Johanna Bromiley

What criteria define a luxury hotel?

Creating a checklist of criteria for 5-star hotels

Master's degree in International Business Management Spring 2024





Abstract

Author(s): Bromiley, Johanna

Title of the Publication: What criteria define a luxury hotel? Creating a checklist of criteria for 5-star hotels

Degree Title: Master of Business Administration

Keywords: tourism, travel industry, hotel classification, service quality, customer behavior

The commissioner of this work features hotels from 2-star to 5-star. The definition of a 5-star hotel is relatively unclarified and the standard between 5-star hotels in the commissioner's portfolio varies considerably. There is a genuine need to research what qualities are required for a hotel to be rated 5-star to present hotels appropriately on the commissioner's website.

This master's thesis researches factors that make a hotel a 5-star hotel. What criteria define a luxury hotel? The purpose of this thesis is to identify hotel qualities that distinguish factors that differentiate luxury hotels. The aim is to create a list of criteria for 5-star hotels that the commissioner can use to develop this product segment. The concepts of service quality and customer behavior form the theoretical framework and tourism, travel industry, and hotel classification form the contextual foundation of this work.

The research strategy of this work is a case study, and the research approach is a multi-method qualitative study. Firstly, the existing 5-star hotel portfolio that the commissioner was analyzed. Then a qualitative survey was conducted for a small group of respondents to validate the subject and the need for this research. The main part of this research was a brainstorming workshop which was held on Teams. The qualitative workshop was created semi-structured to receive as many creative ideas as possible.

The findings of this qualitative research were analyzed in an inductive content analysis method in which the data is grouped and analyzed. The findings of the content analysis form a base for the development part. The development output of this work is a checklist of criteria that 5-star hotels need to fulfill fully, or to a certain extent, for them to be listed as 5-star hotels on the commissioner's website. The checklist has been developed together with the commissioner to ensure its relevance and usability.

The findings of this research showed that a hotel to be called a 5-star hotel needs to offer discreet and attentive service, stylish and well-maintained surroundings, beautifully appointed guestrooms with elements of luxury with turndown service, pillow menu, and luxury bathroom amenities. Breakfast was considered an important factor – in a 5-star hotel coffee should be served to the table and some elements of breakfast need to be a la carte. The checklist of criteria enables the commissioner to offer a consistent level of quality in its 5-star hotels.

Foreword

With over 20 years of experience in the travel industry and 15 years' experience working with luxury hotels, the subject is very close to my heart. I believe in offering customers the best experience possible at their chosen destination and accommodation — and this is why I started researching the 5-star hotel qualities that make them a 5-star hotel. Luxury comes with a cost and these 5-star holidays are often costly. Therefore, it is very important to match the customer's expectations. When they book a 5-star hotel, the product needs to match their expectations. With this work, I hope to create a checklist of criteria for 5-star hotels that the commissioner can use to offer a consistent standard of quality in all their 5-star hotels!

I would like to thank the commissioner for this opportunity to research this interesting subject - and my colleagues for their support along the journey. I would like to thank Päivi Karhu and Jaana Lappalainen at KAMK for their encouragement, support and high professionalism with my master's degree. And lastly, I would like to thank my family and our support network for giving me this opportunity to develop myself and pursue this professional goal.

Table of Contents

1	Intro	Introduction			
2	Tourism and travel industry				
3	Hotel industry				
	3.1	Hotel Classification	6		
	3.2	Benefits of hotel classification	9		
	3.3	Most recurring criteria in 4 and 5-star hotels	9		
	3.4	Luxury 5-star hotels	10		
4	Service quality and customer behavior				
	4.1	Customer behavior	15		
	4.2	Customer expectations	18		
5	Research design		21		
	5.1	Methodology	21		
	5.2	Credibility	25		
	5.3	Justification	25		
6	Empir	Empirical part			
	6.1	Commissioner (confidential)	27		
	6.2	Preliminary study	27		
	6.3	Brainstorming workshop	28		
	6.4	Content analysis	30		
7	Findir	ngs	33		
8	Development task – a checklist of criteria for 5-star hotels				
9	Concl	lusion	40		
10	Discussion				
	10.1	Benefit for the commissioner	43		
	10.2	Credibility and ethics	44		
	10.3	Competence development	45		
	- £ C -				

Appendices

Figures

- Figure 1. Key aspects of hotel ratings (Barten, n.d.)
- Figure 2. Measurable criteria in 4 and 5-star hotels (UNWTO, 2015)
- Figure 3. Luxury hotel growth between 2015-2021 (Zion Research Analysis, 2016)
- Figure 4. How place identity impacts on customer behavior (Pohlmann et al., 2022)
- Figure 5. SERVQUAL model (Naik & Srinivasan, 2015, 29)
- Figure 6. Service quality model (Grönroos, 1984)
- Figure 7. Hierarchy of quality dimension (Gureja, 2013, 24)
- Figure 8. Saunders' research onion (Saunders et al., 2007, 132)
- Figure 9. Research choices (Saunders et al., 2007, 146)
- Figure 10-12. Confidential
- Figure 13. Brainstorming workshop timeline
- Figure 14. Count of categories defining 5-star hotels
- Figure 15. Preliminary study on what makes a hotel a luxury hotel

1 Introduction

Travel is a fascinating industry. It is a feel-good industry that creates positive memories which will last for a long time after the actual travelling. An anonymous quote says: 'Travel is the only thing you can buy that makes you richer'. This quote summarizes the impact of what holidays and travel have on people's lives. The travel industry is a fun industry, but serious business, which has a significant impact on the global economy.

The travel industry includes everything that is included in travel; transportation, hotel and additional services that are linked to the travel experience. In this research, the focus is on the hotel product and what criteria defines a luxury hotel. This thesis research factors that make a hotel a luxury hotel from a tour operator's point of view.

The research problem is the lack of clear criteria for hotels that can be sold as luxury, 5-star hotels. Tour operators normally sell a wide range of destinations, and the quality of hotels varies between these destinations. This is why the commissioner always gives hotels their own star rating in order to keep a control and consistency of the quality of hotels which are on offer. In addition to their own star rating, they publish the official star rating. Very often a hotel, which has a 5-star rating as an official rating, is not good enough to be sold as a 5-star hotel according to the standards of the commissioner. Currently, it is the Product Manager's responsibility to create the star rating for each hotel.

The purpose of this thesis is to identify hotel qualities which distinguish factors that differentiate luxury hotels from non-luxury hotels. The aim is to develop a list of criteria for 5-star hotels which the commissioner can use to develop this product segment. The purpose is to identify hotel qualities which make a hotel a luxury hotel, and the aim is to provide criteria on how to differentiate the 5-star hotel product from other hotels.

The purpose of this work is to identify what criteria define a luxury hotel through a workshop organized for a group of travel professionals. The workshop is designed to find out what factors a group of travel professionals consider to be important for a 5-star hotel – what criteria need to be fulfilled for the hotel to receive the 5-star rating. The respondents represent a group of commissioner's employees who work with luxury hotels and stay in 5-star hotels both for business and leisure. The research questions of this thesis are: What are the hotel attributes and qualities that make a hotel 5-star and what criteria define a 5-star hotel?

The theories of travel industry and hotel classification are laying the contextual foundation for this work. The theories of service quality linked to customer expectations create the theoretical grounding of this thesis.

The research strategy of this thesis is a case study, and the research approach is a multi-method qualitative study. Firstly, the existing 5-star hotel portfolio is analysed to support the need for this research. This is followed by a preliminary survey for a small group of respondents. The main part of this research is a brainstorming workshop which is conducted for a carefully selected group of travel professionals to identify what criteria make a hotel a 5-star hotel. The semi-structured brainstorming workshop was organized with the intention of receiving as many creative ideas as possible within a set structure. The workshop will take place on Teams allowing participants to join from the commissioner's international destinations as well. All findings are written down and the Teams session is recorded and transcribed.

After the workshop, the results are analysed by using an inductive content analysis method in which the data is grouped and analysed. The findings form a basis for a checklist of criteria that is expected from a hotel to be a 5-star hotel in commissioner's portfolio. The checklist is created to identify the qualities that a 5-star hotel needs to be called a 5-star hotel in the commissioner's portfolio. The development process will ensure that the product selection of luxury hotels is appealing to luxury customers and create an opportunity for the commissioner to grow in this market segment.

The details of the commissioner and development task of this research are confidential and not available on this published version of the work.

2 Tourism and travel industry

Tourism and the travel industry have some overlapping similarities in their definition, but to offer a clearer definition, tourism means travelling to a different location for at least 24 hours, but less than one year, for leisure purposes. Travel is the act of moving from one location to another and it can include any duration and any purpose. The definition of travel is wider and can refer to various forms of moving from one place to another. (Stringam and Partlow, 2015, 1-2)

Travel is considered as everyone's favorite activity (Stringam and Partlow, 2015, 1). The tourism industry is part of the hospitality industry, which is considered as one of the largest industries in the world with 1 in 10 people worldwide working in the hospitality industry according to World Tourism Organisation (UNWTO, 2016). The tourism industry is one of the world's most important and fast-growing industries. The impact of tourism on economies can be viewed from two sides — either the economic growth impact that tourism has on a country or the economic growth the country has that will drive the tourism growth. Nevertheless, tourism has a positive impact on the country's economic growth and is an important, serious business contributing to 10% of global GDP. (Badulescu et al., 2018)

The hospitality industry consists of accommodation and food providers. It is often believed that the travel industry can bridge the world and contribute towards world peace by linking countries, cultures and communities. (Stringam and Partlow, 2015, 1-2)

It is a bold statement to claim that travel is everyone's favorite activity, and the travel industry can contribute towards the world peace. In addition, according to Barten the travel industry offers significant contribution to the world economy. The travel industry provides services related to travel from one location to another including other services, such as accommodation, catering the travelers' needs after arriving to the destination. (Revfine, 2023)

The tourism industry includes tour operators, airlines and accommodation providers. The accommodation sector consists of various operators including hotels, bed & breakfasts, guest houses, camping sites and private apartments. (Stringam and Partlow, 2015, 1-6)

Tour operators

Cambridge Dictionary defines a tour operator as a 'company that makes travel arrangements for travel and places to stay, often selling these together as package holidays. Tour operators can sell directly to the consumer or via a travel agent, who receive commission of the sales. (Cambridge Dictionary, n.d.)

A tour operator is the principal who designs, creates and puts together a holiday. Once flights, transfers and hotel accommodation are packaged together, the holiday becomes a package holiday, which involves legal liability. This is why tour operators are called principals. They have legal responsibility for the package that is created and cover that liability with a specific license. When a customer buys a package holiday, the holiday is covered by a bond which returns the money back to the customer if the holiday fails or flies the customer back home if the holiday fails in destination. (The Specialist Travel Association, AITO, 2018)

Tour operators can be called intermediaries as well due to their nature of connecting customers with service providers. As an intermediary, tour operators provide access to information, lower transaction costs for end-users (customers) and contribute to the increase of the occupancy rates and reduce the cost of advertisement for suppliers (for example hotels). In order to remain competitive tour operators are required to invest in information technology and marketing. Many of the big tour operators that exist now have been the fruit of a company merger as well as through strategic partnerships and alliances. (Coelho & Castillo-Giron, 2022)

The tour operator industry is carefully regulated. According to Suomen matkailualan liitto ry (SMAL), a package holiday is a holiday which includes at least transportation and accommodation. Once these elements are bought together, the holiday is protected by the package holiday regulation. This means that in the event of disruption or a cancellation due to a 3rd party, the tour operator is obliged to refund the cost of the holiday back to the consumer. After the Covid-19 pandemic, it can be predicted that package holidays will increase their popularity due to the protection they offer to the customer. (SMAL, n.d.)

