? (2) Where are we going? and (3) How are we going to get there?". In order to answer these strategic marketing questions a company needs to conduct both research and analysis applying sophisticated skills.

Implementation

Implementation stage which follows planning stage is essential and important. For the successful implementation a company needs to clearly communicate its strategy to its employees and make them understand that they take an important part in realizing the strategy. Employees need to clearly understand a company's strategy, their roles in carrying it out and cooperate with each other and work as a team. Moreover, in order to implement the strategy a company needs to possess required resources that also include skilled and knowledgeable employees. (Kotler et al, 2017)

Feedback and control

After implementation stage a company needs to monitor and evaluate results and keep up with new developments in the environment as the environment is changing rapidly. Therefore, a company will need to review its strategy or objectives and adapt them to the new conditions. (Kotler et al, 2017)

2.2.2 Marketing tools and techniques

SWOT

SWOT analysis is a method of primary assessment of current situation considering Strengths, Weaknesses, Threats, and Opportunities. Strengths and weaknesses are in-

ternal environment factors that a company already has at the moment. Opportunities and threats are the factors of the external environment, that influence a company, they can happen, or they may not happen.

Strengths and weaknesses are estimated by the same parameters. In business, the strengths are assessed primarily on the following characteristics: the uniqueness of the product; management and human resources in general including the competence and experience of the staff; the presence of precise system; well-organized sales department which is a very important factor of success, the lack of a sales department is a serious obstacle; sophisticated marketing policy and availability of production costs.

Business opportunities and threats are primarily assessed on the following parameters: tendencies of the market such as increase or decrease in demand; economic situation in the country - in the years of economic growth, business, with other conditions being constant, will grow proportionally with the growth of the economy, and vice versa; competition; infrastructure changes as major changes in infrastructure can promise both profit and loss; legislation and political trends and technological changes. (SWOT analysis (rules and examples))

PESTEL

PEST analysis is another marketing tool that is used to determine *Political, Social, Economic, and Technological* factors of macroenvironment that influence a company. Extended version of PEST analysis is PESTEL with added *Legal and Environmental factors*. *Political* factors that influence the business may include taxes, set by the government, legal and regulatory interference in the market activities. *Economic* factors can be general macroeconomic background including economic growth, inflation, interest and exchange rates. *Social* factors are: general social background including trends related to the population, types of consumption, and population distribution by age. *Technological* factors include trends in R&D and innovations that can affect the production as well as threats from substitute products. *Environmental* factors are: trends related to weather and climate, the impact of the climate change on the company's operation and customer preferences. *Legal*: trends in legislative activities affecting the firm's operations and decisions taken there, including those related to hiring personnel, creating an environment that ensures health and safety of work, as well as anti-monopoly activities, consumer protection, capital adequacy in financial institutions and laws about management. (Kotler 1991, 45-455)

Porter's five forces

Competitive structure of an industry was introduced by Michael Porter and include "five forces that together determine the intensity of competition" (Powers 1997, 122). This model is known as Porter's five forces that relate to microenvironment as it consists of those forces close to a company and used for external analysis. The competitive environment consists of factors in the task of industry environment that are particularly relevant to a firm's strategy. Those factors are existing and potential competitors, customers or buyers, and suppliers.

Porter's five forces model of industry competition includes: potential entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat substitutes, and the intensity of rivalry among competitors in the industry

Let's proceed with each component of the model separately.

The threat of new entrants

Industries that are profitable and promise high returns are attractive for new firms. The more of new firms in the industry are the less profitability of the existing companies (Powers 1997, 122). According to Michael Porter (1980), the threat of new entrants depends on existing in the industry barriers to entry, because those can make it costly for potential competitors to enter the industry. These barriers can be the following: economies of scale (which is cost reduction associated with large output); product differentiation; capital requirements, switching costs; access to distribution channels; cost disadvantages independent of scale.

The bargaining power of buyers

Buyers can force down prices, bargain for higher quality or more services, play competitors against each other. Buyers are most powerful when: they are few in number and purchase in large quantities; they can choose between equivalent products of different companies; they can switch easily between offerings of different companies so the switching cost for buyers is low; backward integration is possible.

The bargaining power of suppliers

Suppliers can exert bargaining power by threatening to raise prices or reduce the quality of purchased goods and services. Supplier groups are powerful when: only a few firms dominate the industry; there is no competition from substitute products; suppliers sell to

several industries; buyer quality is affected by industry product; products are differentiated and have switching costs; forward integration is possible

On the other hand, firms have greater power over suppliers when: they purchase in large quantities; they can choose between multiple suppliers; switching costs are low; firms are not dependent on any supplier for important inputs.

The threat of substitute products and services

Michael Porter (1980) indicated that substitute products can be existing or potential products and services which are able to perform the same function. Substitute products and services limit the potential returns of an industry by placing a ceiling on the prices that firm can profitably charge. Substitutes come from another industry and can satisfy similar customer needs, so the existence of substitutes is a threat. The more attractive the price/performance ratio, the more the substitute erodes industry profits.

The intensity of rivalry among competitors in the industry

“For most industries the intensity of competitive rivalry is the major determinant of the competitiveness of the industry. Having an understanding of industry rivals is vital to successfully market a product. A business must be aware of its competitors marketing strategy and pricing and also be reactive to any changes made” (Powers 1997, 122)

Rivalry tactics include price competition, advertising battles, new product introductions, increased customer service or warranties. The intensity of rivalry depends on how close the product to a commodity (a product or service that is difficult to differentiate from those produced by rivals). Interacting factors that lead to intense rivalry are: numerous or equally balanced competitors; slow industry growth; high fixed or shortage costs; lack of differentiation or switching costs; capacity augmented in large increments; high exit barriers.

2.2.3 Branding

The word "brand" denotes a name, a sign or a symbol that identifies the seller's products and services. “A brand is the source of a distinctive promise for customers from a product, service or place. Everything the lead organization does in collaboration with its partners and community should be oriented around delivering and constantly enhancing this promise”. (Baker 2012, 193) "Brand-building" means creating a brand. Branding - tar-

geted marketing activities to create long-term consumer preferences for the product. Branding is actually the process of creating and developing a brand, a way to differentiate products, a tool for promoting products to the market and creating a long-term customer relationship based on the brand values that are relevant to consumers. To put it more briefly, branding is a complex of successive measures aimed at creating a holistic and popular image of a product or a service for consumers.

The purpose of branding is to create a clear image of the brand and a clear formation of the direction of communications. Branding includes working on market research, product positioning, brand name creation, descriptor, slogan, visual and verbal identification systems (trademark, corporate identity, packaging, special sounds, etc.), and the use of identification and communication carriers, reflecting and translating the idea of the brand. The main goal of branding is to convey the essence of the proposal to the target market designed as a trademark, forming positive attitude towards this brand. (Muzykant, 2016, 141)

During the process of branding, the brand may stretch and expand. Stretching occurs when a new product appears under the same name, the product category, destination, target market, brand identity remains unchanged, and only the benefit for the consumer changes.

Expansion of the brand is the spread of the brand to a new segment of consumers or an adjacent commodity category. For example, "Nivea" cosmetics was originally female, but began to develop male cosmetics, releasing "Nivea for man".

Sub brand (brand within the brand) is often used. In this case, in order to cover more segments of consumers with the brand, the company develops a new product, which differs from the basic model in greater simplicity. (Muzykant, 2016, 141)

A set of products promoted under one brand is called a brand family. Using the promotion of the brand family allows using common distribution and promotion channels, thus saving money. Also, in order to save money, joint branding is used, when several brands agree to develop together.

There are five main stages of branding. Firstly, a company analyzes market situation and the target market i.e. the current state of the brand, if it is already established. Next follows planning which includes formulating the nature of the brand, positioning and developing brand management strategy. The third step is brand building which is creating a system of visual and verbal identification, developing a brand image, creating a set of

brand documents. After that a company thinks of brand promotion including the use of integrated marketing communications to create a strong relationship between consumers and the brand. The fifth step is brand monitoring and evaluation of the effectiveness of actions. (Baker, 2012).

Each brand possesses certain brand attributes - functional, emotional, or rational associations which are given to the brand by its present or potential customers.

One of the important brand components is the brand identity which is an associative series when a certain font, style, color, logo, character enhance memorability meaning make a brand more memorable for consumers and associate with the brand. "The brand identity comprises the unique set of visual, auditory, and other stimuli that project the brand through its many applications in order to shape market perceptions". (Baker 2012, 194) Usually the character of the brand is created and brand identity is created on its basis. Those should not contradict each other - identity should be associated with the character of the certain brand. Brand character is used to make the correct version of identity.

The brand image means the visual image of the brand, formed by means of advertising. It is an idea of a brand that reflects brand-related associations that remain in the customer's memory, "how the brand is perceived from the customer's point of view". (Baker 2012, 194) According to Keller (1998), these associations can vary in strength - availability of information, adequacy - accordance of generated information to customer requests and uniqueness - an indicator that this association is not characteristic of competing brands (as cited in Muzykant 2016, 141).

Brand image helps the consumers process the information, distinguish a brand from others, create intangible advantages, and stimulate buying.

When creating a brand image, the physical properties of the product, and consumers' feelings that it causes are taken into account. There is an appeal not only to consciousness, but also to emotions and subconscious.

Rebranding

"Rebranding is a marketing strategy in which a new name, term, symbol, design, or combination thereof is created for an established brand with the intention of developing

a new, differentiated identity in the minds of consumers, investors, competitors, and other stakeholders” (Muzellec, Lambkin 2006, 803-804).

Proceeding with rebranding a company is aiming to improve segmentation so that the customer values are reflected better in it. Complete rebranding implies consistent change of every element of the trade mark - name, its attributes and image.

Typology of rebranding includes: the change of the company’s product applying new materials and technologies, repositioning of the product for another market segment, introduction of new innovations in the product, and the change of the market for the new product.

Rebranding includes several key aspects:

Marketing audit

Measuring brand’s “health”: knowing the customers and their loyalty to the brand, main barriers and motivation, evaluate brand image in perception of different target markets, advantages and disadvantages.

Brand repositioning

The change of the brand characteristics and creation of new ones, making them memorable in the minds of target customers.

Restyling of visual brand attributes

Creation of new brand attributes according to establishes positioning strategy and brand characteristics.

Internal and external communication

The aim of communication is to communicate to different target groups (external stakeholders as well as internal ones i.e. company employees) the meaning and significance of rebranding and the characteristics that the new brand possesses.

Moreover, the change of organizational structure through the change of business owners or the introduction of a new strategic zone is an unaltered rebranding attribute.

Rebranding algorithm includes seven steps. Firstly, a company determines the reasons that induced the changes. Then aims and objectives are formulated. Next a company

indicates the desired results. The fourth step is developing a concept of the actions. Research and analysis of a target market follows next. The sixth step is developing rebranding program including creative solutions. The last step is making a media plan. (Baker 2012)

A company should notify its customers about upcoming rebranding in advance: materials in advertising can be a teaser when starting massed campaigns aiming to involve customers into “marketing dialogue”.

The quality of the brand can be measured by the relation of the number of the people consuming the brand (share) to the number of the people who used the brand at least once (coverage). This ratio is the brand strength which indirectly displays percentage of the brand adherents. (Baker 2012)

3 RESEARCH METHODOLOGY AND FINDINGS

In order to get all necessary information for the empirical part, quantitative and qualitative research methods were applied. Quantitative research is used to quantify the problem by the way of generating numerical data or data that can be transformed into usable statistics. (Given 2008) Thus, questionnaires were created and distributed amongst hotel guests. The researches decided to apply such method as it was the easiest and anonymous approach of gathering information from the guests of the hotel.

As for the qualitative research, it was decided to conduct focus group interviews with the head of departments because the authors needed deeper knowledge about both Park Inn and Piter Inn hotels' operations. Such method is used to gain an understanding of underlying reasons, opinions, and motivations. (Denzin and Lincoln 2005)

In this part of the thesis authors also describe the findings of both research methods and their analyses, which is going to influence the marketing plan. Questionnaire will help understand target customers and what they like or dislike about the hotel, whereas interviews will provide deeper knowledge about the hotel's strengths and weaknesses from the employees' point of view.

3.1 Research objectives

As it was mentioned in the introduction part, the hotel has gone through the process of rebranding and it is in need for the marketing plan that can be applied for its strategy. In order to get accurate data for the marketing plan and recommendations part, authors decided to conduct quantitative and qualitative researches. Answers to those researches provided an overall image of the hotel's perception by customers and by employees.

It is important to understand and see differences between two hotels: Park Inn by Radisson Petrozavodsk and Piter Inn Petrozavodsk. Some background information about the hotels are mentioned below.

Park Inn by Radisson Petrozavodsk background

"Park Inn by Radisson is a fresh and energetic mid-market hotel brand offering friendly and welcoming hospitality at a competitive price." (The Park Inn by Radisson Story

2018). Park Inn by Radisson brand is included in The Carlson Rezidor Hotel Group alongside with Quorvus Collection, Radisson Blu, Radisson Red, Radisson, Park Plaza, and Country Inns & Suites.

The Park Inn by Radisson hotel chain positions itself as a young and active brand in the middle price segment with hospitable traditions of the hotel business and reasonable prices. The hotel focuses on comfortable beds, perfectly clean rooms, friendly personnel and services that can be accessed easily. More than 140 hotels located in the US, Canada, Europe, Africa, and the Middle East possess key facilities, contemporary interiors and innovative restaurants. (The Park Inn by Radisson Story 2018)

Park Inn by Radisson Petrozavodsk was the only international hotel with first class security in Petrozavodsk and in the Republic of Karelia as well. The hotel was located in the city center and right near the railway station. It included 180 rooms and suites, a gym, 6 well-equipped conference-rooms, a café, and Bavarian restaurant and brewery Paulaner. The main target market of the hotel was business travelers because of the location, price range and small cozy guest rooms. However, due to a possession of an international brand, the hotel attracted a lot of foreign tourists from Germany, Italy, Japan, China, Finland, Spain, the USA and other countries.

In 2015 Park Inn by Radisson Petrozavodsk had received The TripAdvisor Certificate of Excellence. It was also awarded the Green Key Certificate in recognition of the hotel's commitment to environmental responsibility.

