THE FUTURE DEVELOPMENT OF THE NEW COUNTY HOTEL

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ABSTRACT

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ABSTRACT

This thesis was written to research the current situation of The New County Hotel, Gloucester, England and how can it stay competitive in the future. The thesis objectives were to find out the how the tourism is within the hotel market area as well as identify the competences and needed improvements of the hotel and its image building.

The theory used for the thesis presents researches of the current competitive situation within hotel industry and what competition means for a single company in general. It also provides information of the social media as a marketing tool and how the social media has affected the marketing habits of companies by making the social networking and word-of-mouth marketing even more important marketing channels than the traditional ones.

The research was made by implementing interviews for each owner, higher manager, lower manager and staff levels of the business. It also presents the data collected by customer questionnaire which aims to show how the hotel comes across to the customers and which marketing channel is the one the customers use the most. In the SWOT -analyze of the hotel the author shares personal observations of the business.

The results gained from the research show that in order for the business to stay competitive, it first need to solve the problems inside the company and create a marketing plan and start to market the hotel properly. By having even small contribution to the marketing of the hotel the business could easily increase its function and gain better results from each department. By increasing the revenue and activity, the company hopefully will manage to increase the staff motivation and make the work atmosphere more professional.

Keywords   Social Media, Word-of-Mouth Marketing, Competitive Strategy, Hotel Industry

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TIIVISTELMÄ

Tämän tutkielman tarkoituksena oli kartoittaa "The New County Hotel" hotellin tämänhetkiset kilpailuolot ja sen, kuinka se voisi parantaa toimintaansa pysyäkseen kilpailukykyisenä. Hotelli sijaitsee Isossa-Britanniassa Gloucesterissa Lounais-Englannissa.

Tutkielman teoreettinen osuus käsittelee nykyistä kilpailutilannetta hotellialalla sekä mitä kilpailukyky tarkoittaa. Teoriaosuus esittää myös tutkimustuloksia sosiaalisen median tärkeydestä nykyajan markkinataloudessa ja miten niin sosiaalinen media, sekä word-of-mouth -markkinointi on muokannut yritysten markkinointitottumuksia.

Tutkielman tutkinnallinen osuus rakentuu haastatteluista, joissa pyrittiin selvittämään hotellin eri tasojen (omistaja, ylempi-johto, alempi-johto sekä työntekijä) mielipiteet hotellin imagosta ja sen markkinoinnista. Tutkimusosuus esittää myös tuloksia asiakaskyselystä, jonka tarkoituksena oli kartoittaa mitä markkinointikanavaa asiakkaat ~~itse~~ käyttävät eniten ja mitä kautta he kuulivat itse hotellista. SWOT–analyysissa tutkimuksen laatija esitetään havaintoja hotellista ja sen toiminnasta.

Tutkimustulokset osoittavat, jotta pysyäkseen kilpailukykyisenä myös tulevaisuudessa yrityksen täytyy selvittää sen sisällä kytevät ongelmat ja hakea niihin ratkaisuja. Sen täytyy myös luoda kunnollinen markkinointisuunnitelma, jotta se kykenisi tavoittamaan enemmän omaan asiakassegmenttiinsä kuuluvia asiakkaita sekä lisäämään näkyvyyttään markkinoilla. Markkinoinnin lisäämä asiakasliikenne sekä vilkastunut toiminta parantavat myös henkilökunnan motivoituneisuutta, sekä auttavat rakentamaan ammattimaisemman työympäristön.

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1 INTRODUCTION

1.1 TOPIC BACKGROUND

This thesis was conducted to research the current situation and the future development of The New County Hotel, Gloucester, England which is located in the South West Region. The hotel has been recently renovated and is currently renewing its image in the markets. The thesis presents theoretical views concerning competition in general as well as in the hotel industry itself and the social media as a marketing tool. It also contains an overall view of the tourism situation within the United Kingdom and the Southwest Region, into which Gloucester geographically includes in. In the research section itself, the thesis aims to find out how the promotion and marketing of the hotel is seen from several perspectives within the hotel and could there be need for development in order to make the hotel more successful.

The New County Hotel is a three star self rated midsize hotel owned by the London County Limited Corporation, part of a bigger company Phoenix Pub Group Ltd, which purchased the hotel approximately three years ago. The hotel has total of 40 hotel rooms, three separate function rooms in which they organize events such as weddings, conferences and charity fairs and restaurant/bar, which serve breakfast, lunch and dinner in reasonable price to the residents as well as outside visitors. The hotel is run by the General Manager Patrik Smith along with Deputy Manager Zoë Keeble, Food and Beverage Manager Charlotte Kelly, Front Office Manager Carley Stone and Conference and Banqueting Manager Alia Ali.

1.2 RESEARCH QUESTION AND OBJECTIVES

The research question for this thesis is "How can the New County Hotel, Gloucester stay competitive in the future?" The competition within hotel industry is constantly increasing due to the globalizing environment. The cross border movement has brought more and more entrants to the industry and the volume has made it difficult for an individual hotel to stand out and gain a clear competitive advantage. Creating a competitive strategy and identifying the competences for the hotel it is more likely to survive and stay successful in the markets (Mathews V. E. 2000, Kandampully J. & Suhartanto D. 2000).

One of the biggest factors hotels now days need to concentrate is the customer satisfaction, which has been proven to have a relationship with potential customer loyalty (Kandampully J. & Suhartanto D. 2000). Loyal customers are vital for the hotel success mainly because by having a satisfied customer, it will lead to word-of-mouth action which has shown to have major impact on new potential customers and their decision making (Kandampully J. & Suhartanto D. 2000, Castronovo C.& Huang L. 2012).