Although the tour operating business is regulated towards the customer's point of view, tour operators face challenges and criticism. Integration and alliances have created a powerful platform for some of the biggest global tour operators: Many tourist destinations are often considered as homogenous and interchangeable because large tour operators are easily able to substitute destinations in response to geopolitical changes for example. Often such strategies provide only a short-term support for the destination and exclude the long-term development of tourist

destinations. As intermediaries, often very large and powerful, the geographic scope and market power of tour operators impact the performance of smaller companies who are in the same value chain. (Coelho & Castillo-Giron, 2022)

Considering the impact tourism and tour operators can have on the destination creates a platform for discussion about the importance of responsible tourism and the role of a tour operator in preserving the destinations. The subject of sustainable tourism has become one of the key selling points of a tour operator. It is not only about preserving nature and 'being green', but also about the value chain and ensuring that tourism gives more than it takes. Tourism can make an impact and provide good to the destination. Sometimes, without tourism, the destination would not strive. Collaboration can make a difference. Responsible tour operators have sustainability in their vision and strategy – it is in the core of what they do and offer to their customers. In simplicity, the core of sustainability is the guest experience, which is surrounded by the care of the local people and culture, care of the local nature and care of the wildlife. Sustainable tourism leaves the world a better place and supports the local people and protects nature and wildlife. (&Beyond Impact Review, 2021)

3 Hotel industry

Verma and colleagues (2016, 7) state that regardless how fancy the building (hotel) is, the core transaction in the hospitality industry remains the interaction between a professional staff member and the guests. This can be considered as the core of customer satisfaction in the hospitality industry, travel industry and hotel industry.

The history of the hotel industry dates back hundreds of years. Whilst taverns were serving food and entertainment already in 1634, the first modern hotel started in 1774 in Great Britain and was followed by several other establishments in different locations. The first luxury hotel was established in 1903 in New York when The Plaza opened to offer exquisite facilities and suites. After the First World War, perhaps the most famous hotelier, Conrad Hilton, opened his first hotel. The Hilton group of hotels was started in 1946 and fierce competition among hotels and hoteliers started. (Sheela, 2000, 3-4)

The hotel sector consists of different categories of hotels from 5-star to 4-star to 3-star and so on. The categories differentiate the hotels based on the services they provide and other factors such as the amenities and style of the room. The price of the hotel room is linked to the category. (Sheela, 2000, 1-2)

3.1 Hotel Classification

Hotel classification is the ranking of hotels, usually by using nomenclature such as stars, with one star denoting basic facilities and standards of comfort and five stars denoting luxury in facilities and services. The purpose is to inform intending guests in advance on what can be expected to reduce the gap between expected and experienced facilities and service delivery. The terms 'grading', 'rating', 'classification' and 'star rating' are used to refer to the same concept, i.e. to rank hotels by their facilities and standards (UNWTO, 2015).

The most common hotel classification is by stars. There are many different classification standards from different markets, but according to Les Roches, one of the most well-known hospitality schools in the world, the star rating system was designed to measure hotel quality. The star rating goes from one star to five stars. (Les Roches, n.d.)

The grading system was created in 1958 in the United States by an oil company who created a travel guide, Mobil Travel Guide. There was a need for star ratings to differentiate the hotels in the US. Since then, the travel guide has been re-named and became one of the world's most famous travel guides, the Forbes Travel Guide. The Forbes Travel Guide features over 900 4 and 5-star hotels. (Revfine, n.d.)

There is no international standard for hotel classification system. It could be that there will never be one universal system due to diversity of the environmental, socio-cultural, economic and political which all impact the destination classification. There are commonalities in classification, which can help the different stakeholders in establishing a common scope that can be used globally. The classifications are to provide an indicator to the consumers and other stakeholders of the standards that can be expected. In addition, hotel classifications are used in the sales and marketing of hotels, resorts and destinations. However, the number of different classification systems can create a challenge when operating in a global market because the approaches and standards vary. (UNWTO, 2015)

Some countries have their own rating guidelines and some travel guides, like the Forbes Travel Guide, have set standards for hotel rating. Generally, 1 and 2-star hotels are basic, lack facilities and offer the basic requirements of a traveler. 3-star hotels are often bigger, offer a variety of room types, facilities, and restaurants. They often belong to a hotel group and are in convenient locations. A 4-star hotel would offer a wider range of accommodation options from rooms to suites, multiple restaurants, swimming pools and 24-hour room service. Rooms and suites are normally comfortably appointed. (Les Roches, n.d.)

According to Les Roches (n.d.), 5-star hotels offer the highest quality and stylish accommodation with large, elegant rooms, high-spec digital services, gourmet restaurants and exclusive facilities including spas, childminding services and butler services. 5-star hotels are often run by top professionals in the travel industry.

In addition, the star rating, hotels can be classified by size depending on the number of rooms; by location (e.g. airport hotel, resort); by target market (e.g. business hotel, self-catering hotel) or by ownership. Bed & Breakfasts are often small family run hotels whilst business hotels are part of a hotel chain. (Les Roches, n.d.)

According to Upper Class Traveller (n.d.), there is an unofficial rating for 6-star hotels as well – some of the ultra-luxurious hotels have taken it upon themselves to market them as a six-star. 6-star means that the hotel exceeds the standards of a 5-star hotel in terms of luxury and service.

They are probably located on a private island or exclusive building and offer an array of lavish amenities and services.

Barten lists in figure 1 a list of essential facilities and services that a hotel must have to get a certain star rating. It is important to note that as there is no standardized hotel star rating, the matter remains very subjective. (Revfine, n.d.)

Hotel Star Rating	Key Features	Typical Amenities
1-Star	Basic accommodations with minimal services. Budget-friendly pricing.	Small, simple rooms with basic furnishings. Limited or no on-site dining options.
2-Star	Economical choice with improved comfort. Suitable for budget and business travelers.	Private bathrooms with basic toiletries. Basic in-room conveniences (e.g., Wi-Fi, desk).
3-Star	Offers a range of services and amenities. Comfortable accommodations with added perks.	On-site restaurant, bar, and room service. Fitness center, business center, and pool.
4-Star	Upscale accommodations with luxury touches. Suited for luxury vacations and business travel.	Fine dining restaurants, lounges, and bars. High-quality bedding, robes, and in-room technology.
5-Star	Ultimate luxury with world- class amenities. Catering to affluent travelers and VIP guests.	Lavish suites and unique room designs. High-end technology, entertainment, and wellness offerings.

Figure 1. Key aspects of hotel ratings (Barten, n.d.)

According to a study by World Tourism Organization (2015), the base of the classification systems differs. Some countries use mandatory objective criteria, which can sometimes be combined with additional voluntary criteria. These are checked by auditors or inspectors. Classification can also be based on ISO certified inspectors which are carried out by a 3rd party auditor. Classification can be based on quality assurance, which includes objective criteria and the evaluation of the delivery of quality on some of these criteria. Hotels are not necessarily awarded for the number of facilities, but for the quality of the facilities and services. Classification can be done based on customer

reviews, which are used in addition to the mandatory criteria. In addition, classification can be done based on a trust system, in which hotels evaluate their compliance based on a self-assessment. (UNWTO, 2015)

3.2 Benefits of hotel classification

All stakeholders benefit from a clear and consistent hotel classification system. It helps the consumer with their decision-making. It helps accommodation providers with their strategy and marketing, and it helps tour operators and travel agents in their production. Hotels cannot be tested or sampled prior – therefore the classification provides a guideline for their purchase. Classification provides a common framework for all stakeholders. Classification provides a reference point to online customer reviews. It is important for the consumer to know if the review is for a 1-star hotel or for a 5-star hotel. Classification acts as a marketing tool which gives hotels a chance to promote based on a specific feature. Hotel classification helps the hospitality industry professionals in their role – it takes a very different approach to provide service at a 2-star hotel than a 5-star hotel. (UNWTO, 2015)

Hotel classification provides the criteria of agreed standards. Hotel classification supports the ability of independent hotels to position themselves among the global hotel chains in a clear and audited manner. (UNWTO, 2015)

3.3 Most recurring criteria in 4 and 5-star hotels

UNWTO have grouped the most recurring criteria in 4- and 5-star categories (figure 2) which include the following aspects: Room, bathroom, front desk, food & beverage, services and miscellaneous. The most significant aspect is the hotel room. There are many criteria that a 5-star hotel should have to differentiate itself from a 4-star hotel. The most recurring criteria in hotel rooms are telephone with external line, wardrobe, safe in room and bathrobes and slippers. Bathroom has the second highest percentage recurrence. The number of bathroom amenities, percentage of en-suite bathrooms, number of towels per person and a hair drier are ranked as the higher percentage recurrence. In addition, a 5-star hotel is most expected to offer luggage service (porter service), dinner restaurant, room service, breakfast and laundry service. A lift is also rated high. (UNWTO, 2015)

CRITERIA		
OHITEHIA	4 star	5 star
Number of bathroom amenities	3,68 units	5,21 units
Percentage of en suite bathrooms	100 %	100 %
Number of floors before lift is required	1,9 floors	1,4 floors
Number of towels per person	2,3 towels	2,3 towels
Room service operation	16 hours	23,5 hours
Front Office operation	21 hours	23,5 hours
Room size single room	12,5 m2	14,8 m2
Room size double room	18 m2	20,9 m2
Language skills front of house	2 languages	2,5 languages
Bed size single bed	92 cm * 200 cm	92 cm * 200 cm
Bed size double bed	163 cm * 200 cm	177 cm * 200 cm
Number of power sockets in room	1,8	2

Figure 2. Measurable criteria in 4 and 5-star hotels (UNWTO, 2015)

3.4 Luxury 5-star hotels

According to Guzman et al. (2022, 352-353), luxury evokes both positive and negative feelings among consumers. Luxury is an age-old phenomenon, and the target audience has developed over the centuries. Luxury was originally considered to be the magnificence of temples and churches. Slowly the concept of luxury evoked royal families and aristocratic societies who lived a life beyond the common people. Through the global economic growth, luxury now targets a much wider audience. The rising middle-class globally celebrate their success by purchasing luxury goods. Luxury is now available for everyone in all parts of the world due to digitalization. For some it is a regular matter – and for most it is something of a special occasion and not an everyday matter.

After The Plaza opened in New York in 1903, the world has seen thousands of luxury hotels all of which follow similar factors that identify them as luxury hotels according to Sheela (2000, 3-4). Luxury in 1946 when Hilton hotel group was formed was not the same luxury as nowadays. Hotels need to move with time, and this is why many hotel groups have identified new sub-brands such as Hilton's Curio Collection. Currently, there are plenty of luxury hotels and the trend is upwards as it is visible in figure 3 Zion Research Analysis (2016) on the predicted growth of luxury hotels.



Figure 3. Luxury hotel growth between 2015-2021 (Zion Research Analysis, 2016)

According to Soeg Jobs, which is a hospitality education platform, luxury hotels should look upscale from lobbies to the bedrooms. A luxury hotel should have a nice spa. A luxury hotel should offer personalized service at each customer touchpoint and a butler or concierge service as well as enchanting culinary journey. A beautifully appointed bathroom is considered as essence to a luxury room. In addition, a luxury hotel should have a fantastic array of facilities for guests of all its target audience. The word luxury is often connected to service and how the hotel guest feels. It is a subjective matter and connects through experiences. What is luxury for one guest can be something different to another (Soeg Jobs, n.d.)

Luxury hotels can be larger, or they can be smaller, boutique hotels. Although the size of the hotel contributes to the luxury attribute, it would be wrong to rule out a luxury boutique hotel from the luxury hotel group due to its size. Very often a luxury hotel is smaller than a 4-star hotel due to the personalized service they provide. It is somewhat harder to provide it to 1,000 guests at the same time compared to 100 guests.