Piter Inn Petrozavodsk background

After relinquishing the franchise, the only major thing that had changed was the name. The colors of the brand, services and facilities, the building, and infrastructure were all the same. However, there were some changes that were not drastic, but still quite influential for the employees and guests.

Hotel Piter Inn still has 180 rooms, the Bavarian restaurant Paulaner, the cafe, the gym, and 6 fully equipped conference-rooms. Due to the transition, the hotel gained more freedom to remodel and renovate rooms and inside areas, to officially hire many outsourced employees, to make some managerial and departmental changes, and to be a bit more flexible with customers. Some of these changes are described below.

First changes were made in management: the hotel used to have a General Manager, now the next person after the owner is General Director. The latter has an assistant and

a Deputy General Director. As for departments, the management decided to combine Meetings&Events and Sales departments into just one - Sales.

Next, engineers began remodelling rooms: converting junior suites into improved guest rooms (as there were more demand on standard and improved guest rooms due to low prices), embedding cupboards, small wardrobes, and mini-bars in guest rooms. The crew is now also working on a sauna. It is located in the gym and will be available for the hotel's guests only soon.

As regards to the renovation, the hotel now has 129 standard guest rooms, 32 improved guest rooms, 12 junior suites, 4 suites, and 3 rooms for people with disabilities.

With the new management, the hotel can provide its guests with flexible and more customized services. It is now possible to reduce prices on accommodation, banquets, and conference hall rentals for frequent or very first customers. It is also easier to give vouchers, certificates, bonuses, or small consolation prizes to an unsatisfied guest or as a present.

Although a training manager was only compulsory because of the Carlson Rezidor Hotel Group franchise, the management decided to keep this position as it was important to provide employees with proper training and knowledge and showed good results in the long run. Piter Inn is still the only hotel in Petrozavodsk with a training manager.

Despite all those minor changes, the hotel still seems to follow an imitation strategy. That is why this thesis is conducted, to help the hotel find its authentic brand and do not lose customers.

3.2 Quantitative research method

“Quantitative research is the systematic empirical investigation of observable phenomena via statistical, mathematical or computational techniques.” (Given 2008)

Questionnaire was chosen as a method for this research. It consists of 19 questions both essay and multiple-choice types. Target respondents are guests staying in a hotel, thus the survey was translated into Russian. In order for the findings to be more reliable the authors aimed to get approximately 90 – 100 answers. However, only 67 guests answered the questionnaire. The analysis can be still considered valid and reliable as the respondents were able to answer anonymously and showed interest in participating in

the research. As this research is based on quantity, analyses and statistics were made with PSPP program.

Research analysis is split into two parts: background information of guests (age, gender, city they come from) and answers to research questions. All of the statistics can be found in Appendices 2 and 3 and the questionnaire itself – Appendix 1.

3.2.1 Background information about the respondents

According to the survey answers, approximate portraits of guests (target customers) can be drawn. Number of women exceeds the number of men (61,19% and 38,81% respectively). Moreover, more than half of the travelers visited Petrozavodsk because of business trips (58,21%), while leisure tourists were only 41,79%. These results can be seen in Figure 4 and Figure 5 respectively.

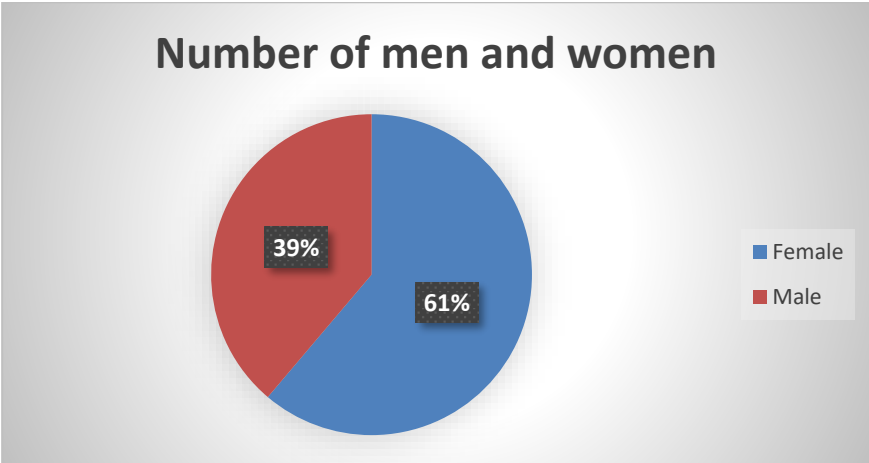


Figure 4. Percentage of men and women

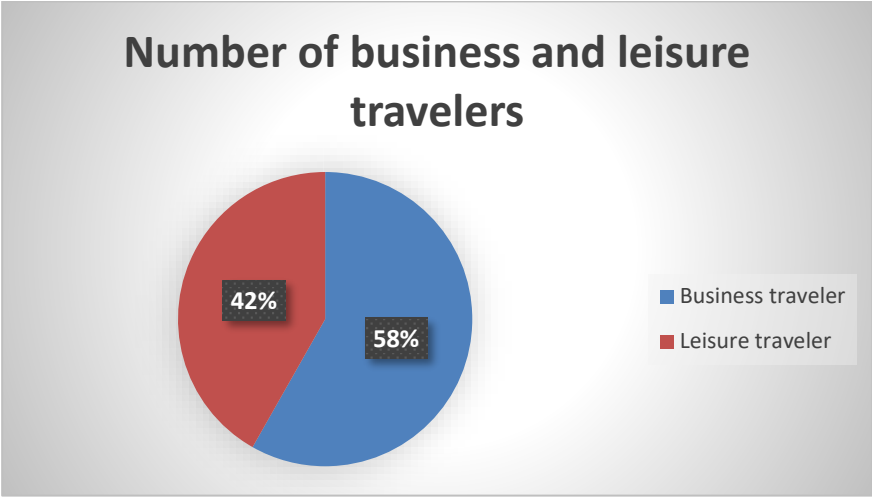


Figure 5. Percentage of business and leisure travelers

As regard to the age of respondents, it is seen in the Figure 6 that exactly half of all the respondents are aged between 20 and 29 years old. There also were 17 respondents (25,37%) aged 30-39 and 10 persons (14,93%) aged 40-49. Only 7,46% of people aged 50-59 years old and 1,49% (1 respondent) of age 70-79. However, there were no person of age 60-69 who answered the questionnaire.

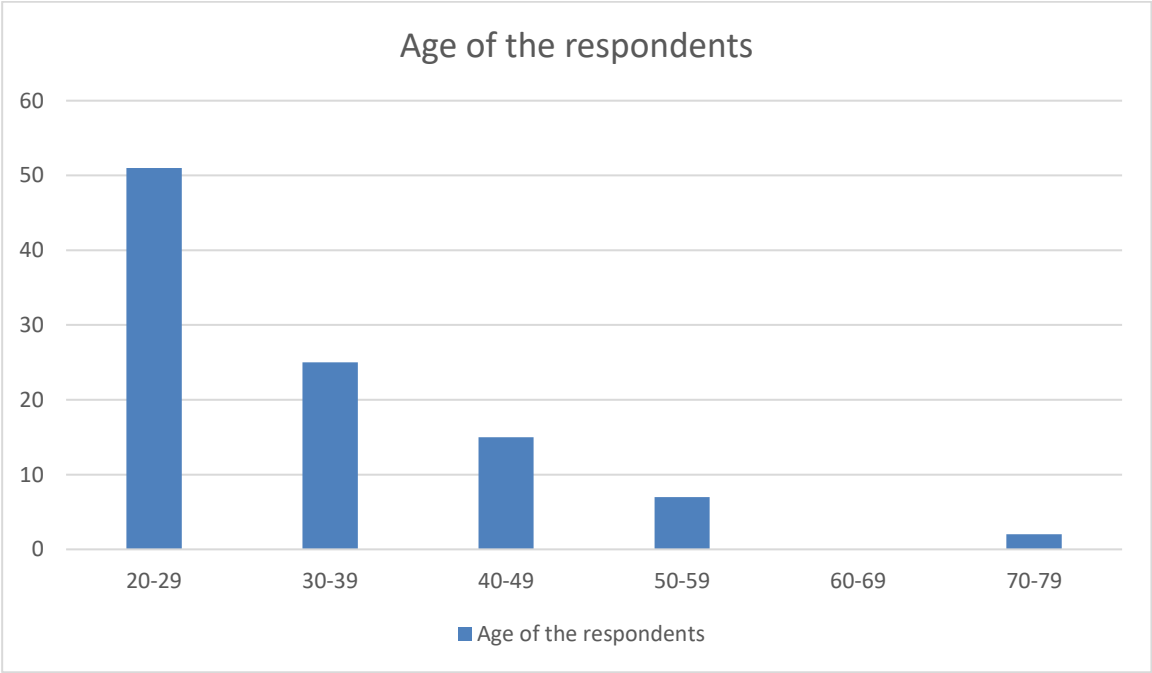


Figure 6. Age of the respondents

Considering the answers about the city all respondents came from, it can be noticed that many of them came from places that have easy transportation access to Petrozavodsk. Thus, 23 respondents (34,33%) were from Saint-Petersburg, the same number – 7 peo-

ple – came from Moscow and Murmansk. Additionally, there were 4 respondents (5,97%) from Petrozavodsk itself and 10 people traveled from all over the Republic of Karelia. Overall, respondents from 3 countries answered the questionnaire: Russia, Finland, the USA. Other cities can be found below in Figure 7.

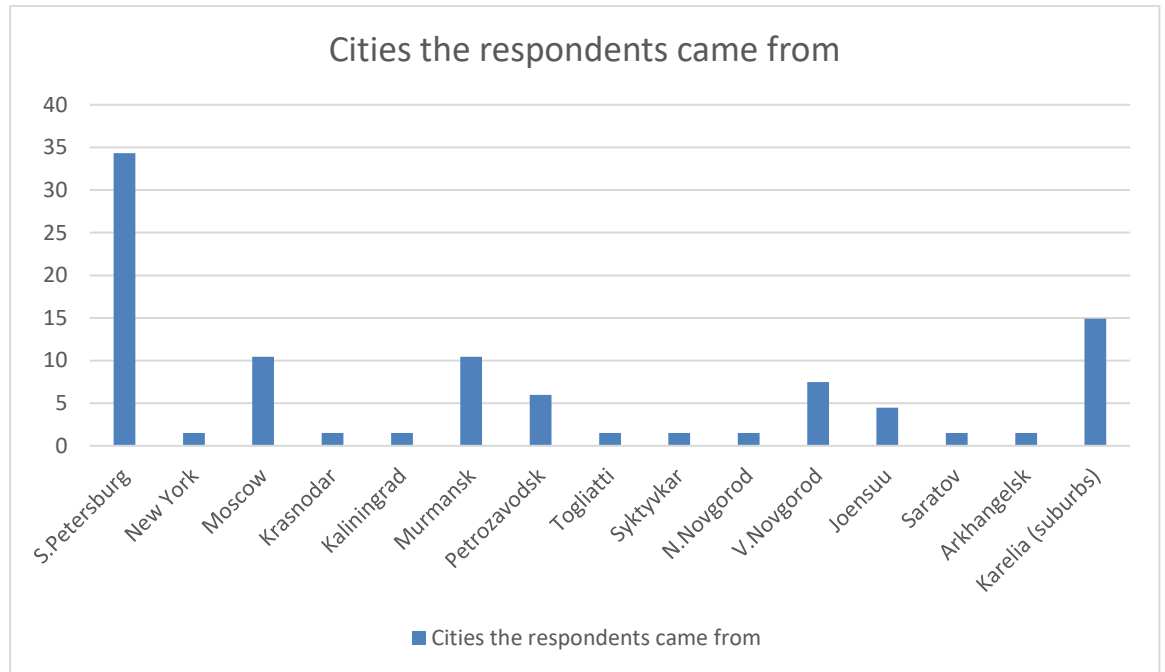


Figure 7. Cities the respondents came from

To sum up, the common guest of the hotel is a female business traveler aged between 20 and 29 years old from Saint-Petersburg.

3.2.2 Analysis of answers to other research questions

Based on the responses, 70% of tourists stayed in Piter Inn for the first time. However, 96% stated that they would consider staying in Piter Inn again, while 100% would recommend the hotel to friends and colleagues. Such high number of satisfied customers can be influenced by the services and overall experience of the front desk, the restaurant, the café, and other hotel facilities.

In regards to the front desk experience, every criterion, i.e. time of check-in and –out, friendliness of personnel, integrity of information provided, attractiveness of front desk and hall, was ranked as “very good” by more than a half of the respondents.

As for food & beverage services, the restaurant “Paulaner” mostly received “good” grade for all criteria, which can be seen in Figure 8. However, 4 respondents graded “price level” as bad and 2 respondents graded “quality of food” as also bad.