The word-of-mouth action is one of the most effective ways to promote and spread the company name and image to new customers. There are many ways customers can get in touch with other potential customers, but one of the biggest and constantly growing channels is the social media. The social media is an perfect environment for customers to share ideas and experiences as well as comment and rate products and services with each other (D. L. Hoffman and M. Fodor, 2010, Castronovo C.& Huang L. 2012). This is why more and more businesses are moving to the era of social media marketing mainly because its effectiveness, but also for its simplicity and clear detectable results (D. L. Hoffman and M. Fodor, 2010).

The tourist movement within the United Kingdom has always been relatively stable and that is why it is one of the biggest industries in the country. Naturally, the resent recession have caused a decrease in the numeric visits from overseas residents, but after the second quarter of the year 2012 the tourism movement has shown a positive increase. In this thesis there are gathered the overseas tourist movement data into the United Kingdom from the last four years from the quarterly releases of The Office of National Statistics. There is also provided statistical information of the South West Region, in which Gloucester is located in as well as from the city Gloucester itself.

Figure 1: South West Region, http://www.asgbi.org.uk/southwest/

1.3 RESEARCH METHODS

The aim of the research is to study the competitiveness of the hotel in the markets and how does it meet the requirements of local tourism and customers. All this is presented in a marketing point of view which guides the research and its result presented.

The research consists of three parts. The first part is conducted with several interviews to various levels within the hotel. With these interviews, the author aims to identify possible differences in the opinions between owner level, manager level and regular staff level. Comparing the result collected with the interviews along with a SWOT –analysis, which also is the second part of the research, the author then researches the competences and competitive strategy of the hotel, as well as how can the promotion and implementation of the hotel marketing be improved in order to make the hotel more profitable? The third part presents the data collected with a customer questionnaire in the hotel reception. The aim of the third part is to show how the customers hear about the hotel and how does it come across to the customers.

2 THEORY

2.1 COMPETITION IN BUSINESSES

When the demand is decreasing or slowing down, the companies within the same industry need to compete with each other to gain more market share, in order to achieve even the same growth rate than during the previous years (Puusa 2012). The constantly globalizing business environment has forced companies to face new competitive pressures, which requires more and more competences from a single company to stay competitive within the markets (Pacheco-Ornelas, M. C. Cuevas-Rodrígues E. Rodrígues-Pacheco R. H. 2012).

Competition has a grave effect on to the general performance of a single company by modifying the activities of the company that determines the for example its innovativeness, cohesive culture and good implementation (Sun, L. 2011). The so called action-reaction pattern that creates the competitive atmosphere between industries arises when one company creates something new in the markets and the other companies copy it. By following each other lead, the interaction between the companies stay simple and the power and dependence are distributed according to the position of a company in the markets (Bengtsson, M., Kock, S., 1999).

According to Professor M. E. Porter competition and the industry's profitability are driven by five forces; existing firms and their competitive capacity, the easy access to the industry new entrants, the bargaining power of both customers and suppliers and the innovation of new substitutive products and services (Puusa 2012). From an individual company's point of view, Porter argues that the right competitive atmosphere within the industry helps the company be more innovative and contribute more into every action that enable it to succeed in the markets (Dima A. M., 2007).

In 2004 Neelie Kroes, the Vice -President of The European Comission, stated that to be able to achieve the maximum potential in the markets, The European Union need to support the right kind of competition. According to Kroes, the European markets should support the innovative companies that invest in research and development of products to be the highest possible quality with the lowest possible price. By utilizing the innovation of companies the action- reaction pattern will stay alive and lead to economical growth as well as productivity within the markets (Dima A. M., 2007).

2.1.1 Competitiveness and Competitive Strategy

Competitiveness can be identified as the qualities and capacities of the company that enables it to enter into the competition contest of the industry (Dima A. M., 2007). Developing the company's competences, the qualities and capacities of the company, is essential in order to stay effective in the competitive markets (Pacheco-Ornelas, M. C. Cuevas-Rodrígues E. Rodrígues-Pacheco R. H. 2012). If the company compe-

tences are different enough from the other companies, and by continuously developing them, the company can achieve a continuous competitive advantage (Tuimala H. 2011). The competences themselves can be identified as qualities which; meet the customer wishes, needs and expectations, differentiates the company from other competing companies within the industry and properties which the customers are willing to pay from (Tuimala H. 2011).

In order to gain a good competitive situation, the company need to have a fixed competitive strategy. To be able to build a proper competitive strategy the company need to run an analytic research to define the company competences that differentiates them from the rest of the market. The market environment changes constantly, so when facing bigger changes within the industry the competitive strategy need to be reanalysed to meet the new standards (Tuimala H. 2011). According to Haataja (2005) managing the knowhow and innovative thinking within the company are one of the main issues making the company successful in the markets. This is why by researching the company competences it is more likely to succeed within the industry (Tuimala H. 2011). Rissanen (2007) states that competitive strategy consist of four factors that all help to define the final strategy and direction for the company. First one is the business concept; who are the customers and what do the company offer them? Second factor is the basis of success; what are the company competences that differentiate the company from others? Third factor is finding out the resources; what being successful require from the company? The final factor is to find out what existing factors need to be let go and what are irrelevant for the company success (Tuimala H. 2011).

2.1.2   Competition in the Hotel Industry

Like any other company individual hotels need to stand out from the rest of the competitors and for that reason their main objective is to achieve a competitive advantage (Mathews V. E. 2000). The hotel industry itself has changed quite a lot during the last decades. Because of the globalization of the industry, the services produced by the hotels can be found more or less from every corner of the world. Also, the constant increase of movement between country borders and massively increasing volume competition have made the hotel services more of components of a lifestyle rather that luxury and with more and more hotels (Kandampully J. & Suhartanto D. 2000).