Pohlmann et al (2022) discuss luxury boutique hotels in their paper Elevating the boutique appeal and how the sense of place contributes to the feeling of luxury. Various studies, as detailed by Pohlmann et al (2022) verify that a boutique establishment is often an entrepreneurial business of a relatively small size which offers coziness, warmth and intimacy. A boutique hotel focuses more on the experiential aspects of the service encounter and value co-creation with the customers — this is more easily provided in a smaller hotel. Relational, experimental, aesthetic and hedonic aspects are considered more important to a customer who chooses a boutique hotel over functional qualities. Pohlmann et all (2022) state and demonstrate in figure 4 that place identity

mediates the relationship between boutique hotel (vs traditional luxury hotel) appeal and consumer behavior (attitude towards service image, purchase intentions and willingness to pay).

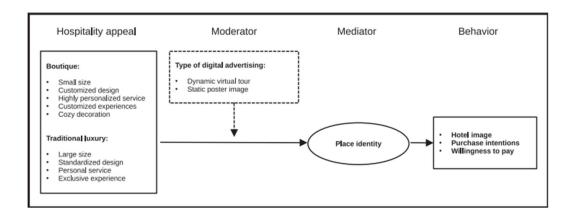


Figure 4. How place identity impacts on customer behavior (Pohlmann et al., 2022)

Núñez-Serrano and colleagues (2014) research whether the star classification give a good indicator of quality. Firstly, it is said that luxury does not necessarily mean same as quality. Luxury hotel can be classified as 5-star, but it can still lack quality, which validates this research on the criteria for the commissioner's own star classification system. The Núñez-Serrano et al (2014) research shows that 4- and 5-star hotel customers' expectations and perceptions were significantly higher than those of 1-3-star hotel customers. (Núñez-Serrano et al., 2014)

Les Roches (n.d.) defines luxury in its blog as personalized service, relaxing spa, fine dining, butler and sommelier service. HotelMinder (2024) states that the essence of luxury within the hotel industry goes beyond physical attributes such as lobby, spa, room and bathroom, encapsulating a level of service, personalization and ambience that might be described as the epitome of refinement and sophistication. Both Les Roches and HotelMinder mention service as a key attribute for a luxury hotel, and a factor which is more important than the physical attributes that guests see when visiting a 5-star hotel. This research investigates defining all aspects and components of a luxury hotel by Finnish travel professionals because the commissioner only operates in Finland. It must be considered that its customers can represent many different nationalities, but the viewpoint is luxury from the Finnish perspective.

Fyall and Garrod (2005, 260) state that the hotel industry is complex, fragmented and highly competitive and has demonstrated significant growth over the past years. Through a combination of acquisitions, mergers and various forms of collaboration, much consolidation and concentration

has taken place. This is causing difficulties for independent hotels who will struggle to work their strategies in isolation. (Fyall and Garrod, 2005, 260).

Some of the most well-known luxury hotel collections

HotelMinder has listed 15 of the world's top luxury hotel groups based on branding, guest reviews and unique selling propositions. These include Aman, Mandarin Oriental, Oetker Collection, Four Seasons, St Regis, Rosewood, Belmond, Six Senses, One&Only, Oberoi, Auberge, Banyan Tree, Park Hyatt, Shangri-La and Pan Pacific. In addition to the luxury hotel groups, there are hundreds of independent luxury hotels and resorts globally. One way to compete with the large, well-branded, chains for the independent luxury hotels is to join a luxury hotel consortium. These include Preferred Hotels & Resorts, Small Luxury Hotels of the World and The Leading Hotels of the World. To access these collections of high-end, independent hotels, there is an annual membership fee and a set of criteria set by the consortium. (HotelMinder, 2024)

The Leading Hotels of the World describe their portfolio of hotels to offer superlative quality, distinctive character, and bespoke personalized service. In addition to a collection of luxury 5-star hotels, The Leading Hotels of the World offers Leaders Club membership program to their customers to receive extra benefits and recognition. (LHW, n.d.)

Small Luxury Hotels of the World pride themselves for representing hotels with individuality and character, offering bespoke experiences which are connected to the local people and nature and encourage customers to explore the world with intention. The emphasis is on people and personalized touches and there is an invitation to join the loyalty club for additional benefits such as a free breakfast. (SLH, n.d.)

Preferred Hotels & Resorts claim to offer the finest and the most diverse hotel portfolio in the world. To ensure consistent quality, each hotel needs to conform to Preferred Standards of Excellence – quality standards that are measured annually by anonymous inspections. Starting over 50 years ago, Preferred Hotels & Resorts have five collections within the mother brand featuring sub-brands for different product types. (Preferred Hotels, n.d.)

4 Service quality and customer behavior

The International Organization of Standardization (ISO) defines quality as 'the totality of features and characteristics of a product or service that bear on its ability to satisfy or implied needs'. Essentially, standardizing products seamlessly blend quality with conscience enhancing everyday experiences and products. (ISO, n.d.) Crosby defines quality as conformance to the requirement. All products and services must have clear quality standards. In simplicity, Crosby confirms that the product itself conforms whether it is quality to its requirements (customer expectations) or not. Whilst there are many definitions of quality, but essentially the ISO Standards definition is valid: the entire product or service needs to satisfy the need it serves. (ISO, n.d.; Crosby, 2006)

In the contemporary business field, service quality has emerged as a pivotal factor influencing customer satisfaction, loyalty and overall business success. Defined as the difference between customer expectations and perceptions of service performance, service quality encompasses multiple dimensions that collectively determine the customer's experience. (Parasuraman et al., 1985, 42-43)

Parasuraman et al (1988) have developed perhaps the most prominent service quality model, SERVQUAL which identifies five key dimensions of service quality: tangibles, reliability, responsiveness, assurance and empathy.

- 1. Tangibles: physical facilities, equipment and appearance of personnel
- 2. Reliability: Ability to perform the promised service dependably and accurately
- 3. Responsiveness: Willingness to help customers and provide prompt service
- 4. Assurance: Knowledge and courtesy of employees and their ability to inspire trust and confidence
- 5. Empathy: Caring, individualized attention the firm provides its customers

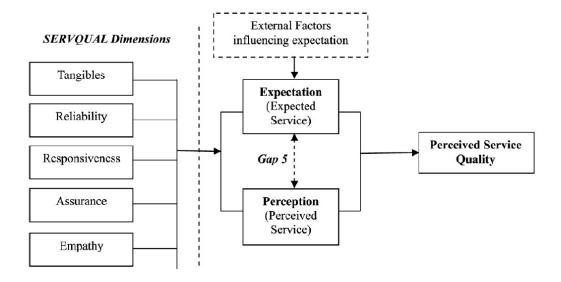


Figure 5. SERVQUAL model (Naik & Srinivasan, 2015, 29)

Naik & Srinivasan (2015, 29) present the gap 5 in figure 5 which represents the difference between customer's expectations and customer's perceptions. This is called perceived service quality. External factors may influence, but the customer's expectations are under the control of the service provider.

SERVQUAL can be used to assess a company's quality along each of the five service dimensions by averaging the difference scored on items. Measuring service quality is important to identify areas of improvement and enhance customer satisfaction. Studies have recognized a strong link between service quality and customer satisfaction. (Zeithhaml et al., 1996, 31-32). High service quality leads to increased customer satisfaction, which in return can turn to customer loyalty, positive awareness and repeat business. Moreover, service quality has been shown to have a direct impact on a company's financial performance. (Rust et al., 1995)

4.1 Customer behavior

What is initially required when defining service quality is how quality of product or service is perceived by customers. The term quality is not a variable itself. It needs to be understood through customer expectations and behavior. (Grönroos, 1984, 36-37)

Grönroos has listed factors impacting on how customers perceive quality in his report on service quality model. Grönroos' paper was written in 1984, a considerable time ago, but the principals

of customer behavior have remained same which is why it is still relevant. Grönroos lists expected service and perceived service, promises and performance, technical quality and functional quality and image as a quality dimension as factors how customer consider quality.

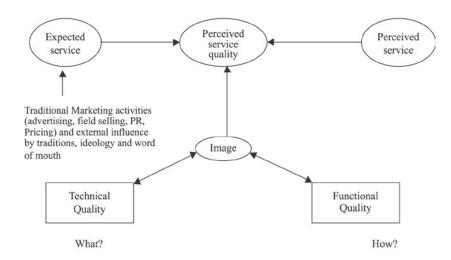


Figure 6. Service quality model (Grönroos, 1984, 36-37)

According to Grönroos' (1984, 36-37) service quality model, the service quality depends on two variables which are expected service and perceived service. When the perceived service is compared to, or put against, the expected service, the outcome is the perceived quality of the service.

Marketing and commercial advertising create a promise which meets the customer expectations and have an impact on the expected service. The performance can be divided into instrumental performance and expressive performance. Instrumental performance is the technical dimension of the product (i.e. a hotel room). Expressive performance relates to the psychological level of performance such as customer interaction in a service situation. In a hotel perspective expressive performance includes for example the check-in process and breakfast service. For consumers to feel quality of service, both the performance and expressive performance need to fulfil their expectations and the promise. (Grönroos, 1984, 37-38)

Technical quality dimension correspondence with the instrumental performance of the service. Customer receives the hotel room that they have booked, and this matter is considered objective. However, as the service is produced in interaction with the customer and the service provider, the technical quality dimension will not count for the total quality service. The technical quality dimension measures *what* the customer receives – but it does not measure *how* the customer receives the product. Functional quality dimension measures how the customer receives the

product. Due to the psychological nature of this dimension, it is considered a very subjective dimension that each customer can perceive in a different manner. (Grönroos, 1984, 38-39)

The expectations of the customer are influenced by the image of the company or brand. The image of the company is often mainly built on the technical and functional quality of its services. The image, however, can be a quality dimension as well if the brand image is strong enough. If the image of the company or product is strong, the customer might still perceive service satisfaction and forgive some aspects of negative experiences with functional quality of service. For example, a hotel can have such a strong brand image that impersonal and rude check-in encounters may be forgiven for the fact that the image as a quality dimension is fulfilled.

Gajjar (2013, 1-6) defines that consumer decision making is influenced by both internal and external factors. Consumer behavior factors can be divided into four groups: situational factors, personal factors, social factors, and psychological factors.

Situational factors are temporary. They include physical factors such as location, scent, music and lighting (Gajjar, 2013, 1-6). These factors in a hotel can be found in the lobby when entering the hotel. Most hotels use this to their advantage and create an appealing lobby which gives a taste of the overall hotel experience. Some hotels even have their own signature scent that is scattered around the hotel. Williams (n.d.) mentions that time is a situational factor that can impact consumer behavior. Consumers are likely to purchase holiday-themed items during the corresponding holiday season, or buy a honeymoon after the wedding. (Williams, n.d.).

Personal factors include the consumer's age, income, occupation, and other permanent factors. Lifestyle, daily routine, and activities could be included in this factor as well. These factors are interesting factors for the service producer for them to understand their customer segments. (Gajjar, 2013, 1-6). According to Williams (n.d.) personal factors drive the organization's strategy development and product development. Services need to align to their target audience.

Social factors are religion, ethnic background, social class and education. Family, friends and social circles have a major impact on a person's consumer behavior. In tourism, this divides customers into family and non-family segments. Usually, the most determined factor in consumer behavior is family – the consumer behavior model that we learn as a child carries through life. (Gajjar, 2013, 1-6). For luxury

products, social class is an important factor. It can influence consumer behavior by shaping what products people buy, where they shop, and how they make a purchase decision (Williams, n.d.).

Psychological factors mean a person's ability to understand things and their mindset. Consumers' reaction is influenced by their mood, motivation, perception, learning, beliefs and attitudes. (Gajjar, 2013, 1-6). Whilst psychological factors are crucial in shaping consumer behavior, these factors are mainly internal and subjective. A positive attitude towards a brand, which is a psychological factor, can influence customers making recommendations and repeat their purchase. (Williams, n.d.).