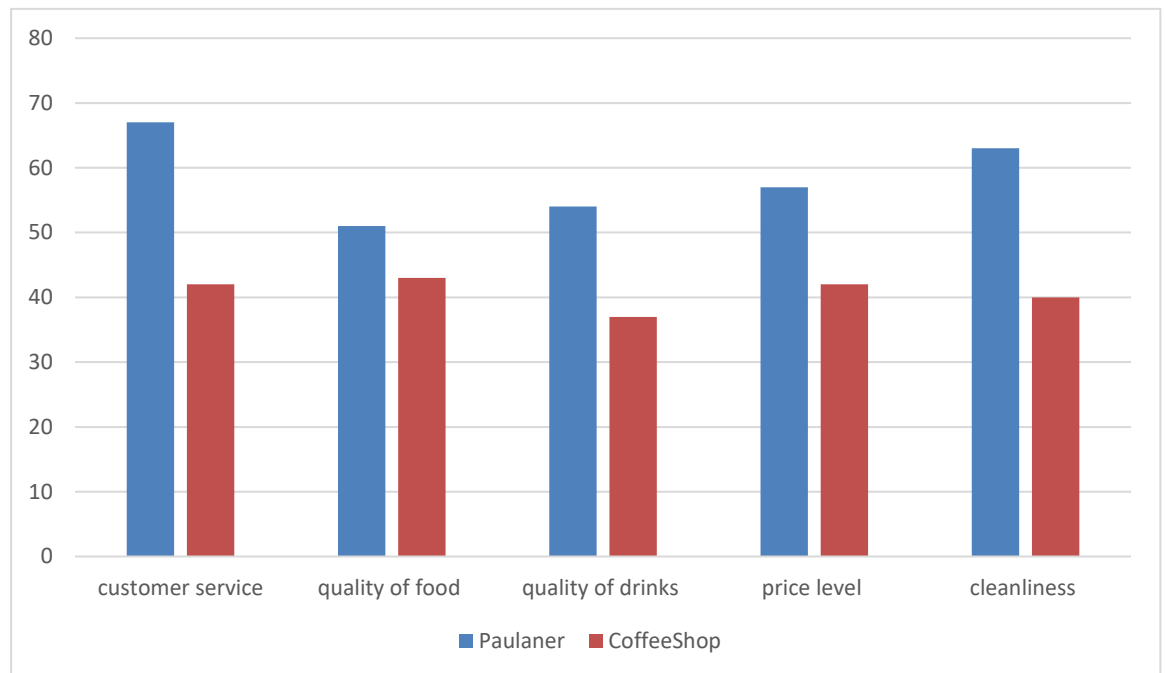


Figure 8. “Good” ratings of the restaurant and café

The café is related to the restaurant that is why, it also got “good” feedback from almost a half of the respondents. The results can be also found in Figure 8. Even though there were no “bad” grades, customer service and quality of food criteria received “very bad” evaluation from 1 person.

Regarding other services that are provided inside the hotel (gym and conference hall), most of them received grade 3 (neutral/I don’t now). Thus, it is possible, that people did not use those services. Considering this fact, 25% of the respondents rated the gym as “good” and 43% rated the conference hall as “good” too.

It was not a surprise that 51% stated that the price level of the hotel is “very high” and 39% considered it “high”. Comparing all prices of competitors, hotel Piter Inn has the highest rates in the city.

The location of the hotel has always been a competitive advantage against other hotels, as it is near the railway station. Thus 60% of the guests rated the location as “very good”.

In order to compare the experience of guests stayed at Park Inn and Piter Inn, the researchers included questions “Have you ever stayed in Park Inn by Radisson Petrozavodsk? How many times? If yes, do you see the difference?” 38 respondents have never been at Park Inn, thus they cannot see the difference. However, 23 people stayed in Park Inn 1-3 times, 3 people stayed 4-7 times and 3 guests – more than 8 times, and 25 people did not see any difference.

During the research, it was noticed that two most common ways that people found out about the hotel were Booking.com (36%) and a recommendation from friend or colleague (57%).

The survey also contained the question on what could be improved in the hotel. Even though, 46 people decided to omit this question, there were several credible suggestions for improvements. One guest mentioned poor lighting in the bathroom and stated that she would come back to check whether her ideas were considered, otherwise, she would choose another hotel.

Some of the guests’ improvements were about the quality of meals in the restaurant; lack of cups near water coolers, mini-bars and wardrobes in the standard rooms; and other minor ideas that can be found in Appendix 3. However, 7 guests stated that the hotel does not need any improvement.

Although, the rates for the hotel’s services and facilities are good, it should be taken into account that there were only 67 responses for the questionnaire which cannot be considered as a very reliable outcome. Thus, the management of the hotel treat those answers critically.

3.3 Qualitative research method

Denzin and Lincoln (2005) describe qualitative research in terms of “... an interpretive naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them.” (p. 3)

Authors chose face-to-face interviews as a qualitative research method. Overall, 7 head managers of such departments as Security, Front Office, Training, Engineering, Sales, Finances, and Food&Drinks responded to 7 questions which meant a great validity of

given answers. Interviews included questions (translated into Russian) about their work in an internationally known hotel and in a current one, in order to know challenges that they dealt with while being under an international brand and compare advantages and disadvantages of operations in two totally different hotels.

All detailed answers to the interviews can be found in Appendix 5. However, due to a small number of respondents this particular research has low level of reliability.

3.3.1 Face-to-face interview results

This part of the research shows the answers of head managers of different departments. During face-to-face interviews they were asked 7 questions about the transition, hotel operations, and their thoughts and feelings. Analysis of every question is based only on managers' responses.

Advantages and disadvantages of working under the international brand

First, it is important to mention that F&D head of department abstained from answering this question, as it is only about Rezidor franchise, but the restaurant and other F&D services are under the brand Paulaner.

Secondly, below in the analysis there is only an overview of the most common pros and cons given by managers, which means more answers can be found in Appendix 5.

Being under the international brand has a positive impact on a company. For example, all employees get professional free training, they follow given standards and rules to keep the performance on a high level, and they have great opportunities for personal and career growth (possibility to move not only higher by the career ladder, but also to other cities and countries staying in the same company).

Another advantage is that franchisors are representing a respectable and competitive employer with a healthy and civil competition. The brand also provides its franchisees with developed relations with partners and a Salesforce (combined customer database).

Furthermore, there is a possibility for a cross-training for employees. This means, for instance, employees from reservations department should work 2 weeks at a Front Desk and vice versa. International companies also have different corporate philosophies that help unite employees (e.g. Yes!Can! in Park Inn).

The most influential disadvantage of the franchise is the royalties. It is not financially beneficial to operate in a small market (i.e. Petrozavodsk), as royalties do not depend on profits. The hotel did not earn enough money to operate and pay fees to the brand. The brand's management did not understand that royalties should not be the same for Petrozavodsk franchisees as well as, for example, the ones in Moscow.

Moreover, there are a lot of restrictions concerning any renovations (inside or out) and advertising in Social Media or other channels (all advertisements should be approved by the Rezidor, but most of the time they reject them).

Franchisor's management sets quite high compulsory budgets for AHR (Average Hotel Rate) and other services/departments which grow every month. Additionally, Rezidor has very strict pricing policy, thus the hotel often lost its clients because of inability to make a slight discount.

There are many advantages and disadvantages left, but according to the interviewed managers, the brand has mostly negative impact on the hotel's operation.

Opinion about the transition to the absolutely new and unknown brand

Only Front Office representative mentioned employees were disappointed that they would have to work under an unknown brand, some of them (when applying) only wanted to work in a hotel because of its brand. But now, everyone is satisfied with working conditions, they like the team they are working with, and they are willing to keep up a good performance.

Other managers stated without any hesitation that no one regrets leaving the brand. The hotel gained all necessary knowledge on how to operate, trained employees, and now can continue the same professional operations but without huge royalties to pay to Carlson Rezidor Hotel Group.

However, there were a lot of paperwork and documentary changes due to the transition.

Differences in management (General Manager vs. General Director)

Apart from the F&D and Finance directors, other managers stated that they feel the difference. They noticed it became much easier to communicate with the management, as General Director is more open-minded, flexible, loyal, and helpful. As for the opposite opinion, managers did not mention any reasons, but it could be implied that their de-

partments' operations did not interact with the management work much, that is why they had not noticed the difference.

Freedom without the brand

As seen in the Appendix 5, all answers to this question are positive. Every manager thinks the hotel got more freedom after relinquishing the franchise. Now, as the hotel does not have to follow brand's rules and standards, it became more flexible with the pricing policies, supplier choices (which lead to major expense cuts), marketing campaigns, upward communication with the management, bookkeeping and reporting, and going extra mile to satisfy customers.

Transition influencing employees

It seems that the transition did not influence employees much. Even if there were some changes, they all were positive. As the hotel became more flexible with its operations, it was possible to provide employees with better payments and hire them officially, which is, for sure, very important for the outsourced staff. For the accounting employees all the paperwork became much simpler, and no more stress about tight deadlines on reporting to Rezidor.

Many employees have been working in the hotel for a long time. Thus, they are satisfied with their job and conditions (all employees have free meals at the work canteen, 25% discount in the restaurant and cafe, etc.). Even though some of them were disappointed about leaving the respected, well-known, international brand, they were sympathetic and did not lose enthusiasm for a good work.

Competitiveness in the market without an important competitive advantage

All managers believe the hotel is competitive even without the international brand. Although there was a statement from the Finance director that the hotel will be competitive until any chain hotel enters the market, for now it is not yielding to its rivals. The new hotel has great competitive advantages, such as the location, new and modern fully equipped conference halls, the synchronous translation system (no other hotels have the same system), customization, and individual approach to every request.

Managers recommendations on keeping the image of the international hotel

Most representatives believe that the most important thing now is marketing. The hotel should be promoted not only in nearby cities that have transport connections with Petrozavodsk, but also in Petrozavodsk itself. Every interviewed manager thinks that the hotel has a great image in the market, and all employees just need to keep up the good job they do. However, there are small improvements that can be made in order to stay appealing to guests. That is, creating proper and selling distribution materials (brochures, brand books, etc.), making room renovations, expanding the range of services provided, and creating better system to control employees' performance.

As the Sales director stated, "the hotel does not need a reputation as an international hotel now, the main focus is quality and customers". Thus, the hotel needs to have a clear positioning and an authentic brand.

4 MARKETING PLAN FOR PITER INN

4.1 Executive summary

Marketing plan is a business document that includes description of the company's marketing position at the moment, target market and a marketing mix that a company is going to use in order to achieve its set objectives as well as business activities for achieving those objectives.

As Piter Inn hotel is not a part of Park Inn franchise anymore, it is in need of a new marketing plan that would analyze its current situation and position in the market and in the minds of customers as well as an action plan and recommendations for the future in order not to lose its market share and generate an increase in the company's sales and profits.

This marketing plan will be conducted based on the following structure:

1. First, situational analysis will be conducted in order to answer the first strategic marketing question - "Where are we now?" In this part the current situation will be analyzed including:
 - 1.1. analysis of the macroenvironment applying PESTLE tool
 - 1.2. analysis of the hotel market and hotel industry in Prionezhsky District and particularly in Petrozavodsk. Competition of the business will be analyzed applying porter's five forces model. In this section main competitors will be emphasized and analyzed one by one pointing their strengths and weaknesses.
 - 1.3. analysis of consumers and market segmentation pointing target customers of the company and their needs.
 - 1.4. analysis of the company stating its goals and objectives, mission and vision statements. Moreover, SWOT analysis is conducted in this part as well as sustainable competitive advantage as the generic competitive strategy the company would follow.

2. The next part of the plan is marketing research stating research problems.
3. Marketing strategy and mix considering 4P's and the strategies for the hotel i.e. generic competitive strategy, growth strategy, and positioning strategy would be the next stage
4. Next online marketing strategies used by the company and recommendations concerning those strategies will be discussed
5. And the last part is conclusion.

4.2 Situational analysis

This chapter describes analyses of macro- and microenvironment of the hotel, using SWOT, PESTEL analysis, Porter's five forces model, market analysis including analysis of the competitors and customers. It is important before proceeding with strategies and action plan to see and assess where the company is at the moment, thus situational analysis shows the current situation on the market and a clear image of the company and its competitors.

4.2.1 Macroenvironment analysis (PESTEL)

For the political force, the hotel is greatly influenced by the property and income taxes set by the government. It is also important that place of destination (Petrozavodsk, Karelia, Russia) is not in a political unrest, as for obvious reasons tourists are not willing to spend money on traveling to unsafe places.

Moreover, the Head of the Republic of Karelia is focusing on developing tourism industry and provide financial opportunities for businesses. The government is very supportive, it helps attract new investors and tourists from different countries to discover Karelia.

Nowadays Russian currency is very unstable, which is causing low exchange rates, inflation and recession. For inside tourism this can be quite damaging, as such economic crisis lead to low income, thus less and less people have spare money for travelling. As

for businesses, companies provide employees with small budget for business trips, so employees have to find cheaper accommodation and food in order to fit in this budget.

However, low exchange rates give an opportunity for foreigners to buy rubles for very low prices. Hence, a big number of tourists (especially, from Finland) are coming to Russia.

There is not much to see and visit in Petrozavodsk. All popular destinations are located far away from the city. That is why more and more leisure tourists prefer staying in eco-hotels, campings, and motels to be closer to nature and attractions.

Students coming from other cities usually rent houses, so that they are all together. So, for many young people Piter Inn is not that appealing, especially during peak seasons.

According to a survey "Worldwide Social Network Users" (eMarketer, 2013), approximately 25% of the world's population uses some form of social media regularly. Social media helps hotels stay in touch with potential customers, engaging in interaction and giving feedbacks for positive and negative reviews.

Rapid growth of smartphones and tablets usage can eliminate desktop computers, which results in providing faster services (e.g. check in, check out, etc) to clients and managers can always stay in touch.

Every year the weather during peak season (winter and summer) is different. Such factor affects leisure tourists, as they are coming to Karelia to see beautiful snowy winter, ride on dog sleds, skis, and engage in other activities that require a lot of snow. The same is with summer, people are willing to visit and do some outdoor activities when it is sunny. Summer of 2017 was very rainy, that is why less tourists came to Karelia.

Even though, Piter Inn is located in the city center and is not quite close to nature, it still offers accommodation to families and leisure tourists alongside with some tour packages and special trips.

After relinquishing the franchise, the hotel was able to hire many outsource employees officially. However, such high number of hired employees resulted in bigger number of people with disabilities that should be hired. Local regulations state that on a certain amount of employees, company should hire a certain amount of people with disabilities.

Due to some incidents happened in Russia, rescue services now provide more strict check and test of fire exits and equipment. It is also compulsory for every employee to attend training sessions concerning first aid, terrorism and fire.

4.2.2 Market and industry analysis

According to Horner and Swarbrooke (2004) "Tourism is, today, a much more competitive industry than it ever was before as there is not only competition between companies selling products in tourism but we also have a competition between tourist destinations. Much competition is still price-based and it is difficult to generate enough revenue. More and more organizations and destinations are looking to other competitive advantage strategies, of which product differentiation and market focus are perhaps the two most popular" (p.13-14).

The aim of the research is Prionezhsky district hospitality market analysis. This includes the state and condition of hotel and recreation services market in the region, competitive advantages and competitors' price policy analysis

Analysis of Prionezhsky district and hotel industry in Petrozavodsk

General information about Petrozavodsk city:

Petrozavodsk is an administrative center and the largest city of Prionezhsky district. Petrozavodsk is situated 924 km north from Moscow and 412 km north-east from Saint Petersburg. The city is the port of five seas as it has access to the Baltic Sea, White Sea, Barents Sea, Caspian and Black seas through the system of rivers and canals.