A problem hotels are facing is the small variation of products and services they can offer to separate from their competitors. Common strategies for hotel managers to use to individualize their company and gain a competitive advantage are lowering the costs of services, such as rooms and restaurant, with discounts and increasing customer loyalty by providing unique benefits and offers to customers (Kandampully J. & Suhartanto D. 2000). Discounting price, however, can also have a negative impact to the hotel when drawn too far. Too low prices can cause decrease in medium and long-term profit making of the hotel which can influence to the quality of the products and services provided as well as it can attract certain type

of clientele. Several researches have shown that it is mostly quality of the products and services rather than price that increase customer loyalty and by putting more dedication on the customer loyalty the hotel has more positive future prospects when it comes to its survival (Kandampully J. & Suhartanto D. 2000).

According to Julander C., Magi A., Jonsson J. and Lindqvist A, the customer loyalty have two dimensions; behavioural and attitudinal. Behavioural customer loyalty refers to customer decision making when the customer tends to make repeated decisions, such as favouring a particular brand or product. The attitudinal customer loyalty refers to customer intentions to purchase services from the same hotel and to recommend it to other possible customers. The attitudinal customer is more likely to stay loyal to the hotel in long- term. By recommending the hotel and its services, customers share their experiences of the hotel, its quality and the degree of satisfaction they had from the whole experience and that is why it is strongly suggested that there is a positive relationship with customer satisfaction and customer loyalty (Kandampully J. & Suhartanto D. 2000).

The existing image of the hotel plays an important role in the perception that the customer have even before they have real experiences from the hotel themselves. Depending on if the hotel image is positive or negative, it has a strong influence into the marketing activities and how does the promotion get through to the customers (Kandampully J. & Suhartanto D. 2000). The image of the hotel has considered to have influence to the customer's perception of not only the advertising and promotion, but also physical image, word-of-mouth and actual personal experience of goods and service. The customer loyalty and hotel image have both been shown to gravely be linked to the service quality of the hotel. One above all the quality of housekeeping is shown to play a significant role in the customers' perception of the company and of the whole experience which leads to the whether the customer is likely to be loyal to the hotel or not (Kandampully J. & Suhartanto D. 2000).

2.2   USING SOCIAL MEDIA AS A COMPETITIVE TOOL

The time consumers spent in social networking sites increased as much as 73 per cent during the year 2008 and it has been shown that in purchase decisions, the final decision making of one-third of the internet users are influenced by the comments and discussions by other consumers within the social media. Also, the studies show that up to 85 per cent of social network users wishes companies to use social network applications to interact with them (Kunz M. B., Hackworth B., Osborne P., High J. D. 2011, p. 62). Consumers are staying loyal to online shopping and social media marketing will provide an opportunity for marketers to create a communication mix that is cheaper and will reach consumers via a channel they want (Kunz M. B., Hackworth B., Osborne P., High J. D. 2011, p. 63).

Regardless of the dramatic increase in the usage of social media, only few marketers have recognized it as a marketing channel worth long-time commitment (Kunz M. B., Hackworth B., Osborne P., High J. D. 2011, p.

63). Most managers consider the social media as just another marketing channel, which is a mistake because the social media is more controlled by the consumer, not the marketer (D. L. Hoffman and M. Fodor, 2010, p. 43). As mentioned before, the consumers wish to interact with the marketer through the social media (Kunz M. B., Hackworth B., Osborne P., High J. D. 2011, p. 62), but to create a meaningful relationship is a time consuming process because it requires active "communication" between the consumer and marketer (D. L. Hoffman and M. Fodor, 2010, p. 42). It has been shown that the marketers that have experienced the advertising in social media as a success are willing to spend more money in it also in the future. Of course, in a tight financial situation, if the marketers have faced poor results it is not likely for them to continue investing in social media marketing (Kunz M. B., Hackworth B., Osborne P., High J. D. 2011, p. 63).

By engaging the consumers in social media and increase their awareness about the brand/ product, not only that they start to communicate with the marketer itself, but the consumers are sharing opinions and communicating with each other. Through the social media a satisfied customer can share their positive opinions and attitudes, as well as the unsatisfied customers can share their negative opinions and attitudes to prospecting customers online and offline (D. L. Hoffman and M. Fodor, 2010, p. 46). This *Word-of-Mouth* information sharing is the aspect that makes social media marketing effective. The consumers tend to rely on other consumers' opinions and experiences especially when making purchase decisions that are financially or psychologically risky. The word-of-mouth communication has shown to be even more effective than traditional advertising channels in influencing customer purchasing decisions as well as retaining new customers (Castronovo C.& Huang L. 2012, p. 118).

According to Cristina Castronovo and Lei Huang (2012) in a research "Social Media in an Alternative Marketing Communication Mode", Word-of-Mouth marketing is quickly becoming a driving force behind all strategic marketing because of the constantly increasing importance and prominence of social media outlets and their crucial part in informing consumers' decisions. Because of the interpersonal relationships created within the social media, it is the most important channel to spread word-of-mouth communication and increase the reliance of word-of-moth information in purchase decisions. The high consumer engagement has shown to be the reason why the word-of-mouth marketing is possibly even more efficient within the social media channels than in other Web-based media (Castronovo C.& Huang L. 2012, p. 118). The most resent word-of-mouth model is the Network Coproduction Model, which proposes that both the consumer and marketer need to develop the word-of-marketing communication together actively. The marketing communication is no longer unidirectional, but the messages are actively exchanged by both parties within the consumer network (Castronovo C.& Huang L. 2012, p. 118).