If the brand can represent a customer's identity, they are willing to spend more because they consider the brand part of their life. Customer satisfaction drives easy-to-perform behavior such as repurchase, or repeat business, which is easy to execute and less time consuming. Satisfied customers are also more likely to become promoters who in-directly drive more business to the brand. (Guru et al., 2024, 4-6)

4.2 Customer expectations

Gureja (2013, 6) confirms that customer satisfaction is a function of the extent to which their expectations are met or exceeded. A moment of truth occurs when a customer encounters a person or aspect of the company and judges the quality of service provided. The phrase 'moments of truth' was initiated by the former CEO of Scandinavian Airlines Systems (SAS), Jan Carlzon, who turned the troubled airline around in a couple of years.

When a customer has a chance to judge the quality of service in their mind they use the elements of a quality dimension model. Gureja (2013, 23) presents Parasuraman et al (1988) SERVQUAL quality dimension model in hierarchical order as presented in figure 7. In the hierarchy of quality dimensions, the order from the top to bottom is reliability, responsiveness, assurance, empathy and tangibles. However, it should be noted that the perceived quality is subjective and the order of importance in the hierarchy model varies and changes. The model should be evident in the various interactions between the service provider and the customers, ensuring that the aforementioned dimensions of quality are more prominently displayed. (Gureja, 2013, 24-25)

Hierarchy of Quality Dimensions

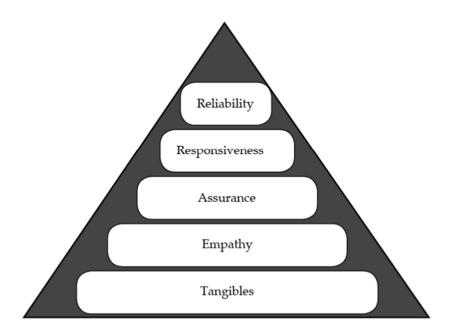


Figure 7. Hierarchy of quality dimension (Gureja 2013, 24)

According to Fahim (2019, 229) quality is nearly transparent when it is present, but easily recognized when it is absent. Quality is 'set of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs' (Fahim, 2019, 237). As per general distinction service is intangible – services are not objects and they cannot be seen, heard, smelled, tasted, touched, or felt like objects can be. Service quality is 'the overall evaluation of a service by the customer' (Fatim, 2019, 237).

Enabling customers to have appropriate service experiences is an essential business goal for service providers. Service experience is composed of a series of services within dissimilar service encounters; 'a service process that creates customers' cognitive, emotional and behavioral responses' (Hsieh & Yuan, 2021, 511). Satisfactory service experience ensures customers have exciting and wonderful memories in each service encounter. In addition, customer retention increases with satisfied service experience. Hence, to attract more customers and gain more returns, it is important for service providers to create satisfactory service experiences. (Hsieh & Yuan, 2021, 513)

Hsieh & Yuan (2021, 514-516) verify that customer expectation is split in two levels: desired expectation and adequate expectation. The desired expectation represents the level of a service that a customer hopes to receive. The adequate expectation is the lowest level of a service that

a customer can accept. The space between the desired expectation and the adequate expectation is the zone of tolerance. Essentially, as reported by Hsieh & Yuan (2021, 516) the better the level of customer expectation management, the more appropriate the level of the zone of tolerance. Positive customer expectation elevates the level of customer emotion. A positive relationship exists between the level of appropriate customer expectation, based on positive customer emotions, and the level of satisfactory service experience.

Gimenez (2018, 20) describes customer experience as the impact the customer received along the purchase service, from perceiving a good service (instant presence, the right response at the right time, speed, required time and personalized touch) to feeling emotions in all or some touchpoints (pampering, element of surprise and impressive hospitality).

The contextual and theoretical frameworks that are presented in chapters 2, 3 and 4 form the base for this work. The contextual framework of travel industry, hotels and hotel classification creates the context of this work and gives a good understanding about the subject. The theoretical framework of service quality, customer behavior and customer expectations form the base for the research and support the empirical part of this work. The findings and development task are supported by the theories presented in the contextual and theoretical frameworks.

5 Research design

According to Saunders and colleagues (2007, 38-40) the research design gives an overall view of the chosen research methods and the reason for them. Research plan is the plan that the author presents prior to progressing with the work. Some research requires a research plan to be presented to an academic committee for funding – and regardless of the purpose of the research, a detailed plan is a fundamental part of any research.

The research design section gives an overall view of the method or methods chosen and reasoning for the selected research method. Data collection explains how the data is collected, where the data is collected and how it will be analyzed. Research design includes a statement about ethical guidelines. (Saunders et al., 2007, 40-41)

5.1 Methodology

Research philosophy leads to assumptions which will underpin the research strategy and the research methods (Saunders et al., 2007, 102). Saunders et al. (2015, 124) present the research onion which is known as "Saunders' research onion" (figure 8). It describes the different decisions that are required to be made when developing a research methodology. The research methodology process works from the outside of the onion inwards.

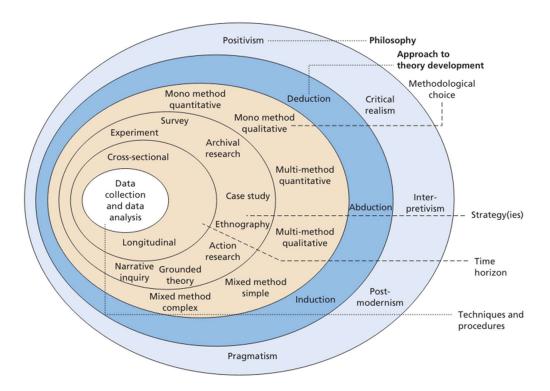


Figure 8. Saunders' research onion (Saunders et al. 2015, 124)

Saunders et al (2015, 124) state that the research onion demonstrates the different stages of research within the layers. Research philosophy and approach sit on the first two layers of the onion. Then in the middle are research methodological choices, strategies, time horizon and the inner circle includes data collection and analysis procedures.

Three of the major research philosophies are epistemology, ontology and axiology. According to Saunders et al (2007, 102-111) the philosophies contain important differences:

- A) Epistemology concerns what constitutes acceptable knowledge in a field of study. Included in epistemology are positivism, realism and interpretivism. Positivism adopts the philosophical stance of the natural scientist. Realism relates to scientific enquiry. Interpretivism is trying to understand differences between humans in our role as social actors
- B) Ontology concerns the nature of reality. Included in ontology are objectivism, subjectivism and pragmatism. Objectivism means that social entitles exist in reality external to social actors. Subjectivism creates social phenomena from the perceptions and consequent actions of social actors. Pragmatism focuses on the importance of determinant of the research question

C) Axiology studies judgements about value and the determination of value

For this research, the most appropriate research philosophy is pragmatism. Pragmatism values theories in terms of the success of their practical application. Research approaches can be deductive and inductive. Saunders et al. state that deductive approach has its origin in research in the natural sciences. Deduction states the idea first and then moves to observation, whilst induction starts from observation. Deduction is most linked to quantitative research and induction to qualitative research. This research applies qualitative research method, and the research approach is inductive which is appropriate for qualitative research. (Saunders et al., 2007, 110; 118)

Research strategies can be experiments, surveys, case studies, action research, grounded theory, ethnography and archival research. The research strategies belong to either deductive or inductive approach and offer equal representation (i.e. no strategy is more superior or inferior to others). The research strategy must enable the researcher to answer the research question. It is good to note that the strategies are not mutually exclusive – it is possible to use a survey in case study research for example. (Saunders et al., 2007, 135).

The next layer in the research onion includes the method choice between mono-method, multimethod or mixed-method. Mono-method stands for a single-data collection technique and multimethod for multiple data collection techniques. Mixed method combines qualitative and quantitative research methods in one research enabling the study to combine both numeric data collection and word-based data collection techniques as per figure 9.

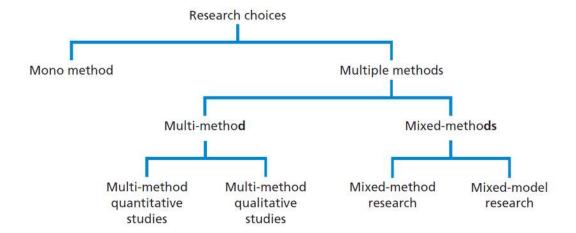


Figure 9. Research choices (Saunders et al., 2007, 146)

According to Saunders and colleagues (2007, 282-354) data collection methods include observation, interviews, and questionnaires. Interviews can be semi-structured, in-depth and group. Once the data is collected, it is analyzed by using the selected method of qualitative analysis or quantitative analysis after which the subject is discussed, valuated and development suggested presented.

For this research, the research approach is inductive qualitative research. The research strategy is a semi-structured workshop. As per Saunders et al. (2007, 312-313) semi-structured workshop gives the researcher qualitative data to analyze as opposite to the structured workshop which would be far stricter in its nature and provide quantifiable data. In semi-structured workshops, the researcher has a list of themes and questions to be covered in a discussion. Additional questions may be required to be asked during the workshop to explore the research question and objectives given depending on the nature of the events in the workshop.

Data should always be recorded and transcribed, and notes should be taken during the workshop which enables the researcher to return to the discussions when analysing the data. It should be noted that time will be required to produce a transcription – a one-hour recording may take up to ten hours to transcribe. (Saunders et al., 2007, 336)

A workshop should have between 4-12 participants. The precise number depends on the nature of the participants and the topic. It is considered a benefit if the participants represent a group which is 'information rich'. Groups should be formed horizontally, not vertically. The voluntary aspect of the participants will generally generate more willing discussion when the participants participate in the workshop willingly and not through obligation. The facilitator needs to control the discussion without influencing the results, keep the group within the boundaries of the topic being discussed and generate interest and encourage discussion. If one participant dominates the discussion, it is advisable to try to carefully bring others in the discussion through intervention. The facilitator's role is to keep the workshop within the time that has been set for it. (Saunders et al., 2007, 336-340)

In a qualitative content analysis, the data is analysed based on meanings expressed through words. First, the raw data is classified into categories and then analysed by grouping it in an inductive content analysing method. An inductive approach works exclusively from the participants' experiences that drives the analysis entirely. Findings arise from the analysis of raw data which derive concepts and themes. (Azungah, 2018, 391).

The purpose of inductive content analysis is to condense extensive raw data into a summary format, to establish clear links between the research objectives and the findings of raw data and to develop a model about the findings which are evident in the raw data. Most inductive studies have a model of three to eight main categories of findings. The inductive approach is considered a convenient and efficient way of analysing qualitative data – and it is considered more straightforward than other qualitative data analysis methods. Inductive analysis supports the research question because it is an observation-based data analysis technique. (Thomas, 2006, 237-238)

5.2 Credibility

Saunders and colleagues (2007, 149-150) claim that credibility of research findings could be tested with a question 'how do I know if the evidence and conclusions stand up to the closest scrutiny'. The best answer is to reduce the possibility of getting the answer wrong. This is done by paying attention on research design and its reliability and validity.

Reliability refers to how consistent the data collection techniques and analysis procedures are. Reliability could be impacted by subject or participant error, subject or participant bias, observer error or observer bias. Reliability of research demonstrates how trustworthy the research is. (Saunders et al., 2007, 149-150)

Validity is concerned with whether the findings are really about what they appear to be about (Saunders et al., 2007, 150). The validity of a research could be threatened by history, testing, instrumentation, mortality, maturation and / or ambiguity about causal direction. Validity tests if the relationship between two variables has a causal relationship. Reliability and validity of research demonstrates how trustworthy the research is. (Saunders et al., 2007, 150-151)

5.3 Justification

The research topic is: What criteria define a luxury hotel? Creating a checklist of criteria for 5-star hotels. The purpose of this thesis is to research what makes a hotel a luxury hotel and which factors define a 5-star hotel from other hotels. The purpose of this thesis is to identify hotel qualities which distinguish factors that differentiate luxury hotels and the aim to develop a list of criteria for 5-star hotels which the commissioner can use to grade this product segment. The aim is

to identify attributes and hotel qualities which make a hotel a luxury hotel, and to provide criteria for how to differentiate the 5-star hotel product from other hotels.