The territory of Petrozavodsk is 135 m². Population of the city is 270 000 (2017 year) inhabitants and the average salary of Petrozavodsk resident is 17 000 rubles according to the official sources.

Petrozavodsk hotel market is represented by large hotels with good location and access to transports as well as mini-hotels, hostels, and cottages.

General market tendencies of the hotel market in Petrozavodsk: 3-4-star hotels, standard room price is 1500 rubles per day, most of the rooms are old-fashioned.

Figure 9 below represents the correlation between hotels with different number of rooms, which also shows that 11% of the market is Piter Inn's main competitors.

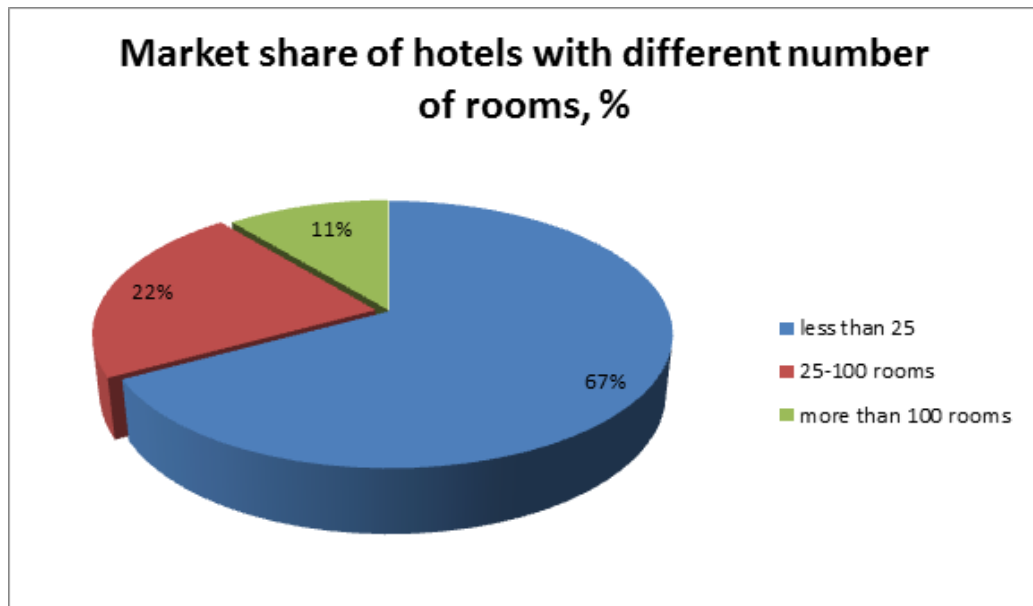


Figure 9. Market share of hotels with different number of rooms

Approximate hotels occupation is 40%. As Petrozavodsk is located in 250 km from the Finnish border, some of the hotels are popular with Finnish tourists so the occupation percentage of those hotels can be 60%.

Information acquired from the Republic of Karelia governmental webpage.

Porter's five forces analysis of the industry

Now the Porter's Five Forces model is used to analyse the hospitality industry in Priozhsky district and particularly in Petrozavodsk. However, the particular time frame, business life cycle, actual numbers determining switching costs and percentages of cost of sales will be left out. The model is used only to assess general competitiveness of the hospitality industry.

As it was noted in the theoretical background of the thesis, according to Porter (1980) the threat of new entrants in the industry is driven by barriers to entry.

In the hotel industry there are high capital costs and high fixed costs compared to total costs. Also, there are significant economies of scale in the industry. High capital cost

requirements are needed to achieve cost-effective application of resources for construction, furnishing, equipment, finances, and other operational expenses. If a hotel belongs to a chain or franchise it may possess a marketing advantage due to established brand image and existing customer loyalty. The hotels must also fill the rooms profitably, therefore they need to differentiate themselves with good location for targeted customer groups and service quality. So, the success of the hotel is sensitive to location, management of that hotel and knowledge and experience of the staff.

To sum up, the hotel industry exhibits high barriers to entry, because of economies of scale, high capital requirements to entry, limited supply of suitable locations and possible problematic access to distribution channels. Therefore, the threat of new entrants is low in the hotel industry.

As it was stated in the theoretical part, substitute products are the products or services that perform the same function as the company's products or service. The hotel industry is not majorly threatened by any substitutes.

In the industry suppliers have greater power if they are more concentrated than their customers or the customers produce differentiated products and have high switching costs, so they are dependent on particular suppliers. There is a great demand for enhanced global information and booking capabilities in the hospitality industry (Kotler, Armstrong, Brown, and Adam 1998, 761). The suppliers in the hotel industry do not have a significant bargaining power and compared to other industries the hotel industry's competitiveness is not significantly influenced by this source. However, experienced and trained personnel is a vital component in the industry, so this could be the only supplier that can exercise power of the company.

Buyers in the industry are more powerful when they are many and purchase in large quantities. If the products or services of the company are not differentiated and the switching costs are low, buyers can easily find another company to purchase from. Some groups of buyers in the hotel industry exercise bargaining power due to their concentration or large purchases of hotel rooms. These groups can be tour operators, corporate clients or other large customers. Today also the leisure travelers have low switching costs if they wish to change the hotel as the free cancellation several days before arrival exists in many of the hotels, especially booking through the platforms such as Booking.com. If the buyers' purchase of a hotel room constitutes insignificant part relative to the total business transaction, they tend to be not price-sensitive. However, other groups of buyers can be price-sensitive. So, if the hotel chooses to target concentrated groups of buy-

ers it will be a subject to the bargaining power of buyers. Therefore, the bargaining power of buyers varies within the industry depending on the hotel's target group.

The competitiveness of the industry depends on the number and size of direct competitors. Also, if the product differentiation in the companies is low rivalry becomes more intense. Moreover, rivalry is intensive in the industries with high preservation/carrying costs such as in the Hotel Industry. Competition in the Hotel industry is intense within strategic groups.

Competitors analysis

There are 37 hotels in the city and its suburbs. Most of those are mini-hotels with the small number of rooms (5-25 rooms). 12 hotels out of 37 have more than 25 rooms, and four of those are sanatoriums with medical-diagnostic bases, so they are not direct competitors of Piter Inn hotel as activities of those four hotels are focused on improving people's health through various medical programs.

As Piter Inn main competitors five hotels can be considered. These hotels are: "Kalevala" (29 rooms), "Karelia&SPA" (138 rooms), "Onego palace" (103 rooms), "Prionezhsky club hotel" (26 rooms), Hotel "Severnaya" (168 rooms). All of the hotels, except "Kalevala", are located within the city.

Let's focus on each hotel separately and consider every hotel's positioning, location, number of rooms and their price range, as well as services offered at the hotels and customers reviews adopted from TripAdvisor and Booking.com.

1. Hotel "Kalevala"

The hotel positions itself as cozy hotel located 35 km away from Petrozavodsk, where there are all necessary conditions for a good rest with friends and colleagues as well as celebrating family events and wedding. The hotel rating is 7.6 out of 10 on Booking.com and 3.5 out of 5 on TripAdvisor. The capacity of the hotel is 60 guests; 80 guests considering extra beds; 29 rooms and four cottages.

The information about room categories and prices of the hotel can be found in Table 1.

Table 1. Room categories and prices of the hotel “Kalevala”

Room category	Number of rooms	Price (rubles)
Single room	4	2000
Double room (small)	11	2800
Double room (large)	11	3300
Double suite	2	4000
“Wedding” room	1	4000
Cottage (capacity: 6 guests)	4	from 5200

Adopted from the hotel’s website

The hotel provides the following services and facilities: restaurant, bar, boating, tennis, billiards, rental point, sauna, jeep tours, bike tours, fishing and hunting, paintball, tours to Kivach waterfall and Marcial Waters resort. As for the conference facilities, there is banquet menu and conference hall with demonstration equipment. Capacity of the hall is 30 - 40 people. Conference hall’s rental price is 200 rubles per hour.

The reviews of the hotel stating its advantages and disadvantages can be found in Table 2.

Table 2. Reviews of the hotel “Kalevala”

Advantages	Disadvantages
<ul style="list-style-type: none"> • Location (quite place) 	<ul style="list-style-type: none"> • cheap furniture in the rooms
<ul style="list-style-type: none"> • friendly staff 	<ul style="list-style-type: none"> • not adequate price/quality ratio
<ul style="list-style-type: none"> • comfortable beds in the cottages 	<ul style="list-style-type: none"> • bad food at the restaurant
<ul style="list-style-type: none"> • beautiful nature (forest, lake) 	<ul style="list-style-type: none"> • no wi-fi in the rooms

Adopted from Booking.com and TripAdvisor.ru

2. “Karelia&SPA” Hotel 3*

The hotel positions itself as European level hotel providing everything needed not only for the comfortable stay, conferences and business events but also for the course of SPA wellness procedures. The hotel rating is 8.8 out of 10 on Booking.com and 4.5 out of 5 on TripAdvisor. The hotel has the capacity of 138 rooms.

The information about room categories and prices of the hotel can be found in Table 3.

Table 3. Room categories and prices of the hotel “Karelia&SPA”

Room category	Number of rooms	Price (rubles)
Single room	59	3960
Double room	59	4960
Studio	10	5960
Apartment	8	4000
Suite	1	from 5200

Adopted from the hotel’s website

The hotel provides such services and facilities as: SPA Medical center, restaurant, bar, room service, safety box, laundry, dry cleaning, private parking, souvenir shop, ATM, ability of accommodation with pets. Conference facilities include business center, two conference halls, transfer, conference services, tours services, tours to encourage employees and partners.

The reviews of the hotel stating its advantages and disadvantages can be found in Table 4.

Table 4. Reviews of the hotel “Karelia&SPA”

Advantages	Disadvantages
<ul style="list-style-type: none"> • good location 	<ul style="list-style-type: none"> • poor soundproofing
<ul style="list-style-type: none"> • free swimming pool and sauna 	<ul style="list-style-type: none"> • narrow and old elevators

<ul style="list-style-type: none"> • good cuisine 	<ul style="list-style-type: none"> • uncomfortable rooms
<ul style="list-style-type: none"> • champagne and prawns for breakfast 	<ul style="list-style-type: none"> • poor service in the restaurant
	<ul style="list-style-type: none"> • high prices in the restaurant
	<ul style="list-style-type: none"> • non-professional staff
	<ul style="list-style-type: none"> • outdated equipment in the halls

Adopted from Booking.com and TripAdvisor.ru

3. Onego Palace 4*

Onego Palace positioning is a modern hotel with convenient transport links. The capacity of the hotel is 103 rooms. At the moment the hotels is a sales leader on booking.com and has a rating 8.8 out of 10 and the rating 4 out of 5 on TripAdvisor.

The information about room categories and prices of the hotel can be found in Table 5.

Table 5. Room categories and prices of the hotel "Onego Palace"

Room category	Number of rooms	Price (rubles)
Single standard	6	3800
Double twin	36	4700
Double	34	4900
Double comfort	10	5200
Junior Suite	13	5900
Suite	2	7900
Onego Palace Suite	1	17000
Onego Palace Grand Suite	1	25000

Adopted from the hotel's website

Services provided in the hotel are saunas, restaurant, gym, sushi-bar. Conference facilities include three conference halls: 75 m², 106 m², and 222 m². Rental price of the halls with the equipment starts from 1700 rubles per hour.

The reviews of the hotel stating its advantages and disadvantages can be found in Table 6.

Table 6. Reviews of the hotel "Onego Palace"

Advantages	Disadvantages
<ul style="list-style-type: none"> • good location 	<ul style="list-style-type: none"> • lack of a kettles in the rooms
<ul style="list-style-type: none"> • cleanness 	<ul style="list-style-type: none"> • poor soundproofing on the 10th floor
<ul style="list-style-type: none"> • reasonable prices 	<ul style="list-style-type: none"> • difficulties with calling the reception (difficult to get through)
<ul style="list-style-type: none"> • good variety of dishes for the breakfast (nourishing breakfast - soups, meat, side dishes) 	<ul style="list-style-type: none"> • stuffiness and heat in the rooms
<ul style="list-style-type: none"> • good view from the room 	<ul style="list-style-type: none"> • comfortless lobby bar
<ul style="list-style-type: none"> • optimal price/quality ratio 	<ul style="list-style-type: none"> • unsuitable gym opening hours
<ul style="list-style-type: none"> • free sauna 	<ul style="list-style-type: none"> • inadequate room cleaning
<ul style="list-style-type: none"> • large parking 	<ul style="list-style-type: none"> • cold during winter time
<ul style="list-style-type: none"> • greeting presents (chocolate) 	<ul style="list-style-type: none"> • smell of cigarettes from neighboring rooms
	<ul style="list-style-type: none"> • unfriendly staff
	<ul style="list-style-type: none"> • not fresh bed linen
	<ul style="list-style-type: none"> • old fashioned interior

Adopted from Booking.com and TripAdvisor.ru

4. “Prionezhsky club hotel”

Positioning of “Prionezhsky club hotel” is: The only club hotel in Petrozavodsk. Offers its guests high quality service and comfortable stay, the hotel is an ideal choice for family holidays as well as business stays. The hotel is the winner of “Traveller’s Choice 2018” award by TripAdvisor. The hotel rating is 4 out of 5 by TripAdvisor and 8.9 out of 10 by Booking.com. The capacity is 26 rooms.

The information about room categories and prices of the hotel can be found in Table 7.

Table 7. Room categories and prices of the hotel “Prionezhsky club”

Room category	Number of rooms	Price (rubles)
Single room	3	from 1710
Double room	10	from 2660
Double “Super”	2	from 3080
Triple Suite	1	from 4090
Double Suite	10	from 3850

Adopted from the hotel’s website

Services and facilities offered in the hotel are: restaurant, bar, hookah place, banqueting hall, business center, sauna, spa with jacuzzi, solarium, indoor swimming pool, massage. Conference facilities include business center and a conference hall with the capacity of 40 people

The reviews of the hotel stating its advantages and disadvantages can be found in Table 8.