One problem marketers have faced in social media marketing is how to measure the results gained through it. This is due to the fact that the traditional media measuring model, which is largely driven by the "reach and

frequency" actions, is not suitable for the dynamic and complex social media environment (See appendix 1) (D. L. Hoffman and M. Fodor, 2010, p. 42). According to Donna L. Hoffman and Marek Fodor, 2010 in a their article "Can You Measure the ROI of Your Social Media Marketing?" when measuring the social media marketing the traditional ROI (Return On Investment) approach should be turned on its head. Instead of emphasizing on marketing investment and calculating the return in customer response, the marketers should concentrate on how motivated the customers are using the social media and how engaged they are with the marketers' brands (D. L. Hoffman and M. Fodor, 2010, p. 42). According to Donna L. Hoffman and Marek Fodor, 2010;

> *"It takes into account not only short-term goals such as increasing sales in the next month via a social media marketing campaign or reducing costs next quarter due to more responsive online support forums, but also the long-term returns of significant corporate investment in social media." (D. L. Hoffman and M. Fodor, 2010, p. 42)*

By concentrating on more active investments such as number of Facebook updates or Twitter pages of the brand, the marketer can measure key marketing outcomes such as changes in awareness level and word-of-mouth communication (D. L. Hoffman and M. Fodor, 2010, p. 42). Also, it is important for the marketer ask itself questions such as what marketing objectives they want to satisfy (e.g. brand engagement), why would the customers visit their site (e.g. to learn about new products) and what behavior they might engage once they visit the site (e.g. post a comment about a recent consumption experience) which can be linked to the marketing objective of the marketer (D. L. Hoffman and M. Fodor, 2010, p. 42).

2.2.1   Facebook

Facebook is a social networking website that is available for anyone in the age of 13 and above. Facebook users can create their own profiles and share photos, videos and other information about themselves which then can be commented and browsed by their friends and other facebook users (tech terms.com).

Facebook had more than 400 million active users during the year 2010 all over the world which makes it the most popular social networking website in the world. For companies, the advantages that Facebook offer them are the various advertising programmes and the possibility to create and customize their own profile to share important information about their brand and products. Also, Facebook offers marketers the unique opportunity to have two-ways conversation with the customers (Castronovo C.& Huang L. 2012, p. 123). Studies show that 59 per cent of 100 of the leading retailers are using Facebook fan pages in their marketing (Kunz M. B., Hackworth B., Osborne P., High J. D. 2011, p. 63).

2.2.2   Twitter

Twitter is an online service through which the users can share updates and communicate with each other by basically answering a question; "What

are you doing?". Twitter has quickly become a trend site which popularity seem to lay in its simplicity to use (tech terms.com). The popularity of Twitter has increased so rapidly that marketers have only started to consider how it can be used efficiently in online marketing. The key to make Twitter usage effective for the marketer is to manage to get the users, possible customers, to sign up and to follow the marketer's updates (Kunz M. B., Hackworth B., Osborne P., High J. D. 2011., p. 64).

Twitter is referred as a "micro-blogging" site and is extremely effective to engage customers into conversations about the brand, product or service and even to build relationships with key stakeholders (Castronovo C.& Huang L. 2012, p. 124). It offers the marketer possibility to follow what is said about their company as well as share advice and generating good will to customers which automatically generated publicity to the company itself (Kunz M. B., Hackworth B., Osborne P., High J. D. 2011, p. 65).

2.2.3   TripAdvisor

TripAdvisor is the worlds' largest travel site that enables travellers to plan their trip by reading comments and recommendations of other travellers. The TripAdvisor site has more than 56 million unique visitors and over 75 million views and shared opinions monthly and it operates in 30 countries around the world (tripadvisor.com).

2.3   THE CURRENT TOURISM SITUATION IN UNITED KINGDOM

The data of the tourism movement in United Kingdom is gathered from the quarterly releases of The Office of National Statistics. According to their own description the Office for National Statistics (ONS) is "the executive office of the United Kingdom Statistics Authority" (The Office for National Statistics, Q4 2009, p.1). It is a non-ministerial department which reports directly to Parliament and gathers information about the UK's society and economy to support policy and decision-making as well as the allocation of resources (The Office for National Statistics, Q4 2009, p.1).

The data in the quarterly releases are derived from the International Passenger Surveys (IPS) conducted by ONS and contains estimates of completed international visits to UK (The Office for National Statistics, Q4 2011, p.1). According to ONS "the IPS is conducted at all major air and Eurostar ports in the UK as well as on sea and Eurotunnel Routes into and out of the UK" (The Office for National Statistics, 2011, p.1).

This report contains data from the movement of overseas residents to UK as a figure from the second quarter of 2008 but the changes within the data is explained more in detail from the first quarter of 2010 until the first quarter of 2012.

During the first quarter of 2010 the visits by overseas residents was in total 5.9 million from which 3.0 million (50 per cent) included an overnight stay in London. In the first quarter of 2009 the percentage was 48 per cent,

which show that the level was similar the year before (The Office for National Statistics, Quarter 1 2010, p.4). The amount of visits which were considered as business visits to UK increased during the first quarter of 2010 by 1.8 per cent from the year before. Meanwhile, the amount of holiday visits decreased by 4.1 per cent and family visits by 13 per cent when compared to the first quarter of 2009 (The Office for National Statistics, Quarter 1 2010, p.4).

During the second quarter of 2010 the total amount of overseas resident visit was 7.7 million from which 3.2 million were holiday visits, 2.0 million were so called family visits and 1.7 million were made in business purposes (The Office for National Statistics, Quarter2 2010, p.5). Visits made as business visits increased slightly compared to the previous year, but both holiday and family visits went down during the second quarter of 2010 (The Office for National Statistics, Quarter2 2010, p.5). Due to the volcanic ash that spread to the atmosphere in April 2010, the air movement was down for several days and caused a decrease in flights to the UK by 0.5 million from the second quarter of 2009 (The Office for National Statistics, Quarter2 2010, p.5).