The research problem is the current lack of clear criteria for hotels that can be sold as luxury, 5-star hotels. Currently, setting the star rating is the decision of the Product Manager who manages the product portfolio of the destination. The purpose of this work is to identify what criteria define a luxury hotel through a workshop organized for a group of travel professionals. The workshop is designed to find out what factors the respondents consider to be important for a 5-star hotel—what criteria need to be fulfilled for the hotel to receive the 5-star rating. The respondents represent a group of travel professionals who work with luxury hotels and stay in 5-star hotels both on business and leisure travel.

The research questions of this research are:

- What are the hotel attributes and qualities that make a hotel 5-star?
- What criteria define a 5-star hotel?

The product portfolio of the commissioner's hotels is existing, but the purpose of this thesis is to identify the hotel qualities that impact the internal commissioner's grading and answer the research questions, what are the hotel attributes and qualities that make a hotel 5-star and what criteria define a 5-star hotel? Essentially, what makes a hotel a 5-star hotel? The aim is to produce a checklist of criteria for 5-star hotels in the commissioner's hotel portfolio. The checklist, which is created as a development task of this thesis, will be used by all Product Managers to standardize the criteria of 5-star hotels. There is a genuine need for this criterion, because the customers of 5-star hotels generally know what to expect when booking a 5-star hotel and they have high expectations. In addition, this research will support the researcher in their work and give the commissioner a chance to grow their profitability. The luxury market is affluent with higher margin and selling price – increasing this product segment could have a positive impact on the commissioner's profitability.

6 Empirical part

The empirical part presents the commissioner and analyses their current situation with 5-star hotels. This part of the work is confidential. This is followed by presenting the research findings and the outcomes of the co-development task.

The research strategy of this thesis was a case study, and the research approach is multi-methods. Firstly, the booking data was analysed to support the need for this research and a preliminary study was conducted with a small group of respondents to test the workshop research question. This was followed by the main research which was conducted in the form of brainstorming workshop.

6.1 Commissioner (confidential)

6.2 Preliminary study

A preliminary study was conducted with the commissioner's production team. This team consisted of eight people who all work directly with the hotel product. The preliminary study was done after the production team visited the newest luxury hotel in Finland, Hotel Maria, which created a great platform for a discussion. Hotel Maria is a concept that Helsinki has not seen before. It is world-class luxury and a great example of the kind of luxury hotels that the world's capitals host.

A survey with a semi-structured questionnaire was used to collect qualitative data from the respondents. Out of the eight members of the production team, one had not started yet, and one is the researcher, so the preliminary study had six respondents. Two questions were asked: What makes Hotel Maria a luxury hotel and what makes a hotel a luxury hotel? These open questions were grouped in an online collaboration tool, Miro, and the responses formed the base of the brainstorming workshop.

The preliminary survey showed that a small group of respondents generated 23 different responses on what makes a hotel a luxury hotel. There were many similar responses, but it is interesting to see how many unique responses there were.

The purpose of the preliminary survey was to test the subject on a smaller group of respondents to see how they reacted and responded. The subject of this thesis is very subjective, and it was noted that a survey is not a sufficient way to research the matter. To find answers to the research questions, the main part of the research requires discussion and exchanging of ideas, which is why a brainstorming workshop was decided as the main research method.

6.3 Brainstorming workshop

Based on the results of the preliminary study, a semi-structured brainstorming workshop was conducted for a selected group of travel professionals of 12 participants to identify what criteria makes a hotel a 5-star hotel. Based on the research design, a brainstorming workshop is a qualitative research method to develop novel ideas. The participants were chosen from various teams such as customer service, customer specialist, production and marketing to get a wide inside into the research problem. Permission to hold the workshop during working hours was asked from the commissioner and the request was accepted.

The workshop was held on Teams. The invitations to the workshop were sent first to 16 participants who represented different teams two weeks prior to the workshop. A follow-up invitation was sent 10 days before the workshop and some additional invitations were sent to secure a suitable number of participants for a semi-structured workshop. A day before the workshop, the agenda and instructions on how to participate were shared.

The workshop was facilitated by the researcher. The facilitator guided and controlled the workshop. First, the agenda and research problem were explained followed by the rules and timelines. An agenda is as important as the objective to get the full benefit from the workshop. The session lasted for 60 minutes, and it was recorded. To have a successful outcome of the workshop all discussions need to be recorded and transcribed verbatim for analysis purposes. All participants were asked to use shared documentation to record the findings of their discussions.

The frame of the workshop was clear and semi-structured. First the researcher presented the research problem and gave an insight into what makes a hotel a 5-star hotel based on the contextual framework. It was highlighted that the subject is very subjective, and the purpose was to gather as many ideas as possible – there were no right or wrong answers. It was mentioned that the research is done anonymously, so no names or departments would be discussed when analysing the results. After setting the scene, the group was divided into three smaller Teams

breakout rooms for discussion. One participant of each group was asked to write down the findings. All three breakout rooms were recorded and transcribed for the researcher to verify the results when analysing them. The small group discussions lasted for 20 minutes; in this time the researcher visited the breakout rooms to follow the discussions. Timekeeping announcements were made when the groups had 5 minutes and 2 minutes left for discussion. When time was up, the breakout rooms closed automatically, and all participants returned to the main Teams meeting.

After the small group discussion, everyone returned to the main room and each group presented their findings. One person was asked to present the findings of the small group discussions in 5 minutes, and this was followed by a group discussion and observations. The facilitator responded to each group's presentation. The results were not analysed in the workshop, so after the presentations and discussion, the participants were thanked for their valuable time and the brainstorming session was closed.

10.00	Welcome, introduction to the subject and research question. Rules and timelines.
10.15	Small group discussions in 3 groups in Teams breakout rooms.
10.35	Each small group presented the findings of their group discussion.
	Group discussion on the findings.
11.00	Thank you for the participation and end of workshop. Transcripts saved.

Figure 13. Brainstorming workshop's timeline

As per Saunders et and colleagues (2007, 336-337) workshop as a qualitative research method works best when the participants represent an information rich group which is horizontally selected within the organization. The workshop was created in a semi-structured manner to receive as many creative ideas as possible within a set structure. The workshop took place on Teams allowing participants to join regardless of their present location. There was a good amount of interest in participating – but understandably not everyone who wanted to participate could participate due to other work commitments at the same time. The subject was considered interesting, which supported the need for this research. The group of participants was successfully chosen because the discussion was information rich, relaxed and conversation progressed naturally. This is what Saunders et al. (2007, 339) consider as a key to a successful workshop.

12 participants were selected through information-oriented selection (as they were assumed to hold the most relevant information), which was enough participants to gather data from a group of professionals. The workshop was conducted in a gross-functional group with members from various departments of the commissioner's head office and overseas offices.

6.4 Content analysis

The results of the preliminary study were grouped in an online collaboration tool, Miro, to visualize the findings. Words and phrases were grouped under two questions; what makes Hotel Maria a luxury hotel and what makes a hotel a luxury hotel. The findings formed the basis for the main workshop and validated the research strategy.

After the brainstorming workshop, the recordings and the written findings were saved in a shared folder. The workshop Teams recording was reproduced as a written account. It was sufficient to transcribe only the sections that were relevant for the research, leaving out other irrelevant conversations. The recording required careful checking in order not to miss anything.

The raw data of the workshop was analysed by qualitative content analysis method in which data is analysed based on meanings expressed through words. First, the main categories were identified based on inductive content analysis method. The data was classified into categories and analysed by using grouping. The main categories are hotel, hotel guestroom, service, restaurants and facilities. Once the groups were created, the data units, i.e. information gathered, were organized in suitable groups.

Data was analysed by cleaning the data, then summarizing it and grouping it into sub-categories. Each transcript of data, as well as the recordings of the workshop sessions, were carefully analysed to find out any missing data that was not written down in the workshop. After all the data was collected, it was analysed in an inductive, observation-based analysis method.

ChatGPT was used as an additional aid to analyze the frequency of each criterion mentioned. No confidential or sensitive data was input in ChatGPT. Each criterion defining a luxury hotel in the data was unique, because each criterion mentioned was only written down once. For example, all three groups mentioned that coffee needs to be served to the table at a 5-star hotel, but it is only mentioned once in the grouping. The detail of the number of times this criterion was mentioned would not have given added value to the research.

The data gathered in the workshop is available in Finnish, because the workshop was conducted in Finnish for Finnish speaking travel professionals. First, the raw data was identified from the recordings and written files produced at the workshop. The raw data was categorized, and the main concepts were identified. Once the raw data was put in the main concepts and grouping, the text was translated into English (appendix 3) for it to serve the purpose of this research better. The original format of the reduction table of the raw data is available for the commissioner (appendix 2).

The data analysing method selected for this work is inductive. As per Azungah (2018, 391) inductive approach works exclusively from the participants experiences. It is good to note in this instance that the results of this research are subjective. However, 12 participants from cross-functional teams create a sufficient sampling and validate the research. The level of interest among the participants was very high, which validates the subject of this work and justifies it: there is a good level of interest and expertise among the existing employees to develop this area further which in return is supported by the data analysis of commissioner's sales of the 5-star hotels.

When using the inductive approach to data analysis, the raw data is grouped into the most relevant data categories. The categories set, based on the analyses of the raw date, were set to be hotel, hotel guestroom, service, restaurants and facilities. The definition of *hotel* in this work is the overall hotel, the public area and general look and feel of the hotel. The *hotel guestrooms* include all accommodation types, all rooms and suites in the hotel. The concept of *service* includes all aspects of customer service and services provided to the customers. *Restaurants* refer to all food and beverages outlets and services involving food and beverages. The concept of *Facilities* refers to all additional services and facilities hotels offer to the customers. These include gym, spa and other additional facilities which are available to the customers either free of charge or at an additional cost.

To answer what makes a hotel a 5-star hotel, the respondents had the highest number of criteria for hotel service. The second highest number of criteria was for the hotel itself. Hotel guestrooms had 14 criteria and restaurants 13 criteria, whilst the facilities had the least number of criteria. This could be considered as the order of importance when putting together a criterion for the hotels. This distribution shows a significant emphasis on service and hotel quality, suggesting these are the key areas where luxury is particularly defined and expected in 5-star hotels. However, it is good to note that a hotel cannot be 5-star simply by succeeding in one category. This can be seen from the content analysis which shows that all categories correlate with each other and a hotel to be a good 5-star needs to satisfactory fulfil elements in each category.

Count of criteria under	each category:
Service:	18 criteria
Hotel Guestrooms:	14 criteria
Hotel:	15 criteria
Restaurants:	13 criteria
Facilities:	6 criteria

Figure 2. Count of categories defining 5-star hotels

The contextual framework of this research mentioned service being the most important factor when defining a luxury hotel. It was said that the psychical attributes such as lobby, guestroom and restaurants were not as important as service, and more importantly personalized service. The data from the brainstorming workshop supports this with service being the largest group of criteria for a hotel to be 5-star.

7 Findings

In this section the workshop results are grouped into categories to analyze them further. The categories are hotel, hotel guestrooms, service, restaurants and facilities. These categories were formed based on the content analysis of the raw data. In addition, they work in line with the definition of Les Roches defining that 5-star hotels offer highest quality and stylish accommodation with large, elegant rooms, high-spec digital services, gourmet restaurants and exclusive facilities including spas, childminding service and butler services. Les Roches definition is global, and the analytics of this research show only the criteria to match with the expectations of the Finnish clientele. For example, butler service did not come up at all. Perhaps since it is a very distant ideology from the mindset of the Finnish people. (Les Roches, n.d.)