Table 8. Reviews of the hotel “Prionezhsky club”

Advantages	Disadvantages
<ul style="list-style-type: none"> heating floor in the bathroom 	<ul style="list-style-type: none"> unfriendly staff

<ul style="list-style-type: none"> • good location 	<ul style="list-style-type: none"> • untasty food and bad and slow service at the restaurant
<ul style="list-style-type: none"> • adequate price/quality ratio 	<ul style="list-style-type: none"> • poor soundproofing
<ul style="list-style-type: none"> • cozy and clean rooms 	<ul style="list-style-type: none"> • poor wi-fi connection

Adopted from Booking.com and TripAdvisor.ru

5. Hotel “Severnaya”

The hotel positions itself as the hotel located in a business and cultural center of the city, has convenient transport links, and offers its guests meals in the restaurant, bar and coffee house. Moreover, conference services and services of fitness center are provided. The hotel rating is 8.3 out of 10 on Booking.com and 3.5 out of 5 on TripAdvisor. The capacity is 168 rooms.

The information about room categories and prices of the hotel can be found in Table 9.

Table 9. Room categories and prices of the hotel “Severnaya”

Room category	Number of rooms	Price (rubles)
Economy single room	24	770
Economy double room	12	1100
Standard single room	10	1720
Double “Family room”	9	2900
Single “Family room”	9	1490
Single Comfort	27	2570
Double Comfort	66	from 2570
Junior suite	5	from 3700
Suite	7	from 5000
Apartments	2	from 6800

Adopted from the hotel’s website

Services and facilities that are provided in the hotel include restaurant, cafe, wellness center, dentist, ATM, clothes repair. Conference facilities include business center, meeting room with the capacity of 50 people. Rental price is 500 rubles per hour (+TV with video recorder)

The reviews of the hotel stating its advantages and disadvantages can be found in Table 10.

Table 10. Reviews of the hotel “Severnaya”

Advantages	Disadvantages
<ul style="list-style-type: none"> • good and convenient location 	<ul style="list-style-type: none"> • shower floods the floor
<ul style="list-style-type: none"> • responsive and friendly staff 	<ul style="list-style-type: none"> • a lot of people who do not stay in the hotel pass through it (as there are many offices in the hotel building)
<ul style="list-style-type: none"> • architecture 	<ul style="list-style-type: none"> • samely breakfast
<ul style="list-style-type: none"> • good restaurant 	<ul style="list-style-type: none"> • musty smell in the rooms
	<ul style="list-style-type: none"> • poor cleaning in the rooms
	<ul style="list-style-type: none"> • old fashioned hotel
	<ul style="list-style-type: none"> • lack of satellite TV
	<ul style="list-style-type: none"> • old TV sets
	<ul style="list-style-type: none"> • lack of air conditioners

Adopted from Booking.com and TripAdvisor.ru

The comparison of all the competitors considered including Piter Inn itself can be found in Table 11.

Table 11. Comparative table of the competitors including the Piter Inn hotel

Hotel	Number of rooms	Minimal price	Maximal price	Restaurant	Conference halls
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Kalevala	29+4	2000	5200	+	+
Karelia&SPA	138	3690	5960	+	+
Onego Palace	103	3800	25000	+	+
Prionezhsky club hotel	26	1710	6360	+	+
Severnaya	168	770	6800	+	+
Piter Inn	180	4200	9600	+	+

All of the chosen competitors have conference facilities and only one of those is located outside the city (Kalevala), this hotel is especially loved by tourists coming from Finland and Sweden. Only three of those have more than 100 rooms.

Hospitality market of Petrozavodsk is mostly represented by the hotels with a small number of rooms and basic conveniences, so those hotels are not considered as Piter Inn direct competitors as they target different tourist groups.

Based on the reviews general weaknesses of considered Piter Inn's competitors are old fashioned rooms and interiors, poor cleaning and unfriendly staff in some of the hotels. Concerning these positions Piter Inn has advantages over its competitors. Compared to its competitors, Piter Inn has a modern interior and furniture in the rooms as it is a new hotel and professionally trained staff due to the fact that it was a franchise of Park Inn. More of the strengths of Piter Inn will be considered in SWOT of the company.

4.2.3 Market segmentation, targeting and consumer analysis

For Piter Inn case multiattribute demographic, psychographic and behavioral segmentation take place. Income and occupation variables are considered. Despite the fact that Piter Inn is a mid-market hotel with competitive prices like it was during Park Inn franchise, as it was noted in a comparison table of the hotels of Petrozavodsk, the average price for the room is rather high for an average Petrozavodsk resident, so the hotel targets customers with a little more than an average income (for Russia). Also, geographic variable can be considered at some case as based on the research and the questionnaire mentioned before most of the customers come from Moscow and Saint-Petersburg, and for those cities the price of the room is a middle price compared to cus-

tomers coming from other not-capital cities. Other variables are occupation and occasions, as many customers coming for business trips stay in Piter Inn. Moreover, different companies come to hold the conferences and corporate events (e.g. New Year celebration), so those are one more target group that have to be considered. For the user status, based on the research more than 70% of the customers are first-time users.

For Piter Inn product specialization is applied as it concentrates on providing particular services. With this approach the company still has the ability to customize services to fit the specific needs of different segments such as offered conference facilities.

Hospitality market of Petrozavodsk

Target market is divided into two groups:

- Individual guests (business guests, whose purpose of stay is a business trip and tourists, tourist groups). For those guests it is important for the hotel to provide service quality, comfort, quality leisure time, safety, confidentiality and save their time.
- Corporate guests (organization of different corporate events i.e. conferences, celebrations). Such clientele values convenience and comfort, saving of money and time, safety, contact during events, discounts, and convenience of payment.

Based on the research the age groups that stay at the hotel are 20-24 years, 29-30, and 37-40. Customers aged between 37-40 years most account for corporate guests. More than 60% of the guests are females. Additionally, the researchers noticed that the business/leisure ratio is 58.2%/41.8%.

4.2.4 Company analysis

According to the article "Vision and Mission" (2010), a vision statement indicates the desired future state of what a company wants to achieve over time. While mission is the present purpose of a company.

As regards to objectives and goals, they differ in terms of level of concreteness. Goals are long-term aims and less structured than objectives; the latter can be achieved when following concrete steps. (Difference between goals and objectives, 2011).

The management of the hotel needs to define clear objectives that will guide the research for strategies and action plan. There are two types of objectives that must be set. Those are financial objectives, stating the profitability, sales growth, and returns on investments the company wants to achieve. Another type is marketing objectives - financial objectives need to be converted in marketing objectives, stating what exact marketing actions must be done to achieve set financial objectives.

Setting objectives is the task of the management of the company, therefore, clear financial objectives cannot be presented in this section due to the lack of information provided from the management of the hotel. However, every company is aiming to increase its profit and sales volume, thus Piter Inn needs to expand consumer awareness of the brand, focus on establishing its own brand and creating brand image and identity by applying positioning strategy and using differentiation.

When the hotel was named Park Inn by Radisson Petrozavodsk, it possessed mission, vision and goals of the franchisor (the Park Inn brand).

Nowadays, the hotel does not have a clear understanding of neither mission nor vision, which is a significant weakness as the mission and vision answer one of the three main marketing strategic questions mentioned before "Where are we going?" So, if the company does not know exactly what it wants to achieve and what business it should be it cannot clearly formulate its strategy to answer the question "How are we going to get there?" and this is a big challenge writing a marketing plan.

SWOT analysis

The company needs to continuously identify opportunities that can help it serve the customers and be more profitable while eliminating environmental threats. It should analyze its strengths and weaknesses as well. The company's task is to match its strengths to opportunities and overcome weaknesses and minimize threats. It may have major or minor strengths and weaknesses – it rates all factors according to that. However, the company does not need to correct all its weaknesses.

Strengths:

- with giving up a brand gives opportunities for the hotel to make changes, such as installing mini-bars and wardrobes in guest rooms, building a sauna

- location (1 min walk from the railway and bus stations, in the city center)
- Bavarian chain restaurant Paulaner, cozy and modern cafe CoffeeShop (discounts for Piter Inn employees, RZD employees and customers (Russian Railways company), card holders of Alfa bank and Raiffeisen bank)
- professionally trained staff (due to the brand standards) who provide high quality services with a positive and respectful attitude, Piter Inn is the only hotel that has a training manager; well-organized corporate structure and downward/upward communication
- modern and new interior compared to competitors
- Piter Inn is the only hotel that can provide a synchronous translation system
- biggest number of rooms in Petrozavodsk (180)
- customization and individual approach to every request
- modern and fully equipped conference halls (supervisors are always accompanying events)
- 24/7 gym
- very clean rooms and common areas
- good soundproofing system (no sounds from trains)
- cozy and comfortable beds
- Piter Inn hotel's rating is 8.8 out of 10 on Booking.com and 4.5 out of 5 on Tripadvisor

Weaknesses:

- unattractive views from room windows, except suites (railway station, trains)
- restaurant and cafe can serve food only until 23:30, which sometimes is inconvenient for late coming guest
- unsophisticated marketing policy (poor promotion of the hotel compared to competitors)
- lack of cupboards and wardrobes, mini-bars, kettles in the standard guest rooms
- lack of plastic cups near water coolers in the halls
- lack of mats in bathrooms
- same breakfast
- complicated process of getting free bathroom robe and slippers, water bottles (a guest has to fill in certain forms to get those)
- uncomfortable pillows
- no stairs available for guest (only staff can use them)

- hotel's website does not provide all the information in English (only welcoming page)

Opportunities:

- The fall of Russian currency is beneficial for foreign tourists, as rubles are now cheaper
- Ministries and Karelian government organize many international festivals and competition, attracting guests not only from Russia, but also from Nordic countries and Europe
- Head of the Republic of Karelia this year focuses mainly on karelian tourism industry, developing partnerships and relationships with neighboring cities and areas and other countries (especially, China)
- Seasonal high demand of the accommodation
- Establishing Petrozavodsk as a highly attractive host city for pharmaceutical conferences (cycle meetings)

Threats:

- Sanctions and unstable political situations can influence tourists flow to Russia and Karelia
- Bad economic situation in Russia and crisis lead to a decline in citizens' earnings, thus people spend less money on travelling
- Most of the attractions and sights are located outside of Petrozavodsk, thus tourists prefer to stay closer to them and to nature in houses
- Competitors are starting to understand customers' needs and wants, improving services and customer relations
- International chain hotel entering the market (e.g. Marriott)
- Airbnb and Couchsurfing are getting more popular in Russia and in Petrozavodsk

4.3 Marketing research

Marketing research was conducted with the use of quantitative and qualitative research methods. Researchers were able to collect vital information (by distributing questionnaires) about guests' background (i.e. age, gender, place of domicile) and feedbacks on the hotel, the restaurant, the cafe, the gym, and the conference area.

It was also important to know more about the franchise and differences between Park Inn and Piter Inn hotels. In order to get deeper understanding, authors conducted interviews with 7 head of departments.

All this information helps make proper analyses for the marketing plan. The research methodology and its results are shown in Chapter 3.

4.4 Marketing strategy and Marketing mix for Piter Inn

This section is the most important part of the marketing plan as it contains information about current and future actions of the company. In order to identify recommendations for improving the company's operation it is vital to understand how it positions itself at the moment and how it blends the marketing mix.

4.4.1 Product

Hotel Piter Inn Petrozavodsk positions itself as a family hotel and a business hotel providing high-quality services. For families they offer 180 rooms of European level, a cafe with best coffee grades and handmade desserts, a restaurant with Bavarian and Karelian cuisine, freshly brewed unfiltered beer, and a possibility to book tours to famous Karelian sights. Meanwhile, for business travelers there are the same services as for families plus services and facilities of conference area (6 conference halls and a foyer, equipment), catering and banqueting opportunities.

As for ancillary services, the hotel provides an ATM, transfers to/from airport, free parking lots, free 24/7 gym, free high-speed Wi-Fi, and laundry services.

Once customers requested something special (e.g. organizing a conference, meeting, wedding, corporate party, etc.), they get a personal manager who will go through the whole process with them and accompany till the end of event on site/online/by phone.

To support its products the hotel has some branded gifts for potential and frequent customers. Sales managers use branded cups, pens, flash drives, notebooks, plastic bags, brochures, and brand books for meetings with clients and as presents.

Piter Inn's brand identity include blue, yellow, green, and red colors; Russian and English letters, words "piter inn" are in small letters, under them there are a line and a name of the city in capital letters. Images of the blue brand "Pier Inn Petrozavodsk" can be seen everywhere in the hotel.

4.4.2 Price

The hotel uses cost-based pricing, which generates profit. The most profitable services that the hotel sells are rooms and meetings&events.

Recent (May'18) prices for rooms can be found below in Table 12. These open prices are quite high, as now it is the season for tourism industry. Thus, they can vary from season to season, from month to month and be lower or higher. Breakfast, parking lots, Wi-Fi, and gym facilities are included in the price.

Table 12. Open prices for rooms

Type of room	Price (RUB)
Standard guest room (single/double)	4200/4800
Improved guest room (single/double)	5000/5600
Junior suite (single/double)	7000/7600
Suite (single/double)	9000/9600

The information is acquired from the interview with the Director of Sales

Conference rooms' prices include the rent, Wi-Fi, sound and video systems, a screen with projector, a flipchart with markers, and a laser pointer. Recent prices can be found in Table 13. Additionally, guests can rent a microphone (1000 RUB), a laptop (1900 RUB), and other equipment.

Table 13. Prices for conference rooms

Name of the hall	Price (4 hours/8 hours)
Pietari	10500/17200

Pietari 1/2	6500/10500
Kivach	5000/8500
Valaam	4000/6500
Gumarnavolok	4000/6500
Ruskeala	4000/6500
Kizhi	4000/6500

The information is acquired from the interview with the Director of Sales

Regarding prices in the restaurant and cafe, it would be easier to say that a dinner can cost approximately 2000 RUB in both venues. As the restaurant is also a brewery, branded unfiltered beer is quite cheap there (e.g. 170 RUB for 0,5l).