In the third quarter of 2010 the overseas resident visits increased by 1.2 per cent to 8.9 million from the previous year. From these visits 4.0 million were holiday visits, 2.5 million were family visits and 1.7 million of the visits were made in business purposes (The Office for National Statistics, Quarter3 2010, p5-6).

In the last quarter of the year 2010 the amount of oversea residents visits increased by 2.6 per cent to 7.1 million from the year before. The holiday visits increased during the fourth quarter by 8.1 per cent (The Office for National Statistics, Quarter 4 2010, p5-6). In total, during the year 2010 the amount of business visits increased by 2.6 per cent and the holiday visits by 1.5 per cent from the year 2009 (The Office for National Statistics, Quarter 4 2010, p5-6).
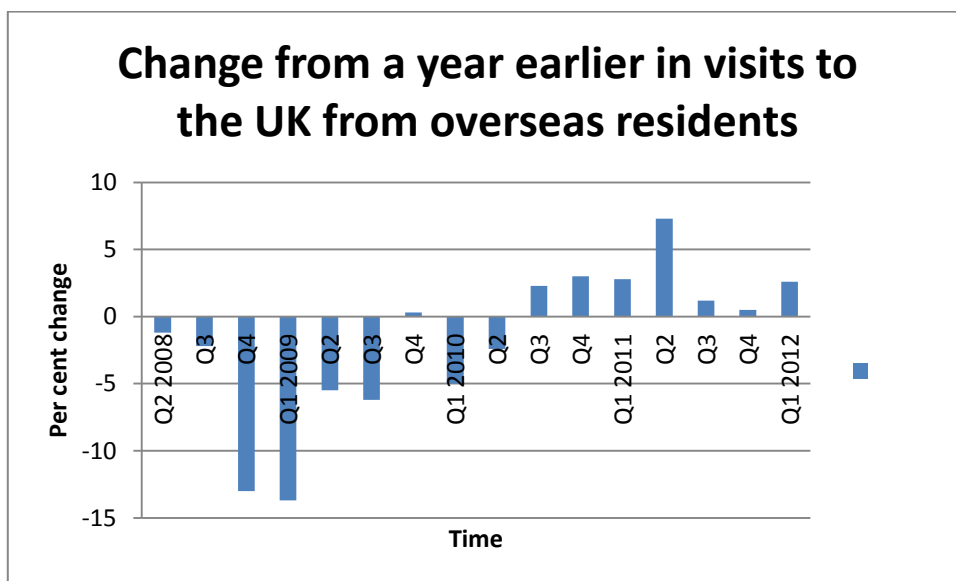

Figure 2: Office for National Statistics, Overseas Travel And Tourism - Q1 2012, 12.7.2012

During the first quarter of 2011 the visits of overseas residents increased by 2.8 per cent to 6.1 million from the first quarter of 2010 (The Office for National Statistics, Quarter 1 2011, p5). The total overnight visits to England increased approximately by 0.1 million (The Office for National Statistics, Quarter 1 2011, p.5).

The amount of overseas resident visits increased by 7.3 per cent to 8.3 million during the second quarter 2011 compared to year before in 2010 (The Office for National Statistics, Quarter 2 2011, p.2-3). Holiday visits made a strong increase during the second quarter by 9.3 per cent to 3.6 million from the previous year. There was also increase from 3.4 million up to 3.7 million in business visits during the two first quarters in 2011 compared to the year 2010 (The Office for National Statistics, Quarter 2 2011, p.2-3).

The visits made by overseas residents to UK by overseas residents increased by 1.2 per cent to 9.1 million during the third quarter of 2011. There was noticeable increase in all of the main visiting purposes; holiday, business and family visits (The Office for National Statistics, Quarter 3 2011, p.2-3). Total amount of overnight visits to England increased by 1.8 per cent compared to the previous year (The Office for National Statistics, Quarter 3 2011, p.2-3).

During the final quarter of 2011 the overseas resident visits continued to increase by 0.5 per cent to 7.2 million. Both business and family visits continued to increase during the fourth quarter of 2011, but holiday visits decreased by 2.6 per cent (The Office for National Statistics, Quarter 4 2011, p.2-4). Compared to the whole year 2010, during the year 2011 all three main purpose areas showed significant growth. Holiday visits increased by 2.4 per cent up to 12 million, which was a new record, business visits increased by 6.1 per cent to 7.2 million and family visits increased by 4.9 per cent to 8.8 million (The Office for National Statistics, Quarter 4 2011, p.2-4).

In the first quarter of 2012 estimated overseas resident visits was 6.2 million, an increase by 2.6 per cent compared to the previous year (The Office for National Statistics, Quarter 1 2012, p2-3). Holiday visits continued to grow and it showed that over half of the visits to UK involved an overnight stay (The Office for National Statistics, Quarter 1 2012, p2-3).

2.4   THE CURRENT TOURISM SITUATION IN THE SOUTH WEST REGION

The data for the South West region's situation is collected from the "South West Visitors Survey 2009" the latest research conducted by Research Department of South West tourism (Research Department of South West Tourism, 2010, sl.3). According to the Research Department, the research was conducted by face-to-face street interviews. In total 1,078 South West region visitors were interviewed between July and November in 2009 (Research Department of South West Tourism, 2010, sl.3).