The findings of the preliminary study

There were two questions in the preliminary study: What makes a Hotel Maria a luxury hotel and what makes a hotel a luxury hotel. The study was done immediately after visiting Hotel Maria, which is why these two questions were asked. The researcher could not assume that the respondents would consider Hotel Maria a luxury hotel, which is why both questions were asked. The summaries of the responses to these questions are provided in the following and figure 15.

What makes Hotel Maria a luxury hotel: Personalized service, exceptional service, quality service (concierge, personal trainer), quality materials, stylish interiors, historical building, atmosphere, calm & peaceful atmosphere, expensive materials, lobby area, occupancy level, experienced staff and small details like a silk bathrobe.

What makes a hotel a luxury hotel: Size of the hotel, quality of materials, elegance, peaceful atmosphere, personalized service, location, size of the rooms, quality of food, the story of the hotel, wellness facilities, stylish surroundings, element of surprise, high-quality service, service, thoughtful sound atmosphere, occupancy level (not too full), quality bathroom amenities, well-thought concept, unhurried but efficient service, beautiful, small little details, discreet service and overall quality.

The findings of the preliminary study were not analysed further. This study formed the basis for the main workshop and validated the suitable research method for the main study.

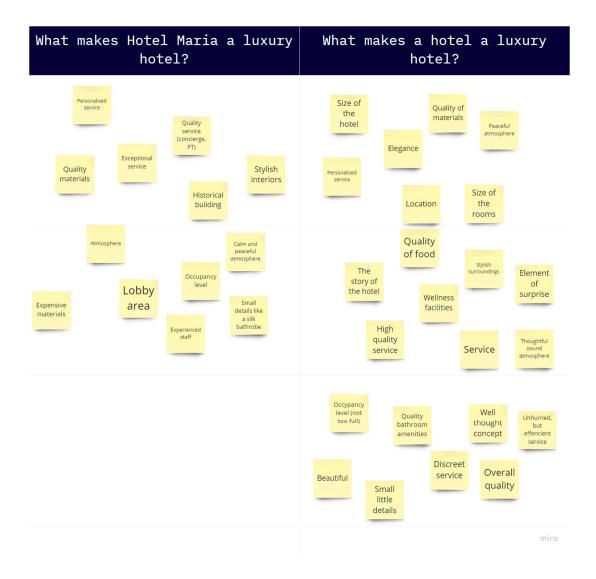


Figure 15. Preliminary study on what makes a hotel a luxury hotel

The findings of the brainstorming workshop

The findings of the brainstorming workshop are presented in this section of the work. This was the main part of the research which was analysed according to the research design set in the previous part of this thesis.

Hotel

The public areas in a 5-star hotel are critical in setting the initial impression of luxury. These areas are expected to evoke a sense of quality and space achieved through beautifully aesthetic style with some personal or design elements in the hotel. The same quality style needs to be carried out throughout the entire hotel. This was one of the points that all groups mentioned: for a hotel

to be a 5-star hotel, it the style and quality needs to run across all aspects of the hotel and not only for example to offer stunning lobby, if the guestrooms are outdated.

The location of the hotel is important in the sense that a beach hotel should have good views and nice surroundings and gardens, whilst a city hotel needs to be conveniently located. All groups agreed that a location is not a criterion – but the location needs to serve the purpose of the hotel. In the group discussions one very interesting point was mentioned: A 5-star hotel should have a legendary name. This is not a criterion either, but an interesting viewpoint.

The point about a legendary name leads to a brand. This is mentioned because none of the groups mentioned or included brand as a criterion for a 5-star hotel. Branded drinks and high-quality materials were mentioned, so tangible items were considered important quality factors, but none of groups mentioned luxurious or high-end brand as a criterion.

Outdoor space and swimming pool were not considered as essentials for 5-star hotels, but they were considered essentials for 5-star beach hotels. The discussions were often divided into luxury city hotels and luxury beach or leisure hotels. If there is an outdoor space or garden, it needs to be beautifully maintained, but it was not an essential requirement for a 5-star hotel. Indeed, some luxury city hotels may not have any outdoor space. Regardless of the style of the hotel, it was considered very important that all areas are clean, well-maintained throughout and there are no scratches on walls. A 5-star hotel should look pristine, from the public areas to the guestrooms. This does not mean 'new' or 'newly renovated', but the key focus was on the maintenance. All areas need to be well and beautifully maintained. All maintenance work needs to be done discreetly, so the guests' enjoyment is not compromised. It was also agreed by one group that a 5-star hotel should not have any animals staying on the property, such as cats roaming free or birds in bird cages.

All materials need to be of high-quality in 5-star hotels and generally they need to ooze a sense of style, cleanliness and be beautiful to look at. Some level of experientiality is also expected from a 5-star hotel, but it was not described in more detail in the group discussion.

Hotel guestrooms

Hotel guestrooms need to offer a sense of space whether it is through the actual size of the room or the layout and space usage of the room. A 5-star hotel room needs to have good storage facilities and space for personal items both in the room and the bathroom. This includes enough hangers to hang clothes and enough shelves or drawers. It was noted in one discussion that sometimes

a hotel takes the minimalistic style to an extreme and has no place to hand up used towels. This is not practical or sustainable. Hotels with all star ratings should try to reduce water consumption through reducing laundry.

5-star hotel guestrooms need to have high-quality materials in textiles, a quality bed and a pillow menu. Luxury amenities including luxurious bathroom products, bath robes and slippers are considered essential. Further, a 5-star hotel needs to be environmentally friendly and not offer bathroom amenities in small bottles, but in large reusable bottles. It was noted that this is only possible if the bath product brands produce larger bottles instead of the small ones. There needs to be enough toilet paper nicely displayed.

Guestrooms need to have well-thought out and serene colour schemes and good soundproofing. Tea and coffee making facilities add to the feeling of personalized service as well as a fully stocked minibar. Complimentary water is essential, and it should be made available in glass bottles.

Turndown service (*) is considered important in 5-star hotels along with small touches such as a chocolate amenity on the bed at turndown service. A beach bag and beach towels are expected to be available in the room for guests' convenience.

*Turndown service is the preparation of a room for a guest to sleep in. It is performed in the early evening. Curtains are closed, lights are dimmed and bed spread folded away. (Collins Dictionary, n.d.)

Service

This category had the highest number of findings. Arrival at a 5-star hotel should be a smooth experience with check-in without queues and a welcome drink served on arrival. There should always be enough front office staff to avoid queueing and service should be available when a customer wants it. Service in a 5-star hotel is expected to be discreet, personalized and formal, but pleasant and relaxed at the same time. Guests should be greeted around the hotel grounds. Staff should read all situations and be one step ahead of customers' requirements. Small details, such as how the customer drinks their morning coffee, should be noted in a natural way, especially in small hotels.

Concierge service is not considered essential, but if there is no Concierge desk, then the front desk, or reception, needs to have concierge-like knowledge and service available. The word discreet came up many times in all group discussions. Customers appreciate service that is discreet.

It was discussed that the Finnish customers are probably a little uncustomed to be called by their name in hotels, but when it is done in a discreet, personalized way, it is surely appreciated.

A hotel porter, or another member of staff, is expected to carry luggage and assist with the arrival to the guestrooms. 24/7 room service is expected at a 5-star hotel. If there is a beach and swimming pool, food and drink service should be available to the sun lounger. Overall, the service at a 5-star hotel needs to be discreetly refined. If any problems would occur during the stay, they need to be rectified straight away.

Turndown service is listed under this category as well because it can be considered more than a guestroom amenity. It is exceptionally good customer service by the housekeeping team. A chocolate amenity left on the bed at turndown service, or a level of other in-room surprise validates the 5-star hotel service.

Food & beverage outlets

In 5-star hotels, it is expected to have at least one quality restaurant. Multiple restaurants would be a preference, but it is not a criterion because some of the smaller luxury hotels have more limited facilities. One restaurant is crucial to offer the opportunity to dine inside the hotel in quality surroundings. The restaurant needs to offer the same experience as the rest of the hotel with a sense of space, beautiful décor and calm ambience. Live music such as piano adds to the refined atmosphere. It's important that the products that are served are high-quality. The table wear needs to be high-quality, in good condition and clean. Table textiles should be equally high-quality with fabric table clothes and quality napkins.

Breakfast is considered as one of the main factors to determine whether the hotel is a 5-star or not. This factor was discussed in detail in all groups, and it seems to really validate the level of luxury that hotels offer. At a 5-star hotel breakfast coffee and tea need to be served to the table. Fresh juice needs to be available and preferably freshly squeezed orange juice served at the table. Breakfast does not need to be fully a la carte – buffet is a preference as long as it has an element of a la carte options like eggs and omelettes. A glass of sparkling wine is a nice addition at a 5-star breakfast. Overall, breakfast needs to be freshly prepared and beautifully on display. The atmosphere needs to be peaceful even at breakfast. There should always be enough staff members to clear tables and refresh the buffet, so nothing runs out.

A 5-star hotel should have at least one exceptional bar. Exceptional in the sense that it is a place where guests want to sit in the evening before or after dinner. There could be live music. The bar

should serve branded drinks. Overall, if the hotel offers an all-inclusive package, there should not be bracelets and the accounting should be handled discreetly through room numbers. 'Help yourselves' drink stations do not belong to a 5-star hotel.

Hotel facilities

Generally, the required facilities depend on the style of the hotel. A 5-star city hotel does not need to have such an array of facilities as a 5-star beach hotel. A swimming pool is important – but it depends on the style of the hotel. The participants agreed that city hotels should have an indoor swimming pool. Beach hotels need to have a beautiful swimming pool area. An indoor pool would be a nice facility, but not essential. The swimming pool needs to have plenty of space around the sun loungers and complimentary swimming pool towels.

Spa divided opinions a little bit. It was discussed that it is not an essential facility (referring to small, boutique 5-star hotels), but a nice additional service for customers. If there is a spa in the hotel, it needs to be luxurious.

A 5-star hotel must have a good gym with modern equipment. It would be a nice addition if some wellness or self-care services were offered.

In one of the groups, it was discussed if private airport transfers should always be included in the cost of a 5-star hotel. Some hotels include transfer free of charge. This is a subject that needs to be discussed further – but certainly something that the respondents would like to have included in a 5-star hotel booking.

8 Development task – a checklist of criteria for 5-star hotels

The findings of the inductive content analysis form a base for a checklist of criteria which was created as a development task of this work. The checklist (appendix 4) includes the expectations for a hotel to be a 5-star hotel in the commissioner's portfolio. The checklist has been developed for internal use only and is considered a confidential part of this work. The criterion of the checklist is not visible to the customers. The expertise of a 5-star product knowledge can be used in potential future premium product development or marketing. For example, the findings can be used as a key selling point: From the 5-star hotels in Company X's portfolio, we expect uncompromised personal service from an a la carte breakfast to personalized concierge service to beautifully detailed rooms with a luxurious bed, pillow menu and turndown service. The contents of the checklist can be used in PR and marketing activities — and when differentiating the commissioner from other tour operators.

The checklist is an internal tool. The format of the checklist can be developed further internally along with future software developments, and therefore the format of the checklist is not relevant for this development work. The content of the checklist is the priority of this development work. The checklist is a Word document which can conveniently be stored in the commissioner's shared folders allowing everyone to access it.

The checklist includes the most important criteria for a hotel to be a 5-star hotel. It works as a guideline for the Product Manager when choosing 5-star hotels. It is up to their consideration whether all points of the checklist need to be fulfilled, so the idea of the checklist is to guide the Product Managers with their decision making when deciding whether the hotel has enough qualities to be a 5-star hotel.