The hotel established 25% discount for employees to use in the restaurant and cafe. Moreover, guests travelling by “Lastochka” train (S.Petersburg-Petrozavodsk-S.Petersburg and V.Novgorod-Petrozavodsk-V.Novgorod) can show their tickets and get 15% discount in the cafe CoffeeShop and the restaurant Paulaner. The hotel’s partner RZD (Russian Railways Company) is eligible for discounts on accommodation and food&drinks services after showing the document proving employment in RZD.

4.4.3 Place

The hotel’s address is Gagarin square, 1, Petrozavodsk. It is located near the railway station in the city center. The embankment, the bus station, pharmacies, museums, theatres, banks, and shops are within “a stone’s throw”.

It is possible for travelers to get to the hotel by a taxi (20 minutes from the airport) or on foot (2 minutes from the railway station). The hotel provides transfers to and from the airport. As for those guests who come by bus or by car, the hotel has a free parking space with proper security and surveillance.

All services offered, except organization of tours and catering, are available on the hotel territory. Sales and reservations managers always stay in touch via phone or e-mail

when there are conferences or events booked. It is convenient from out-of-town customers to communicate with personal managers any way they want.

4.4.4 Promotion

The hotel uses only direct marketing channel with a range of tools. As regards to the social media, it has accounts only in VK (Russian SM like Facebook) and Instagram, posting there frequently. However, that is all for its Internet presence, except for the Web site which allows users subscribe for a newsletter.

After relinquishing the franchise sales managers were able to participate in trade shows in Moscow and in Helsinki, introducing the new hotel "Piter Inn". They also went on business trips to Moscow, Saint-Petersburg and Velikiy Novgorod to meet with frequent and potential partners (mostly MICE and travel agencies).

The hotel did a huge work at promoting itself through fam trips and business breakfasts. The latter was organized with many valued companies in Petrozavodsk, such as BMW dealer center, Sberbank, MegaFon, and others. As for fam trips, many delegations from Moscow, Saint-Petersburg, Velikiy Novgorod, Murmansk, and even China came to Karelia and stayed at Piter Inn for free, so that they would promote the hotel with touristic opportunities in their cities.

4.4.5 Marketing strategies in use for Piter Inn

As it was mentioned before there are three types of generic marketing strategies that a company can focus on: low cost leadership, differentiation and focus strategy.

For Piter Inn case differentiation strategy is applied. With this strategy the company's product or service is perceived more valuable by the customers than competitors' ones. Differentiated product of the hotel have several distinctive characteristics such as: features, comfortance and style - the hotel is the newest hotel among its competitors, so it has modern interior, common style of the shared areas and rooms, comfortable and new furniture. The hotel offers its guests high quality service provided by well-trained competence and professional staff. based on the reviews in many of the competitive hotels guests note that the staff is unprofessional and unfriendly, however, Piter Inn's person-

nel is its significant strength, so the hotel also exercise personnel differentiation, which exhibits six characteristics: competence, courtesy, credibility, reliability, responsiveness, communication. Apart from that, the hotel provides high quality conference facilities with the only synchronous translation system in Petrozavodsk, and high-quality food and drinks in the branded restaurant. Differentiation strategy is based on “ingredients”, features and positioning. The advantage of this type of strategy is that in this way products or services of the company cannot be easily copied by its competitors.

Organizational structure and management controls are also important in implementing the strategy. Piter Inn organizational structure which is shown in Figure 1, facilitates the strategy as decision making can be decentralized - every head of department, deputy and general director have the decision-making power while the owners do not intervene this process. Moreover, without a franchise the hotel is more flexible to respond the needs of the market.

As a part of differentiation strategy, the hotel also exhibits image differentiation characterized by symbols, such as logo, brand attributes (e.g. Piter Inn mags) written style color (blue) and also atmosphere at the hotel. However, the hotel also needs to work on its own brand image and identity and strengthen them to increase brand loyalty.

Based on Laskey et al (1989) “the unique selling proposition must be a feature that highlights product benefits that are meaningful to consumers and ...refers to the unique benefit exhibited by a company, service, product or brand that enables it to stand out from competitors.” (p. 36). So, the company needs to pick an attribute and promote itself as the leader company in that attribute. For Piter Inn that attribute compared to its competitors and in Petrozavodsk hotel market would be “best quality” and “best service”. However, the company has to avoid errors such as: underpositioning, overpositioning, confused positioning, doubtful positioning. To position the product or service in a correct and successful way the company solves marketing-mix problem that was presented earlier.

Last but not least, apart from clear positioning the company also needs to communicate that it in an effective way to its consumers i.e. high-price usually signals the consumers about the high quality of the product or a service, reputation of the company contributes to the perception of the service or product’s quality as well.

Online marketing strategy

Online marketing is based on three main parts: Search Engine Optimization, content marketing and social media marketing. All these cornerstones can be applied for both products and services. However, Content marketing can be hard to apply to a hotel industry. It includes blogs, videos, podcast, etc., which are not quite suitable for the hotel's marketing strategy.

The main focuses in online marketing for the hotel should be on Search Engine Optimization (SEO), search marketing and social media marketing.

According to the article "The Basics of Online Marketing Strategy" (2016), SEO should include relevant keywords, valuable content, a website that loads quickly, both images and content, and backlinks from respected websites. So, when a potential guest types "hotels petrozavodsk" in Google search engine, they do not find neither Piter Inn nor any other hotel in Petrozavodsk. First thing it shows is the link to Booking.com.

The same is with search marketing, there are no ads of any hotel on that search engine. Sheehan (2010) stated that "it is not enough to have your product just show up in the search results; you must also make sure it is consistently listed in the top results" (p. 36). This is what Piter Inn needs. Search marketing consists of natural search (which is free and linked to SEO) and paid search. Both types are suitable for the hotel. The most important thing is to link the website to as many relevant keywords as possible, starting from "hotels petrozavodsk". Cost-per-click (CPC) is a common tool for a paid search, which means that "the advertiser pays the search engine the amount of money it bid to get the position every time someone clicks on it" (Sheehan 2010, 39). Such tool, unlike the natural search, can guarantee a certain level of visibility and performance on a search engine.

Some of the Piter Inn's competitors have display ads on local websites and online newspapers. However, even after visiting Piter Inn's web page, it does not come up in any other sites as an ad.

Piter Inn uses only VK and Instagram for social media marketing, which narrow the possibility to interact with target customers. A lot of foreign tourists use Facebook also, so it is in the hotel's best interest to expand online marketing.

The results of this research and future recommendations on online marketing strategy are shown in chapter 4.5.

4.5 Findings

Hotel Piter Inn needs to consider many things in order to create new strategy and new brand without any harm to the hotel's stakeholders. It is important for the hotel to deviate from the imitation strategy, as most of the clients still think of it as Park Inn.

There are many tools that can help accomplish these objectives. Authors formulated some recommendations that can help improve marketing strategy, brand and relationships with potential and existing customers.

Online marketing:

- Better use of social media sites (more engagement and interaction with subscribers and visitors). It is possible to conduct some kind of competition or contest, which will bring new followers. Organizing live broadcasts to show people the hotel, staff, events and conferences would also be beneficial for attracting new attention.
- The hotel is accommodating many foreign tourists, but they have limited information about it. So, by creating a Facebook page, the hotel expands its Internet presence and target audience.
- Due to the fact about international tourists, the hotel should translate the website at least into English. Now, only the Home page is translated, but it is not clear how to book a room or what services the hotel provides.
- Search marketing is also very crucial. Piter Inn can be the first and only hotel that is shown at the top of the search engine. Applying keywords to the website will result in more people visiting it. It is possible to start with natural search, which is free. Some examples of common keywords that will lead searcher to Piter Inn's website are "hotel", "petrozavodsk", "karelia", "kizhi", "valaam", "accommodation", etc. These keywords will help the website appear on the first page of the search, thus it will be already a big improvement.
- The company can also think about display ads or ads in online newspapers. Even though, they can be irritating, they still capture person's attention.

Other marketing techniques:

- According to Leonov et al (2010), mobile marketing is universal, suitable for almost every industry, and quite cheap for companies (p. 369). If applied properly, mobile marketing can be beneficial not only for the restaurant and cafe, but also for the hotels. All clients, who provided their phone numbers voluntarily, are willing to receive promotional information or be reminded of some special deals.
- Direct marketing can also be used as a tool to attract new clientele. Sales managers contact certain companies, organize meetings and provide all the information on the business opportunities in the hotel. Organizing meetings, conferences and firm's get-togethers are now getting more and more popular amongst small, medium and big companies.
- Bagiev et al (2007) suggested 3 types of marketing: image-advertising, promotional or stimulating advertising, and advertising stability. The main purpose of *image-advertising* is to make sure that the company's brand is positively consolidated in the minds of a wide range of people. Piter Inn can use this type in terms of video advertising on television, ads on billboards and in popular local newspapers and magazines (especially the ones that are free and distributed all over the city). *Promotional advertising* should stimulate the demand of certain products and services (i.e. stimulate the need to buy something). It can be done via frequently repeated ads in newspapers and magazines, direct mailing of the hotel's newsletters and special deals, ads on radio, participation in trade shows and exhibitions outside Petrozavodsk. Advertising stability is mostly used when all of previously mentioned tools worked and provided good results. In order to keep a brand in customers' minds, it is beneficial to send hidden advertising in the forms of articles of firm's operations and products/services, to again participate in trade shows and exhibitions, and to provide partners with information about company's operations via e-mail, for instance.

Company operations:

- Develop precise statements of mission and vision and let all employees know about them.
- Set SMART (Specific, Measurable, Attainable, Relevant, Timely) goals and accurate objectives to achieve those goals and make sure that every employee is contributing.

- Properly develop the brand that will be unique, authentic and easy to remember. Imitation strategy is not beneficial.
- Open at least the cafe or room service 24/7, so that people arriving at night or very early could order some food.

4.6 Conclusion of the marketing plan

The marketing plan is written as a guideline for Piter Inn to help understand the micro- and macroenvironment of the company and its position in the market, provide information on where to start developing a strategy. The marketing plan structure is followed step by step covering all the relative issues. Firstly, the situational analysis was conducted answering the first strategic question “Where are we now?” The researchers applied PESTEL analysis, SWOT, Porter’s five forces, and marketing mix to the marketing plan. It was identified that the company does not have clear mission, vision, goals, and objectives, thus the proper strategy was not implemented for Piter Inn.

The company should first of all focus on developing its mission and vision to determine in what direction the company should move. Following the effective differentiation and positioning strategy the company can achieve sustainable competitive advantage over its competitors. The financial part of the marketing plan is left out due to the lack of information provided by the management of the hotel. The action plan of the marketing plan is represented by findings. The marketing plan provides answers to all set sub questions.

5 CONCLUSION

This thesis is written for the hotel Piter Inn Petrozavodsk, providing an actual marketing plan as a tool for the hotel's rebranding. When the hotel relinquished the franchise, the management did not create a new strategy, but just decided to let the hotel be as it is and followed the imitation strategy. All results are indicated in this chapter below.

The outcome of the marketing plan is outlined in the chapter 4.6. It is vital to say that all research results can be considered as recommendations and guidelines for the management to conduct an actual strategy. Authors analyzed the results of the survey and also imagined what they would want to see and experience in the hotel as potential customers to point out some relevant offers and ideas.

As the main research goal is how to rebrand the hotel, the authors ended up with the simple solution to this problem – marketing plan. Conducted marketing plan also provides answers to the set sub questions supporting the main goal of the thesis. Chapter 4.5 contains possible ideas for the improvement that are also solutions to the sub questions of the thesis. All these recommendations were formed from the research for the marketing plan and lead to providing impeccable services that will help retain and attract customers. The latter leads to increase in profitability of the hotel which is the third sub question for the research. Recommendations for the online marketing provide answers to the last sub question about increasing brand awareness. If the hotel focuses greatly on the Internet presence it will improve its position in the customers' minds. Authors suggested several improvements for the hotel to adopt. Still, all recommendations should be considered as tips and drafts for the future strategy.

The main findings are linked with recommendations for changes in the company's operations and marketing actions. Even though, the researchers received quite good feedbacks on the hotel's experience from guests, the marketing plan is still applicable for a successful development of the hotel. It is possible for the management to consider this thesis as a basis for creating a new strategy.

Although, the researchers were aiming at getting at least 90-100 answers for the questionnaire, there were only 67 of them. This can be justified as the questionnaire was distributed during winter-spring season which is low for the hospitality industry. All in all, the marketing plan and recommendations can be assumed as valid and reliable guidelines

that will help the management see a clear picture of the hotel's current situation and provide primary information to start on a new brand and marketing strategies.

The authors have acquired deep knowledge of the industry, theoretical background related to hospitality, and how the hotel operates, which will be useful for the future professional development. Moreover, the authors learned how to work together efficiently, divide the tasks equally and brainstorm. Due to this research the authors have identified possible research topics for the company to undergo. It would be beneficial to the hotel to cut costs and attract international clients.

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APPENDICES

APPENDIX 1. QUESTIONNAIRE

APPENDIX 2. BACKGROUND INFORMATION ABOUT THE RESPONDENTS

APPENDIX 3. OTHER ANSWERS TO QUESTIONNAIRE

APPENDIX 4. FACE-TO-FACE INTERVIEW

APPENDIX 5. ANSWERS TO INTERVIEW QUESTIONS

Hotel Piter Inn Petrozavodsk

Dear Guest, welcome to hotel Piter Inn Petrozavodsk! Our hotel was named Park Inn by Radisson Petrozavodsk until the 15th of August, 2017. As we gave up the brand and changed the name, we became independent and more flexible. However, we are planning on keeping up with standards and rules that helped the hotel win “The Best Hotel in the Republic of Karelia 2015, 2016” awards. In order to stay appealing to our customers and competitive at the same time, we would like to know opinions of our valued guests.

We would appreciate you taking some time to answer this survey, so that we can analyze the hotel's work and consider making some improvements you mention. We will do our best to make your stay delightful and we will be happy to see you again.

Отель Питер Инн Петрозаводск

Уважаемый Гость, добро пожаловать в отель Питер Инн Петрозаводск! До 15 августа 2017 года мы назывались отель Park Inn by Radisson Петрозаводск. В связи с уходом от бренда Carlson Rezidor и смены названия отеля мы стали более независимыми и гибкими. Но для того, чтобы продолжать соответствовать стандартам и высокому уровню обслуживания, мы бы хотели узнать Ваше мнение о нашем отеле.