The South West region covers the counties of Gloucestershire, former Avon, Dorset, Wiltshire, Somerset, Devon, Cornwall and the Isles of Scilly from which the most popular counties where the Devon (21 per cent of region visits) and Cornwall (16 per cent of region visits). Gloucestershire had 2 per cent of the regional visits (Research Department of South West Tourism, 2010, sl.20). The South West region has more than 21 million overnight visitors every year, making it the leading holiday destination of United Kingdom (Research Department of South West Tourism, 2010, sl.11). In 2008, 20 per cent of England's domestic trips and 7 per cent of the overseas resident trips were made to the South West region (Research Department of South West Tourism, 2010, sl.11).

Figure 3: South West Region, British Society of Soil Science

According to the Visitors Survey, majority of visitors (76 per cent) were groups without children and the average group size was 2.58 people with 0.44 children. Up to 65 per cent of the South West region visits were overnight visits and the rest 35 per cent were classified as day visits (Research Department of South West Tourism, 2010, sl.20). 84 per cent of the visits were made in leisure and holiday purposes and 68 per cent of the visitors spent four or more nights in the region (Research Department of South West Tourism, 2010, sl.20).

From the visitors, 59 per cent were women and 41 per cent men and 26 per cent were people over the age of 65 (Research Department of South West Tourism, 2010, sl.20). The age groups which visited the South West region most in holiday purposes were the group of 16 to 24 (70 per cent), and 35-44 (88 per cent). The most visits in business purposes were within age groups of 45-54 and 55-64 (Research Department of South West Tourism, 2010, sl.30).

2.4.1   Tourism in Gloucester

The information about the tourism situation in Gloucester was gathered from the Gloucester Tourist Information Centre Survey 2012. The data is collected from the visitors of the Tourist Information Centre itself by a customer survey implemented in April to September in 2010 (Gloucester City Council, 2010, pp. 2).

The data used from the customer survey shows the amount and percentage of the Information Centres visitors per each year and what is the division of local residents and visitors as well as how much of the visitors comes from overseas.

The first table presents the data of the distribution of local and outside Gloucestershire visitors during each year.

	2010	%	2009	%	2008	%	2007	%	2006	%	2005	%
Base	309	%	279	%	1274	%	643	%	1280	%	1345	%
Local resident in Gloucestershire	246	74	180	65	885	69	480	75	890	69	961	71
A day visitor from outside Gloucestershire	15	6	51	18	142	11	64	10	156	12	165	12
A day visitor to Gloucester whilst on holiday in Gloucester	7	3	17	6	56	4	26	4	43	3	54	4
Here for a holiday/ short brreak	27	9	17	6	96	8	34	6	113	9	95	7
Visiting friends and relatives in Gloucesterhire	6	3	7	3	44	3	18		39	3	39	3
Attending a conference, or on business in the area	5	3	5	2	19	1	8	1	16	1	23	3
Attending a festival or special event	3	2	1	1	10	1	4	1	3	0	6	0
Other	0	0	1	1	22	2	9	1	20	2	2	0

Table 1: Where are users from? Gloucester City Council, 2010.

As one can see from the table, majority of the Gloucester Information Centre visitors are local residents from Gloucestershire (approximately 74%) or spending their holiday or a short brake (approximately 26%). One can also see that the amount of visitors in general has dropped seemingly from the year 2005 (Gloucester City Council, 2010, pp. 2).

From the second table one can see the distribution of how many of the Tourist Information Centre visitors are native and how many of them are overseas visitors.

	2010	%	2009	%	2008	%	2007	%	2006	%	2005	%
	309	%	277	%	1274	%	600	%	610	%	1337	%
Yes	10	4	11	4	61	5	24	4	52	9	26	2
No	299	96	266	96	1213	95	576	96	558	91	131	98

Table 2: Are You an Oversea visitor? Gloucester City Council 2010

As one can see only few visitors per year are overseas visitors and the majority of the Gloucester Tourist Information visitors are native residents (Gloucester City Council, 2010, pp. 2).

3   RESEARCH

The research of the thesis consists of three parts. The first part of the thesis presents the results of interviews the author implemented to different levels of the company. The Area Manager Steve Hall presents the owner point of view of the company, General Manager Patrick Smith along with lower managers of the company present the hotel manager point of view and two staff members present the blue collar worker point of view from the business.

The second part presents the SWOT-analysis of the business with specifications of the factors and the overall summary of the analysis.

The third part presents results from a customer questionnaire that was situated in the hotel reception. This part aims to present information how the customers hear about the hotel and what is the first impression and image the hotel comes across to the customers.

After the research the recommendations of the author are presented and the thesis is finished with the conclusion.

3.1   COMPETITIVENESS OF THE NEW COUNTY HOTEL

3.1.1   The Comparison of the Interviews

Q1. What is the image the hotel aims to achieve on the markets and what is its competitive strategy?
According to the Area Manager Steve Hall The New County Hotel is aiming to create a "perfect package" of services, including hotel accommodation, bar, restaurant and function facilities. He also states that Gloucester itself is not a tourist city and therefore the company is segmenting its services more for corporate company customers. To be able to achieve this Mr Hall says all the services need to be unified and made welcoming and easily accessible to the customers. Also, by carefully following the tariffs of the competitors the hotel need to flock their rates constantly to retain competitive prices. According to him, the ideal situation for the hotel would be 75% occupancy in the hotel, two functions per week (Hall, Interview 22.10.2012).

The General Manager Patrick Smith's answer to the question was similar with the Area Manager Steve Hall. He also says the hotel is aiming to achieve an image as a professional place to stay, which provides comfortable accommodation for businesses. According to him the hotel does not have a clear competitive strategy at the moment, but one will be built within the near future (Smith, Interview 22.10.2012).