The checklist was developed together with the commissioner to ensure its relevance and usability. First, the research findings were presented to the commissioner in a Teams meeting. Then a more detailed list of criteria for the checklist was presented. Some factors were not considered important, and they were left out of the list. The criteria were discussed and agreed on as the best list of criteria going forward. It was also discussed that a hotel to be a 5-star hotel does not necessarily need to comply with all criteria, but it is a guideline for the Product Managers to use.

9 Conclusion

This thesis has discussed that a customer who spends more money than average is likely to have higher expectations of the product. Also, a customer who stays in 5-star hotels often has certain expectations of the quality of 5-star hotels. The 5-star business is very desirable for tour operators due to the higher revenue that the more expensive hotels generate. In summary, the 5-star hotels are an important part of a hotel portfolio as they produce more revenue with a smaller number of bookings.

As customer expectations are higher, it is important to offer consistent and quality service. This work has researched the qualities that make a hotel a 5-star hotel and developed a checklist of criteria for all 5-star hotels that are featured in the commissioner's hotel portfolio. This ensures that customers can expect similar experience in service quality, hotel standard, guestrooms and the facilities including restaurants. They can trust that when they book with the commissioner, they receive a product that is verified to be of a high standard.

The research problem was the lack of criteria for 5-star hotels. The purpose of this work was to identify what criteria define a luxury hotel through a brainstorming workshop. The data from the workshop was 'information rich' and served the purpose of the research. This research has concluded what factors a hotel needs to have to fulfil the criteria of a 5-star hotel. It can be stated that the research was successful. It was based on the theoretical and contextual framework, and it was conducted in accordance with ethical and scientific research guidelines. The research questions were answered about what are the hotel attributes and qualities that make a hotel 5-star and what criteria define a 5-star hotel. Based on the inductive content analysis of the data of the brainstorming workshop, a checklist of 29 criteria was created, which answers the research questions.

The contextual framework introduced the key concepts of the travel industry, hotel industry and hotel classification system. The framework confirmed that a clear hotel classification system helps customers with their decision-making. Further, it was discussed what criteria makes a luxury hotel. The data from the qualitative research of this work verifies very similar findings than the contextual framework presented.

The theoretical framework discussed concepts of service quality and customer behavior. Crosby (2016) confirms that quality is conformance to the requirement. ISO Standards (n.d.) defined

quality as the entire product or service needs to satisfy the need it serves. Essentially, a luxury hotel needs to satisfy the needs (and requirements) of a 5-star hotel. Although the subject of luxury is subjective, this research has concluded what makes a hotel a 5-star hotel based on the literature review and qualitative research.

Parasuraman et al. (1988) have created one of the well-known service quality tools which identifies the key dimensions of service quality. Four out of five dimensions that Parasuraman et al. (1988) have presented are linked to service. The content analysis of this research shows that service is valued as the most important aspect of a 5-star hotel (demonstrated in table 2, the count of criteria of each category). The theoretical framework supports the findings and validates the results.

It is evident from the existing product analysis of the commissioner's hotel offering that the 5-star portfolio is very diverse. This can result in quality issues — and therefore the new checklist can guide the selection process. It can offer tools and confidence to decide to move some hotels to a 4-star level if they do not comply with the set criteria — and on the other hand, move some 4-star hotels to a 5-star level if they comply with the criteria presented as a development task of this work.

As a further development idea, it is recommended that the commissioner consider labelling the genuinely excellent 5-star hotels on the commissioner's product listing. The labelling could be a symbol or tab, which is currently used to highlight certain product features such as all inclusive, family hotel or environmentally certified hotel. The labelling would only highlight the exceptional 5-star hotels, which would allow the commissioner to keep all 5-star hotels in the portfolio (even thought there might be a considerable difference in quality and price) and only highlight the best hotels which comply with most parts of the checklist. This website development would create a new product category that could enhance the existing product offering. A hotel that complies with all the criteria to be a quality 5-star hotel would receive a label on the website. Customers could search for 5-star hotels on the website and then clearly see which ones have been lifted as 'premium' or 'luxury'.

10 Discussion

The purpose of this work was to identify hotel qualities which make a hotel a 5-star hotel. The aim was to create a checklist of criteria for a 5-star hotel after qualitative research. The qualitative research method was a brainstorming workshop which was held on Teams. The workshop included a cross-functional team of 12 participants who are all employed by the commissioner. The team of 12 were split into three small groups in non-random sampling in the workshop which avoided bias in the research. The researcher used their judgment to create these small groups ensuring that different team members would be present in the teams. The participant selection was successful and the discussion in the workshop was professional and fruitful. It must be noted that everyone who participated in the workshop participated voluntarily, and all participants are travel professionals, so the outcome of the discussions could have been very different if the background of the participants was different. However, this served the purpose of this workshop extremely well, because the purpose of it was to identify as many hotel qualities that make a hotel a 5-star hotel as possible.

The reliability and validity of this study needed to be considered. The subject or participant errors and bias were avoided by performing the workshop in cross-functional team and splitting the participants into small groups. Everyone felt comfortable expressing themselves in a safe environment. Observer errors were avoided by recording and transcribing the workshop and small group discussions. Observer bias needed careful consideration because the subject is familiar to the researcher. It was important to focus on the findings of the study and not offer any additional input from the researcher. The potential lack of validity was minimized by a clear research design and pilot testing (the preliminary study). The number of participants in the workshop, as well as their cross-functional background, validated the research. The researcher focused, throughout the process, to avoid observer bias. The development task was co-developed with a group of colleagues to receive feedback prior to finalizing the checklist of criteria. All documents were transparent, and all findings were carefully reported to make this research trustworthy.

As further research and development, it is suggested that the research could extend to an external group of consumers as a customer survey which the commissioner can conduct on their website. An external customer survey could create an excellent opportunity to develop the 5-star product further, however, it was not possible to do it within these timeframes. This would be a very interesting survey and something that the commissioner could consider as a follow-up for

this internal workshop. The external customer survey would have given a different viewpoint to analysis the results, but due to limitations of this study due to time it was not possible to perform it.

As an additional development task, the checklist of criteria can be developed further to make an online version of it. This was never planned to be part of this work, but the researcher can develop this alongside her work. The checklist of criteria was the development task of this study. However, as discussed in 'Conclusion' it is up to the commissioner how they want to label the luxury hotels on their website. The limitations of time in this study meant that further research and development needs to be done outside of this work.

10.1 Benefit for the commissioner

The research subject is justified, and the commissioner can benefit from the research findings and development ideas. The data shows that 5-star hotel product is a small part of the commissioner's business, but it is a growing segment and from experience, customers travelling to 5-star hotels know what to expect, so there is a need for a standardized criteria for the commissioner's 5-star hotels. The revenue and margin per 5-star booking is higher than average, making this segment strategically interesting. To support the need for this research, the commissioner's luxury product portfolio analyses showed that the current quality of 5-star hotels is not consistent. Some of the 5-star hotels should probably be 4-star hotels and some of them should probably be 5-star luxury hotels.

After this research and the developed checklist of criteria, the commissioner has a checklist to categorize luxury hotels correctly. Once the product is in the right category, all other teams can use the refined product portfolio in marketing and sales development which can lead to gaining a new customer segment, the luxury travelers.

The subject of this thesis is subjective – this cannot be highlighted enough. The meaning of luxury can be very different for different people which is why the research was conducted in cross-functional teams. It was considered that if only the Production team is involved with this research, the findings may be different, which is why various other team members were invited to the workshop.

10.2 Credibility and ethics

The Finnish National Board on Research Integrity TENK code of conduct for research (The Finnish Code of Conduct for Research Integrity and Procedures for Handling Alleged Violations of Research Integrity in Finland, 2023) was used as a base to conduct this research. The research strategy and methods were justified for the nature of the research. Confidential data has been handled safely in the commissioner's drive and it has not been moved to the researcher's private laptop. Data from the workshops has been reported anonymously, which was highlighted to the participants during the workshop.

The researcher has thoroughly acquainted herself with the theoretical framework and contextual foundation, as demonstrated by the literature review with all sources properly cited according to Kajaani University of Applied Science's guidelines. The research included a preliminary survey on the subject and a brainstorming workshop. The purpose of the preliminary survey was to validate the subject. It was done eight months prior to the final thesis presentation, which meant that it allowed an opportunity to change the direction of this research if needed. The preliminary research validated the interest and need for this research. The research method was a qualitative data collection with a workshop. The sample size, number of participants, was 12 which is ideal within the set criteria for a successful workshop.

The research findings align with the research purpose, answer the research questions, and are connected to the theoretical framework and contextual foundations presented in this thesis; therefore, the results of this research are credible. The researcher provided a comprehensive and detailed description of the context, data collection, content analysing techniques and development task. Observer bias and conflict of interest are avoided by excluding the researcher from the workshop small group discussions.

Research ethics are acknowledged in all aspects of this work. Data has been analysed and reported anonymously. All participants were made aware of the anonymous nature of the research reporting prior to signing up. It was clearly mentioned at the start of the workshop that the entire session was recorded. The transcripts of the workshop were saved in a secure folder in the commissioner's database. The material from the workshop is considered interesting for the employees of the commissioner and subsequently made available on the company's shared drive. No personal details were included in the reporting of the results, which ensured anonymity. Parts of this thesis are confidential due to the confidential internal data used in the empirical part of this

work. The checklist of criteria is considered confidential in order not to jeopardize the commissioner's competitive setting.

The researcher holds a pivotal position in the team of participants. This meant easy and comfortable collaboration during the research. Subject and participant bias was avoided by using crossfunctional, small groups in the workshop. Everyone had the opportunity to express their views openly and safely. The discussions were open due to the relaxed atmosphere during the workshop. Observer bias was considered throughout the research due to the familiar nature of the subject. There was no conflict of interest and the researcher successfully acted as an observer rather than a contributor.

As the subject of this work is subjective and the findings can be interpreted in different ways, it is possible that the results could be different if the work was done by another researcher. Any potential lack of validity was minimized by a research design that worked well for the purpose of the study. There were no threats to validity. However, it can be that the findings can be interpreted in different ways due to the subjective nature of the work. The size of the participant group was sufficient to perform a reliable workshop and the raw data is transparent to the reader. This makes the research trustworthy – but it is important to acknowledge that the observations could vary by other researchers.

10.3 Competence development

The subject and the development work will support the researcher in the work and has created an interesting and rewarding subject to work with. It is important to choose a subject that is interesting to keep the focus on — and this part has been successfully achieved. As a part-time master's student, this is perhaps even more important because it is difficult to combine studying a master's degree with professional and personal life. The confidence of the researcher in the subject of this study is transparent, which has created challenges as well. At times, it has been difficult to link the empirical part of this work to the theoretical framework, because the subject is very familiar to the researcher. However, the researcher found the right connection for this.

Overall, it took time to get fully inside the subject and the process was done in parts of work. Once the first couple of milestones were achieved, the overall picture of the thesis started to become clearer. It was however only the last two months when the process was clear, and the researcher was no doubt the most productive in the last eight weeks leading to the completion

of the work. This is one of the learning outcomes; it would be suggested to set short deadlines which might increase productivity.

The journey with this work and the degree has been long. There have been many personal changes including changes in the researcher's career which led to changing the commissioner. It has been a huge challenge to combine everything, but with a clear plan and determination it has been achieved. The learning process has been transparent, and it is considered in fact an advantage that it has taken four years to complete this degree as the researcher feels much more connected to the level of expertise that is required. The desire to exceed the initial expectations set for this degree has grown as the work has progressed and the researcher feels content that she can benefit from the development task in her professional role.