Спасибо, что нашли время для нашего опроса, ведь каждый Ваш ответ очень ценен! Надеемся, что Вы останетесь довольны временем, проведенным в отеле, и мы будем рады видеть Вас снова!

***Required/ *Обязательно**

1. Is it your first time in this hotel? **/ Это Ваш первый раз в отеле Питер Инн?*

- Yes/*Да*
- No/*Нет*

2. What is Your age? **/ Пожалуйста, укажите Ваш возраст*
(short answer)/ *(короткий ответ)*

3. What is your gender? **/ Пожалуйста, укажите Ваш пол*

- Male/*Мужской*
- Female/*Женский*
- Other/*Другое*

4. Which city do you come from? **/ Из какого города Вы приехали?*
(short answer)/ *(короткий ответ)*

5. Are you a business or leisure traveler? **/ Вы путешествуете по работе или отдыхаете?*

- Business/*Работа*
- Leisure/*Отдых*

6. Have you ever stayed in Park Inn by Radisson Petrozavodsk? How many times? **/ Вы когда-нибудь останавливались в отеле Park Inn by Radisson Petrozavodsk (теперь это Питер Инн)? Сколько раз?*

- 0
- 1-3
- 4-7
- 8+

7. If your answer to Question 6 is 1 or more times, do you see any differences between the quality of services offered in Park Inn by Radisson Petrozavodsk and Piter Inn? / *Если на предыдущий вопрос, Вы ответили да, замечаете ли Вы разницу в качестве услуг, предложенных в Park Inn by Radisson Petrozavodsk и Питер Инн?*
(short answer)/ *(короткий ответ)*

8. Will you consider staying in Piter Inn again? */ *Остановились бы Вы в отеле Питер Инн еще раз?*

- Yes/ *Да*
- No/ *Нет*

Comments, if any/ *Комментарии* _____

9. How would you evaluate the Front desk services? */ *Как бы Вы оценили работу стойки регистрации (reception)?*

	1-very bad/ <i>очень плохо</i>	2-bad/ <i>плохо</i>	3-neutral/I don't know/ <i>нейтрально/ я не знаю</i>	4-good/ <i>хорошо</i>	5-very good/ <i>очень хорошо</i>
Time spent on check-in and –out/ <i>Время, уделенное для Вас</i>					
Friendliness of personnel/ <i>Дружелюбие и отзывчивость персонала</i>					
Integrity of information provided/ <i>Целостность предоставленной информации</i>					
Attractiveness of front desk and hall/ <i>Внешний вид и удобство стойки регистрации и холла</i>					

Comments on improvements, if any/ *Комментарии* _____

10. How would you evaluate the cleanliness of rooms and hallways? */ *Как бы Вы оценили чистоту и порядок в комнатах и коридорах отеля?*

- 1-very bad/ *очень плохо*
- 2-bad/ *плохо*

- 3-neutral/I don't know/ *нейтрально/ я не знаю*
- 4-good/ *хорошо*
- 5-very good/ *очень хорошо*

Comments, if any/ *Комментарии* _____

11. How would you evaluate the restaurant "Paulaner Petrozavodsk"? */ *Как бы Вы оценили ресторан Paulaner?*

	1-very bad/ <i>очень плохо</i>	2-bad/ <i>плохо</i>	3-neutral/I don't know/ <i>нейтрально/ я не знаю</i>	4-good/ <i>хорошо</i>	5-very good/ <i>очень хорошо</i>
Customer service/ <i>Обслуживание</i>					
Quality of food/ <i>Качество блюд</i>					
Quality of drinks/ <i>Качество напитков</i>					
Price level/ <i>Стоимость</i>					
Cleanliness/ <i>Чистота и порядок</i>					

Comments on improvements, if any/ *Комментарии* _____

12. How would you evaluate the cafe "Coffee Shop"? */ *Как бы Вы оценили кофейню Coffee Shop?*

	1-very bad/ <i>очень плохо</i>	2-bad/ <i>плохо</i>	3-neutral/I don't know/ <i>нейтрально/ я не знаю</i>	4-good/ <i>хорошо</i>	5-very good/ <i>очень хорошо</i>

Customer service/ <i>Обслуживание</i>					
Quality of food/ <i>Качество блюд</i>					
Quality of drinks/ <i>Качество напитков</i>					
Price level/ <i>Стоимость</i>					
Cleanliness/ <i>Чистота и порядок</i>					

Comments on improvements, if any/ *Комментарии* _____

13. How would you evaluate gym facilities in the hotel? / *Как бы Вы оценили тренажерный зал в отеле?*

- 1-very bad/ *очень плохо*
- 2-bad/ *плохо*
- 3-neutral/I don't know/ *нейтрально/ я не знаю*
- 4-good/ *хорошо*
- 5-very good/ *очень хорошо*

Comments, if any/ *Комментарии* _____

14. How would you evaluate the facilities of the conference hall (6th floor)? / *Как бы Вы оценили услуги конференц-зоны на 6 этаже отеля?*

- 1-very bad/ *очень плохо*
- 2-bad/ *плохо*
- 3-neutral/I don't know/ *нейтрально/ я не знаю*
- 4-good/ *хорошо*
- 5-very good/ *очень хорошо*

Comments, if any/ *Комментарии* _____

15. How would you evaluate the price level of the hotel rooms? **/ Как бы Вы оценили стоимость номеров в отеле Питер Инн?*

- 1-very low/ *очень низкая*
- 2-low/ *низкая*
- 3-neutral/I don't know/ *нейтральная/ я не знаю*
- 4-high/ *высокая*
- 5-very high/ *очень высокая*

Comments, if any/ *Комментарии* _____

16. How would you evaluate the location of the hotel? **/ Как бы Вы оценили местоположение отеля?*

- 1-very bad/ *очень плохо*
- 2-bad/ *плохо*
- 3-neutral/I don't know/ *нейтрально/ я не знаю*
- 4-good/ *хорошо*
- 5-very good/ *очень хорошо*

Comments, if any/ *Комментарии* _____

17. How do you know about Piter Inn? (You can choose more than one answer) **/ Как вы узнали об отеле Питер Инн? (Вы можете выбрать несколько ответов)*

- Booking.com/ *Booking.com*
- Web page (piterinn.ru)/ *Сайт*
- Friend or colleague/ *Друг/коллега*
- Other/ *Другое* _____

18. In your opinion, what could be improved in the hotel? / *По Вашему мнению, что можно улучшить в отеле Питер Инн?*

(long answer)/ *(длинный ответ)*

19. Would you recommend the hotel to your friends and colleagues? **/ Посоветовали бы Вы отель Питер Инн друзьям или коллегам?*

- Yes/ *Да*
- No/ *Нет*

Comments, if any/ *Комментарии* _____

Thank You for the answers!/*Благодарим за Ваши ответы!*

Appendix 2 1/2 BACKGROUND INFORMATION ABOUT THE RESPONDENTS

Age of the respondents

What is your age?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
20-29	1	34	50,75	50,75	50,75
30-39	2	17	25,37	25,37	76,12
40-49	3	10	14,93	14,93	91,04
50-59	4	5	7,46	7,46	98,51
70-79	6	1	1,49	1,49	100,00
<i>Total</i>		67	100,0	100,0	

Gender of the respondents

What is your gender?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
Female	0	41	61,19	61,19	61,19
Male	1	26	38,81	38,81	100,00
<i>Total</i>		67	100,0	100,0	

City the respondents come from

Which city do you come from?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
S.Petersburg	1	23	34,33	34,33	34,33
New York	2	1	1,49	1,49	35,82
Moscow	3	7	10,45	10,45	46,27
Krasnodar	4	1	1,49	1,49	47,76
Kaliningrad	5	1	1,49	1,49	49,25
Murmansk	6	7	10,45	10,45	59,70
Petrozavodsk	7	4	5,97	5,97	65,67
Togliatti	8	1	1,49	1,49	67,16
Syktvykar	9	1	1,49	1,49	68,66
N.Novgorod	10	1	1,49	1,49	70,15
V.Novgorod	11	5	7,46	7,46	77,61
Joensuu	12	3	4,48	4,48	82,09
Saratov	13	1	1,49	1,49	83,58
Arkhangelsk	14	1	1,49	1,49	85,07
Karelia (Suburbs)	15	10	14,93	14,93	100,00
<i>Total</i>		67	100,0	100,0	

Appendix 2 2/2 BACKGROUND INFORMATION ABOUT THE RESPONDENTS

Type of traveler

Are you a business or leisure traveler?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
Leisure	0	28	41,79	41,79	41,79
Business	1	39	58,21	58,21	100,00
<i>Total</i>		67	100,0	100,0	

Appendix 3 1/6 OTHER ANSWERS TO QUESTIONNAIRE

Question 1

Is it your first time in Piter Inn?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
No	0	20	29,85	29,85	29,85
Yes	1	47	70,15	70,15	100,00
<i>Total</i>		67	100,0	100,0	

Question 6

Have you ever stayed in Park Inn by Radisson Petrozavodsk? How many times?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
0	0	38	56,72	56,72	56,72
1-3	1	23	34,33	34,33	91,04
4-7	2	3	4,48	4,48	95,52
8+	3	3	4,48	4,48	100,00
<i>Total</i>		67	100,0	100,0	

Question 7

If your answer to Q6 is 1 or more times, do you see any differences between services offered in Park Inn by Radisson Petrozavodsk and Piter Inn?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
No	0	25	37,31	86,21	86,21
Yes	1	2	2,99	6,90	93,10
Yes, much better	2	2	2,99	6,90	100,00
.	.	38	56,72	Missing	
<i>Total</i>		67	100,0	100,0	

Question 8

Will you consider staying in Piter Inn again?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
No	0	2	2,99	2,99	2,99
Yes	1	64	95,52	95,52	98,51
Other	2	1	1,49	1,49	100,00
<i>Total</i>		67	100,0	100,0	

Question 9/1

How would you evaluate the Front Desk services? (Time of check-in and -out)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
very bad	1	1	1,49	1,49	1,49
bad	2	2	2,99	2,99	4,48
neutral/I don't know	3	1	1,49	1,49	5,97
good	4	29	43,28	43,28	49,25
very good	5	34	50,75	50,75	100,00
<i>Total</i>		67	100,0	100,0	

Question 9/2

How would you evaluate the Front Desk services? (Friendliness of personnel)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	1	1,49	1,49	1,49
good	4	22	32,84	32,84	34,33
very good	5	44	65,67	65,67	100,00
<i>Total</i>		67	100,0	100,0	

Question 9/3

How would you evaluate the Front Desk services? (Integrity of information provided)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
bad	2	1	1,49	1,49	1,49
good	4	27	40,30	40,30	41,79
very good	5	39	58,21	58,21	100,00
<i>Total</i>		67	100,0	100,0	

Question 9/4

How would you evaluate the Front Desk services? (Attractiveness of front desk and hall)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	1	1,49	1,49	1,49
good	4	21	31,34	31,34	32,84
very good	5	45	67,16	67,16	100,00
<i>Total</i>		67	100,0	100,0	

Question 10

How would you evaluate the cleanliness of rooms and hallways?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	2	2,99	2,99	2,99
good	4	33	49,25	49,25	52,24
very good	5	32	47,76	47,76	100,00
<i>Total</i>		67	100,0	100,0	

Question 11/1

How would you evaluate the restaurant "Paulaner Petrozavodsk"? (Customer service)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	4	5,97	5,97	5,97
good	4	45	67,16	67,16	73,13
very good	5	18	26,87	26,87	100,00
<i>Total</i>		67	100,0	100,0	

Appendix 3 3/6 OTHER ANSWERS TO QUESTIONNAIRE

Question 11/2

How would you evaluate the restaurant "Paulaner Petrozavodsk"? (Quality of food)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
bad	2	2	2,99	2,99	2,99
neutral/I don't know	3	9	13,43	13,43	16,42
good	4	34	50,75	50,75	67,16
very good	5	22	32,84	32,84	100,00
<i>Total</i>		67	100,0	100,0	

Question 11/3

How would you evaluate the restaurant "Paulaner Petrozavodsk"? (Quality of drinks)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	6	8,96	8,96	8,96
good	4	36	53,73	53,73	62,69
very good	5	25	37,31	37,31	100,00
<i>Total</i>		67	100,0	100,0	

Question 11/4

How would you evaluate the restaurant "Paulaner Petrozavodsk"? (Price level)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
bad	2	4	5,97	5,97	5,97
neutral/I don't know	3	16	23,88	23,88	29,85
good	4	38	56,72	56,72	86,57
very good	5	9	13,43	13,43	100,00
<i>Total</i>		67	100,0	100,0	

Question 11/5

How would you evaluate the restaurant "Paulaner Petrozavodsk"? (Cleanliness)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	4	5,97	5,97	5,97
good	4	42	62,69	62,69	68,66
very good	5	21	31,34	31,34	100,00
<i>Total</i>		67	100,0	100,0	

Question 12/1

How would you evaluate the cafe "CoffeeShop"? (Customer service)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
very bad	1	1	1,49	1,49	1,49
neutral/I don't know	3	18	26,87	26,87	28,36
good	4	28	41,79	41,79	70,15
very good	5	20	29,85	29,85	100,00
<i>Total</i>		67	100,0	100,0	

Question 12/2

How would you evaluate the cafe "CoffeeShop"? (Quality of food)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
very bad	1	1	1,49	1,49	1,49
neutral/I don't know	3	16	23,88	23,88	25,37
good	4	29	43,28	43,28	68,66
very good	5	21	31,34	31,34	100,00
<i>Total</i>		67	100,0	100,0	

Question 12/3

How would you evaluate the cafe "CoffeeShop"? (Quality of drinks)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	20	29,85	29,85	29,85
good	4	25	37,31	37,31	67,16
very good	5	22	32,84	32,84	100,00
<i>Total</i>		67	100,0	100,0	

Question 12/4

How would you evaluate the cafe "CoffeeShop"? (Price level)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	26	38,81	38,81	38,81
good	4	28	41,79	41,79	80,60
very good	5	13	19,40	19,40	100,00
<i>Total</i>		67	100,0	100,0	