When interviewing the lower managers of the hotel, the opinions of the image the business tries to achieve were not as clear as the Area and Gen-

eral Managers'. One of the managers consider the aimed image to be as modern hotel which customer segment is more the local clientele, one seas the aimed image as upper end but comfortable place for every customer segment, one considers the wanted image for the hotel to be a family friendly business and one for it to be affordable and the best business in the markets with competitive prices, good customer service and the city centre location. In the interviews of the staff members of the hotel the aimed image was considered to be modern hotel for up market with a high standard (Keeble, Interview 27.10.2012, Stone, Interview 28.10.2012, Kelly, Interview 29.10.2012, Ali, Interview 29.10.2012, Leeson, Interview 22.10.2012, Howells, Interview 28.10.2012).

Q2. How well do you think the wanted image is achieved?
All of the interviewed except one thought that the image they considered the hotel to aim for is partly achieved. According to Steve Hall, all the tools for the hotel to be successful are there but until now there has been mixed results of what promised (Hall, Interview 22.10.2012). According to Patrick Smith, it needs still a lot of work for the business to achieve the wanted image (Smith, Interview 22.10.2012). Only one of the interviewees seems to consider that the image is achieved relatively well.

Q3. Which of the following factors you consider to be the main competences of the hotel? Choose from scale 1-5 (1= not at all… 5= very much).

Within The Hotel
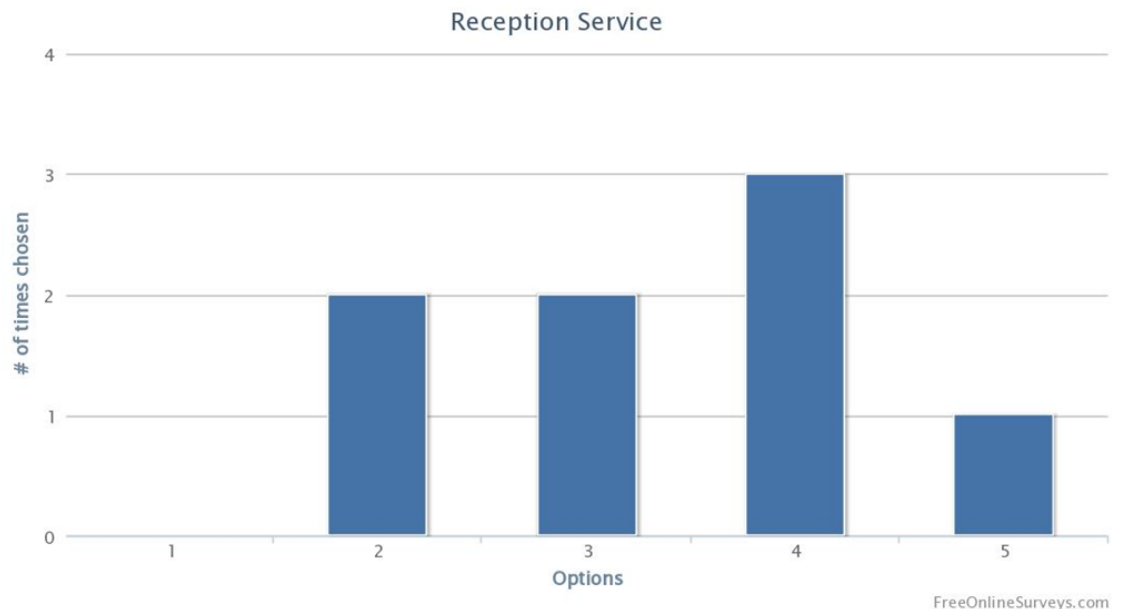
Figure 4: Reception Service as a Competence in The New County Hotel

The reception service and how much it works as a competence for the company had quite a lot of variation in the opinions of the interviewees. The Area Manager was the only one who rated the service in the hotel reception as 5, when the General Manager rated it as only a 2. The opinions of lower managers and staff members also varied between the rates of 2 – 4.
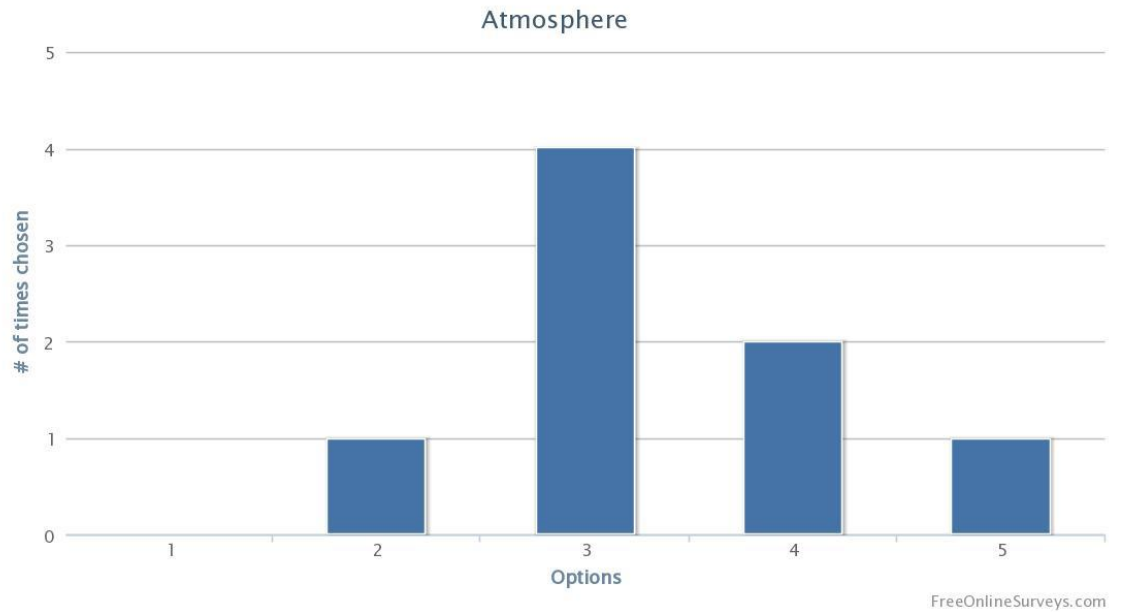
Figure 5: Hotel Atmosphere as a Competence in The New County Hotel