List of references

&Beyond impact model (2021). Retrieved on 29.3.2024 on https://res.cloudinary.com/andbeyondtravel/images/v1695827021/Collateral/Impact-Review-Digital-2021/Impact-Review-Digital-2021.pdf?_i=AA

Ali, F., Kumar, S., Sureka, R., Gaur, V., & Cobanoglu, C. (2022). Editorial: The Journal of Hospitality and Tourism Technology (JHTT): a retrospective review using bibliometric analysis. *Journal of hospitality and tourism technology*, *13*(5), 781-800. https://doi.org/10.1108/JHTT-11-2022-332

Azungah, T. (2018). Qualitative research: Deductive and inductive approaches to data analysis. Qualitative research journal, 18(4), 383-400. https://doi.org/10.1108/QRJ-D-18-00035

Badulescu, A., Badulescu, D., & Simut, R. M. (2018). The complex relationship between international tourism demand and economic growth: An analysis on Central and Eastern European economies. Amfiteatru economic, 20 (12), 935-950. https://doi.org/10.24818/EA/2018/S12/935

Bender, S. B., & Partlow, C. G. (2015). A profile of the hospitality industry. Business Expert Press.

Blackwell, R. D., Miniard, P. W., & Engel, J. F. (2001). Consumer Behaviour. Cengage Learning.

Blythe, J. (2013). Consumer behaviour. Thomson.

Carvalho, P., & Alves, H. (2023). Customer value co-creation in the hospitality and tourism industry: A systematic literature review. International journal of contemporary hospitality management, 35(1), 250-273. https://doi.org/10.1108/IJCHM-12-2021-1528

Cirer Costa, J. C. (2024). Creation of mass sun-and-beach tourism in Spain: The definition of the tourist product through architecture. Journal of historical research in marketing, 16(1), 71-95. https://doi.org/10.1108/JHRM-06-2023-0020

Coelho, A., & Castillo-Girón, V. M. (2020). The medium of exchange in mergers and acquisitions: The cases of travel agencies and tour operators. Administrative sciences, 10(4), 1-13. https://doi.org/10.3390/admsci10040097

Collins Dictionary. Retrieved 10.5.2024 https://www.collinsdictionary.com/dictionary/eng-lish/turn-down-service

Consumer behaviour (N.d.). Question Pro. Retrieved on 10.03.2024. https://www.questionpro.com/blog/consumer-behavior-definition/

Crosby, D. C. (2006). QUALITY is Easy. Quality (Wheaton), 45(1), 58. https://www.proquest.com/scholarly-journals/quality-is-easy/docview/235246298/se-2

Definition of 6-star hotel (N.d.). Upper Class Traveller. Retrieved on 3.2.2024. https://upper-classtraveller.com/what-is-a-6-star-hotel/

Definition of tour operator (N.d.). Cambridge Dictionary. Retrieved on 3.2.2024. https://dictionary.cambridge.org/dictionary/english/tour-operator

Definition of tour operator (N.d.). The Specialist Travel Association (AITO). Retrieved on 3.2.2024. https://www.aito.com/blog/the-difference-between-tour-operators-and-travel-agents

Definitions of different hotel types (N.d.). Les Roches. Retrieved on 3.2.2024. https://lesroches.edu/blog/types-hotel/

Delve, Ho, L., & Limpaecher, A. (2023). Inductive Content Analysis & Deductive Content Analysis in Qualitative Research. Retrieved on 2.4.2024. https://delvetool.com/blog/inductive-content-analysis-deductive-content-analysis

Dominici, Gandolfo & Palumbo, Federica. (2013). The Drivers of Customer Satisfaction in the Hospitality Industry. Applying the Kano's Model to Sicilian Hotels. International Journal of Leisure and Tourism Marketing. 3. 215-236. 10.1504/IJLTM.2013.052623.

Elo, S., Kajula, O., Tohmola, A., & Kääriäinen, M. (2022). Laadullisen sisällönanalyysin vaiheet ja eteneminen. Hoitotiede. 34 (4), 215-225.

Fahim, M. (2019). The Relationship between Service Quality Dimensions and Customer Satisfaction in Public Service Organizations with Application to EgyptAir. Arab Journal of Administration 10. 1 (39). https://digitalcommons.aaru.edu.jo/aja/vol39/iss1/10

Fratu, D. (2011). Factors of influence and changes in the tourism consumer behaviour. Bulletin of the Transilvania University of Brasov. Economic Sciences. 4 (53) 119-126. https://web-but.unitbv.ro/index.php/Series_V/article/view/6283/4824

Fyall, A., & Garrod, B. (2005). Tourism marketing: A collaborative approach. Channel View.

Fyall, A., & Garrod, B. (2004). Hotel Consortia. In Tourism Marketing: A Collaborative Approach.

Bristol, Blue Ridge Summit: Channel View Publications. 260-283

https://doi.org/10.21832/9781873150917-014

Gajjar, N. (2013). Factors affecting consumer behaviour. International Journal of Research. 1 (2) 10-15. https://www.raijmr.com/ijrhs/wp-content/uploads/2017/11/IJRHS_2013_vol01_issue_02_02.pdf

Giménez, J. F. V. (2018). Customer-centricity: The new path to product innovation and profitability. Cambridge Scholars Publishing.

Grönfors, M. 2011. Laadullisen tutkimuksen kenttätyömenetelmät. https://vilkka.fi/books/Laadullisen tutkimuksen.pdf

Grönroos, C. (1993). A Service Quality Model and Its Marketing Implications. European Journal of Marketing. 18. 36-44. http://dx.doi.org/10.1108/EUM000000004784

Gureja, G. K. (2013). Organisational schizophrenia: Impact on customer service quality. SAGE Publications India Pvt, Ltd.

Guru, R.R.D., Paulssen, M. and Japutra, A. (2024), "Role of brand attachment and satisfaction in driving customer behaviors for durables: a longitudinal study", European Journal of Marketing, 58 (1), 217-254. https://kamezproxy01.kamit.fi:2213/10.1108/EJM-01-2022-0028

Guzman, F., Veloutsou, C., & Christodoulides, G. (Eds.). (2022). Luxury marketing and branding. Emerald Publishing Limited.

Hotel star rating system: Types, benefit, significance, examples (2023). Revfive. Retrieved on 10.3.2024. https://www.revfine.com/hotel-star-rating-system/

HotelMinder: Top 15 Best Luxury Hotel Brands in the World. (2024) Retrieved 31.3.2024: https://www.hotelminder.com/top-15-best-luxury-hotel-brands-in-the-world

Hsieh, Y. H. & Yuan, S. T. (2021) Toward a theoretical framework of service experience: percpectoves from customer expectation and customer emotion. Total Quality Management & Business Excellence. 32 (5-6), 511-527. https://doi.org/10.1080/14783363.2019.1596021

Jelski, C. 2024. Two leading hotels that keep it in the family. Retrieved on 31.3.2024: https://www.travelweekly.com/Christina-Jelski/The-families-that-stay-together

Kallinen, Timo & Kinnunen, Taina (2021). Etnografia. Laadullisen tutkimuksen verkkokäsikirja. Tampere: Yhteiskuntatieteellinen tietoarkisto. Retrieved on 2.4.2024. https://www.fsd.tuni.fi/fi/palvelut/menetelmaopetus/

Kirk, A. (2012). Data visualization: A successful design process: data visualization: a successful design process. Packt Publishing, Limited.

Kollat, D. T., Engel, J. F., & Blackwell, R. D. (1970). Current Problems in Consumer Behavior Research. Journal of Marketing Research, 7(3), 327-332. https://doi.org/10.1177/002224377000700307

Mmutle, T., & Shonhe, L. (2017). Customers' perception of Service Quality and its impact on reputation in the Hospitality Industry. African Journal of Hospitality, Tourism and Leisure. 6 (3), 1-25. https://www.researchgate.net/publication/319208588_Customers'_perception_of_Service_Quality_and_its_impact_on_reputation_in_the_Hospitality_Industry

Naik, K. & Srinivasan, S. (2015). An assessment of departmental store service effectiveness using a modified SERVQUAL approach. Journal of Business and Retail Management Research, 9 (2), 27-40. https://www.researchgate.net/publication/282284204_An_assessment_of_departmental_store_service_effectiveness_using_a_modified_SERVQUAL_approach

Núñez-Serrano, J., Turrión, J. & Velázquez, F. (2014). Are stars a good indicator of hotel quality? Asymmetric information and regulatory heterogeneity in Spain. Tourism Management, Volume 42, pp. 77-87. https://doi.org/10.1016/j.tourman.2013.10.004

Parasuraman, A., Zeithaml, V. & Berry, L. L. (1985). A conceptual model of service quality and its implications for future research. Journal of Marketing, 49 (4), 41-50. https://doi.org/10.1177/0022242985049004

Pohlmann, A., Velasco, F., Guerra-Leal, E. & Sepulveda, C. (2022). Consumer behavior in tourism and hospitality. Emerald Publishing Limited. https://www.academia.edu/83899996/Consumer_Behavior_in_Tourism_and_Hospitality_Research

Preferred Hotels & Resorts. Retrieved on 10.3.2024. https://preferredhotels.com/about

Proctor, T. (2000). Strategic marketing: An introduction. Taylor & Francis Group.

Rust, R. T., Zahorik, A. J., & Keiningham, T. L. (1995). Return on Quality (ROQ): Making Service Quality Financially Accountable. Journal of Marketing, 59(2), 58–70. https://doi.org/10.2307/1252073

Saunders, M., Lewis, P. & Thornhill, A. (2007). Research Methods for Business Students (Ed 4). Harlow: Pearson Education Limited

Saunders, M., Lewis, P. & Thornhill, A. (2016). Research Methods for Business Students (Ed 7). Harlow: Pearson Education Limited

Sheela, A. (2000). Economics of hotel management. New Age International Ltd.

Small Luxury Hotels of the World. Retrieved on 10.3.2024. https://www.slh.com/about-slh

Solomon, M. R. (2016). Consumer Behavior: Buying, Having, and Being. Boston Pearson.

Solomon, M. R., Dahl, D. W., White, K., Zaichkowsky, J. L., & Polegato, R. (2014). Consumer behavior: Buying, Having, and Being (Ed 3). London: Pearson Practice Hall.

The Leading Hotels of the World. Retrieved on 10.3.2024. https://www.lhw.com/leaders-club/our-promise

Thomas, D. R. (2006). A General Inductive Approach for Analyzing Qualitative Evaluation Data. American Journal of Evaluation, 27(2), 237-246. https://doi.org/10.1177/1098214005283748

Travel Industry: An overview on one of the largest service industries (2023). Revfine. Retrieved on 10.3.2024. https://www.revfine.com/travel-industry/

Verma, R., Enz, C. A., Kimes, S. E., Walsh, K., & Siguaw, J. A. (2016). Achieving success through innovation: Cases and insights from the hospitality, travel, and tourism industry. Business Expert Press.

What makes luxury hotel definition (N.d.). Soeg Jobs. Retrieved on 10.3.2024. https://www.soegjobs.com/what-makes-luxury-hotel-definition

Williams, K. (N.d.). The psychology of consumer buying behavior: Understanding how and why people buy. Retrieved on 10.5.2024. https://surveysparrow.com/blog/consumer-buying-behavior/

World Tourism Organization (2015), Hotel Classification Systems: Recurrence of criteria in 4 and 5 stars hotels, UNWTO, Madrid https://www.e-unwto.org/doi/abs/10.18111/9789284416646

Zeithaml, V. A., Berry, L., & Parasuraman, A. (1996). The behavioral consequences of service quality. Journal of Marketing, 60 (2), 31-32 https://doi.org/10.1177/002224299606000203

The following AI tools have been used according to KAMK guidelines:

ChatGPT. (2024). OpenAI. GPT-40, April – May 2024. Used to create an alphabetical list of references and grouping of content analysis. https://chat.openai.com

Reduction table (in Finnish)

Appendix 2 1/5

RAW DATA	LEVEL 1	LEVEL 2	Main ca-
	category 1	category 2	tegory/
			CON-
			CEPTS

Categorizing the data (in English)

Appendix 3 1/3

RAW DATA	Main category/	
	CONCEPTS	

Checklist of criteria for 5-star hotels

Appendix 4 1/1