Question 12/5

How would you evaluate the cafe "CoffeeShop"? (Cleanliness)

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	18	26,87	26,87	26,87
good	4	27	40,30	40,30	67,16
very good	5	22	32,84	32,84	100,00
<i>Total</i>		67	100,0	100,0	

Question 13

How would you evaluate gym facilities of the hotel?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
neutral/I don't know	3	38	56,72	56,72	56,72
good	4	17	25,37	25,37	82,09
very good	5	12	17,91	17,91	100,00
<i>Total</i>		67	100,0	100,0	

Question 14

How would you evaluate the facilities of the conference hall?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
bad	2	5	7,46	7,46	7,46
neutral/I don't know	3	31	46,27	46,27	53,73
good	4	29	43,28	43,28	97,01
very good	5	2	2,99	2,99	100,00
<i>Total</i>		67	100,0	100,0	

Question 15

How would you evaluate the price level of the hotel rooms?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
low	2	1	1,49	1,49	1,49
neutral/I don't know	3	6	8,96	8,96	10,45
high	4	26	38,81	38,81	49,25
very high	5	34	50,75	50,75	100,00
<i>Total</i>		67	100,0	100,0	

Question 16

How would you evaluate the location of the hotel?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
bad	2	1	1,49	1,49	1,49
neutral/I don't know	3	3	4,48	4,48	5,97
good	4	23	34,33	34,33	40,30
very good	5	40	59,70	59,70	100,00
<i>Total</i>		67	100,0	100,0	

Question 17

How do you know about Piter Inn?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
Booking.com	0	24	35,82	35,82	35,82
Web site	1	4	5,97	5,97	41,79
Friend/colleague	2	38	56,72	56,72	98,51
Other	3	1	1,49	1,49	100,00
<i>Total</i>		67	100,0	100,0	

Appendix 3 6/6 OTHER ANSWERS TO QUESTIONNAIRE

Question 18

In your opinion, what could be improved in the hotel?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
everything is good	0	7	10,45	33,33	33,33
better meals in the restaurant	1	2	2,99	9,52	42,86
put cups near water coolers in the halls	2	2	2,99	9,52	52,38
install mini-bars in rooms	3	2	2,99	9,52	61,90
I don't know	4	1	1,49	4,76	66,67
install cupboards/wardrobes	5	2	2,99	9,52	76,19
open a spa-center	6	1	1,49	4,76	80,95
change slippers	8	1	1,49	4,76	85,71
make more light in the bathrooms	9	1	1,49	4,76	90,48
provide more ads of the hotel	10	1	1,49	4,76	95,24
provide bigger pillows	11	1	1,49	4,76	100,00
.	.	46	68,66	Missing	
<i>Total</i>		67	100,0	100,0	

Question 19

Would you recommend the hotel to your firends and colleagues?

<i>Value Label</i>	<i>Value</i>	<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cum Percent</i>
Yes	1	67	100,00	100,00	100,00
<i>Total</i>		67	100,0	100,0	

Appendix 4 1/1 FACE-TO-FACE INTERVIEW

Q1: What are advantages and disadvantages of working under the international brand?

Расскажите о плюсах и минусах работы под международным брендом.

Q2: How do you feel about the transition to the absolutely new and unknown brand? Do you regret “leaving” the international brand?

Как вы отнеслись к переходу к абсолютно новому и никому неизвестному бренду? Сожалеете ли вы об уходе от международного бренда?

Q3: Do you feel the difference in management (General Manager vs. General Director) between two hotels?

Заметили ли вы разницу в управлении (Генеральный Менеджер или Генеральный Директор) двух отелей?

Q4: Do you feel more “freedom” without the brand?

Ощущаете ли вы больше свободы без бренда?

Q5: Did the transition benefit employees?

Имел ли влияние такой переход от франшизы на сотрудников?

Q6: Do you think the hotel is still competitive in the market without an important competitive advantage?

По вашему мнению, считается ли отель конкурентоспособным без главного своего отличия от других отелей?

Q7: What do you think the hotel could do to keep up with the already built image of an international hotel?

Как вы считаете, что необходимо сейчас сделать отелю, чтобы соответствовать уже наработанному уровню международного отеля?

Appendix 5 1/9 ANSWERS TO INTERVIEW QUESTIONS

Answers to Question 1

Department	Advantages	Disadvantages
Front Office	<ul style="list-style-type: none"> • Professional free training • Standards and rules of behaviour that provide quality guarantee for guests • Respectable and competitive workplace known worldwide 	<ul style="list-style-type: none"> • Great amount of reports, statistics and comparative tables (that Rezidor required) • Many meetings and events that were imposed upon employees and management • High budgets for AHR (Average Hotel Rate) and other services that were hard to do in such a small city • Strict pricing policy which restrained the hotel in satisfying customers' needs • Forced suppliers that are usually expensive
Engineering	<ul style="list-style-type: none"> • Every employee follows SOP (Standard Operating Procedures) 	<ul style="list-style-type: none"> • Compulsory, expensive use of certain suppliers • Restrictions concerning any renovations • No flexibility from managers in some practical matters • No motivation for franchisee to achieve something • Franchise royalties

Appendix 5 2/9 ANSWERS TO INTERVIEW QUESTIONS

		<p>does not depend on profits</p>
<p>Sales/Meetings&Events</p>	<ul style="list-style-type: none"> • Developed relationships with partners • Great opportunities for personal and career growth • Healthy and civil competition • Certain flexibility with corporate clients • Salesforce - combined customer database (companies and organizations worldwide) with all contacts 	<ul style="list-style-type: none"> • Restrictions about advertising in Social Media and other marketing channels (only Rezidor can approve certain ad, but most of the time they do not let advertise) • It is not financially beneficial to operate such hotel in a small market • Rezidor sets certain fees for franchise without taking into consideration the hotel's profits (hard to be profitable) • Rezidor sets higher budgets every month/year, again without thinking about the ability of the hotel to earn so much • Certain restrictions about renovating and changing furniture, appliances, equipment (e.g. cupboards or small wardrobes that guest usually need were not allowed in guest rooms)

Appendix 5 3/9 ANSWERS TO INTERVIEW QUESTIONS

Food&Drinks	-	-
Security	<ul style="list-style-type: none"> • Strict rules about etiquette, discipline and uniforms (handbook) • Serious approach concerning safety (alarm button, working only with state security organizations) 	<ul style="list-style-type: none"> • Some useful security equipment were not planned during the design of the building, and Rezidor did not allow to install them anyway • Indifferent attitude towards employees and departments (e.g. Rezidor decided to cut costs and fired people so that it was only 1 person per shift for the whole hotel) • Hard to work with Rezidor management itself
Finances	<ul style="list-style-type: none"> • Provision of convenient and easy to use software for reports and statistics • Certain useful standards to organize beneficial workflow • Chain hotel provides good opportunity for career growth 	<ul style="list-style-type: none"> • Strict deadlines without any possibility to change them • Great amount of paperwork and bookkeeping • Great amount of profits goes to Rezidor
Training	<ul style="list-style-type: none"> • Compulsory cross-training (e.g. employees from a reservations department should work a couple 	<ul style="list-style-type: none"> • A lot of reporting and statistics • No interest in achievements, charity work and employees

Appendix 5 4/9 ANSWERS TO INTERVIEW QUESTIONS

	<p>of weeks in Front Office)</p> <ul style="list-style-type: none"> • Instructions for adaptation of new employees • Updating training system provides knowledge for every department (security, first aid, working with clients, etc.) • Corporate philosophies that help unite employees, improve teamwork, be responsible for nature and each other (e.g. Yes, I Can!, Responsible Business) • Compulsory quality check by “secret guest” in order to control employees 	
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Answers to Question 2

Department	Answers
Front Office	<ul style="list-style-type: none"> • The whole department regrets a little bit about leaving such a famous and respected brand, but is willing to keep up a good performance and drive the hotel to new heights
Engineering	<ul style="list-style-type: none"> • No regrets at all. Everything is the same
Sales/Meetings&Events	<ul style="list-style-type: none"> • No one regrets leaving the brand, new management is

Appendix 5 5/9 ANSWERS TO INTERVIEW QUESTIONS

	<p>more flexible and closer to every department</p> <ul style="list-style-type: none"> The most important thing is that the market and all our clients understood the transition and were supportive and loyal to the experience and employees but not the brand, thus the hotel did not lose its important customers
Food&Drinks	<ul style="list-style-type: none"> It does not concern F&D department, so no comments The restaurant is still under the international brand (Paulaner) The transition has not influenced the cafe also
Security	<ul style="list-style-type: none"> No regrets, only positive feelings
Finances	<ul style="list-style-type: none"> No regrets, the brand was too expensive for such a small market Only the name has changed, the rest is the same as well as the reputation
Training	<ul style="list-style-type: none"> In this department the name of the hotel does not matter, so no regrets It is important to train and motivate employees in order to keep up with the high level of quality as was in Park Inn

Answers to Question 3

Department	Answers
Front Office	<ul style="list-style-type: none"> Yes, now it is easier to communicate with the management
Engineering	<ul style="list-style-type: none"> Yes, management is now more flexible and loyal
Sales/Meetings&Events	<ul style="list-style-type: none"> Yes, General Manager used to refuse many requests and offers, General Director is more flexible and open-minded

Appendix 5 6/9 ANSWERS TO INTERVIEW QUESTIONS

Food&Drinks	<ul style="list-style-type: none"> • No, as the restaurant has its own franchise management • Transition has not influenced cafe and restaurant much
Security	<ul style="list-style-type: none"> • Yes, the attitude and corporate relationships are much better with General Director, easier to communicate
Finances	<ul style="list-style-type: none"> • No, new management does not feel different
Training	<ul style="list-style-type: none"> • Yes, new management does not have many restrictions, helps improving department's operations and really pays attention

Answers to Question 4

Department	Answers
Front Office	<ul style="list-style-type: none"> • Yes, the hotel can make its own decisions now
Engineering	<ul style="list-style-type: none"> • Yes, definitely
Sales/Meetings&Events	<ul style="list-style-type: none"> • Yes, the hotel became more flexible in terms of pricing policy, services and facilities offered
Food&Drinks	<ul style="list-style-type: none"> • Only in terms of marketing, the restaurant is still a franchise (Paulaner)
Security	<ul style="list-style-type: none"> • Such department should not feel any freedom, all standards and procedures are the same, but it did become easier to communicate with the management
Finances	<ul style="list-style-type: none"> • Yes, of course. Less paperwork and reports to the Carlson Rezidor Hotel Group
Training	<ul style="list-style-type: none"> • Yes, it became easier to work without statistics and reports to the Carlson Rezidor Hotel Group, more time for actual work, no strict deadlines

Appendix 5 7/9 ANSWERS TO INTERVIEW QUESTIONS

Answers to Question 5

Department	Answers
Front Office	<ul style="list-style-type: none"> Some employees were disappointed that they would work under an unknown brand, but everyone understood and no one left. Basically, nothing has changed.
Engineering	<ul style="list-style-type: none"> Nothing has changed. All employees have been working for long, so they are very committed to the hotel
Sales/Meetings&Events	<ul style="list-style-type: none"> No, everything seems the same, although it is quite soon to draw any conclusions
Food&Drinks	<ul style="list-style-type: none"> The transition did not influence restaurant and cafe, but the management was able to provide employees not only with a salary but also with commission from sales
Security	<ul style="list-style-type: none"> After the transition the hotel was able to hire outsourced employees officially according to the Labor Code of the Russian Federation
Finances	<ul style="list-style-type: none"> All the paperwork and accounting procedures became much simpler and the deadlines were not that tight as they used to be before
Training	<ul style="list-style-type: none"> Nothing has changed, the department consists of 1 employee

Answers to Question 6

Department	Answers
Front Office	<ul style="list-style-type: none"> Yes, the hotel is quite competitive because of the location, the wide range of opportunities for tourists and corporate clients, and customization of requests
Engineering	<ul style="list-style-type: none"> Yes, according to feedbacks the hotel did not become

Appendix 5 8/9 ANSWERS TO INTERVIEW QUESTIONS

	worse
Sales/Meetings&Events	<ul style="list-style-type: none"> • Yes, definitely, the hotel's staff is willing to go extra mile to satisfy customers and make their experience unforgettable
Food&Drinks	<ul style="list-style-type: none"> • Yes, both the hotel and restaurant are very competitive in Petrozavodsk
Security	<ul style="list-style-type: none"> • Yes, the hotel did not lose its reputation and the quality of services is still on the highest level
Finances	<ul style="list-style-type: none"> • The hotel will be competitive until some chain hotel enters the market
Training	<ul style="list-style-type: none"> • Yes, the hotel is competitive as all employees are professionally trained and some of them worked here from the beginning (2013), so they know a lot

Answers to Question 7

Department	Answers
Front Office	<ul style="list-style-type: none"> • Create proper brochures, leaflets and brand books to distribute amongst potential customers • Promote mostly cafe and restaurant, not the hotel in Petrozavodsk • Advertise the hotel in near cities (e.g. Saint-Petersburg, Murmansk, Velikiy Novgorod, Moscow, etc.)
Engineering	<ul style="list-style-type: none"> • Keep following standards, rules and quality guarantee • Make room renovations • Expand the range of services provided • Promote the hotel in Petrozavodsk
Sales/Meetings&Events	<ul style="list-style-type: none"> • The hotel is still associated with Park Inn, so it is important to improve the "Piter Inn" brand and still stay

Appendix 5 9/9 ANSWERS TO INTERVIEW QUESTIONS

	<p>competitive</p> <ul style="list-style-type: none">• The hotel does not need a reputation as an international hotel now, the main focus is quality and customers
Food&Drinks	<ul style="list-style-type: none">• The hotel operates the same as before, so it is important just to keep up the good work and improve marketing
Security	<ul style="list-style-type: none">• Keep providing the highest level of security on the hotel's territory
Finances	<ul style="list-style-type: none">• The hotel has a great image, so just keep it up
Training	<ul style="list-style-type: none">• Create better system to control employees' attitude and behaviour• Collect feedbacks, analyze them properly and respond• Invite "secret guest" to evaluate employees who work with customers