The atmosphere within the hotel also had some division within the opinions of the interviewees, but half of the responses still selected the rate 3. One member of the staff considered the atmosphere within the hotel to be very much a competence for the business and one of the lower managers considered it to have not much competitive advantage to the business.
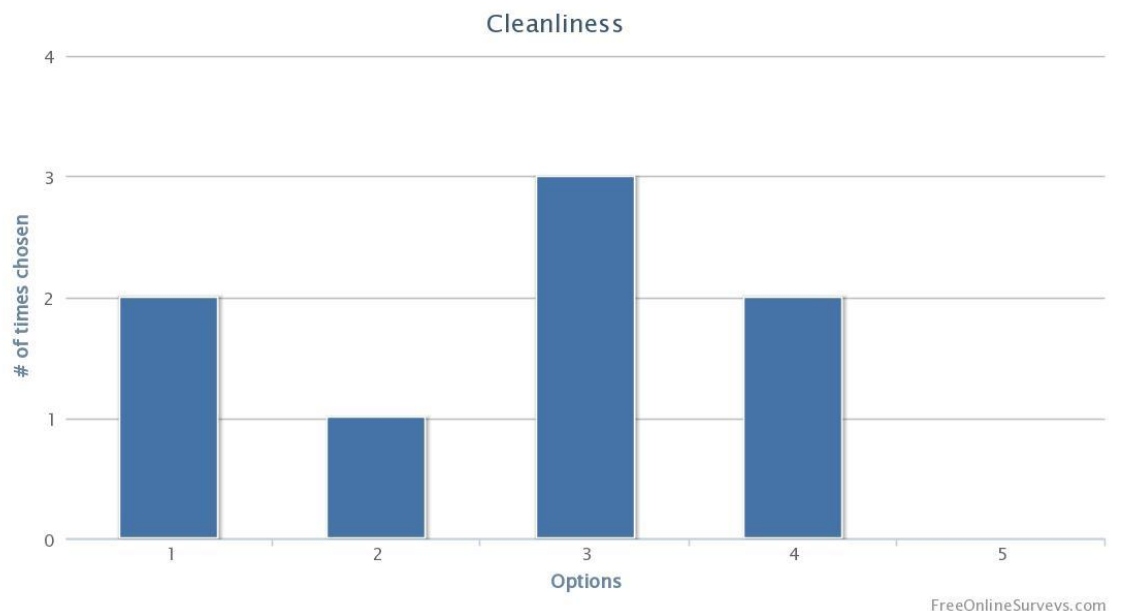

Figure 6: Cleanliness as a Competence in The New County Hotel

The overall cleanliness of the hotel as well split the opinions. It was considered as a good competence for the hotel by the Area Manager and a staff member. The General Manager and one of the lower managers however considered the cleanliness of the hotel to have any value as a competence.
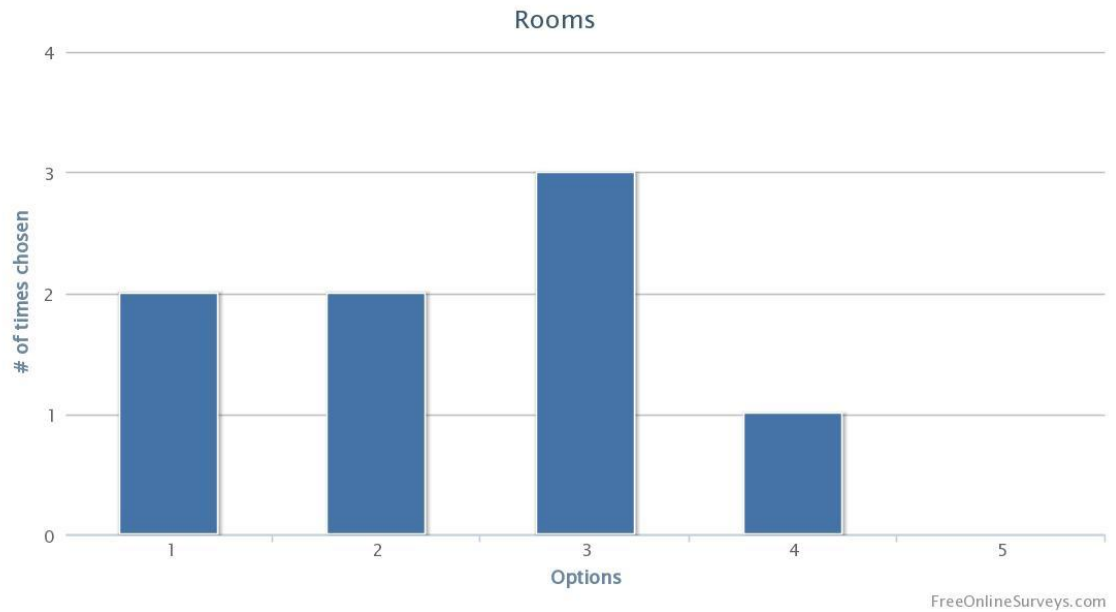
Figure 7: Hotel Rooms as a Competence in The New County Hotel

Half of the interviewees considered the rooms not to work as a competence to the hotel (rates 1-2). The only one who considered the rooms to work relatively well as a competence was the Area manager.
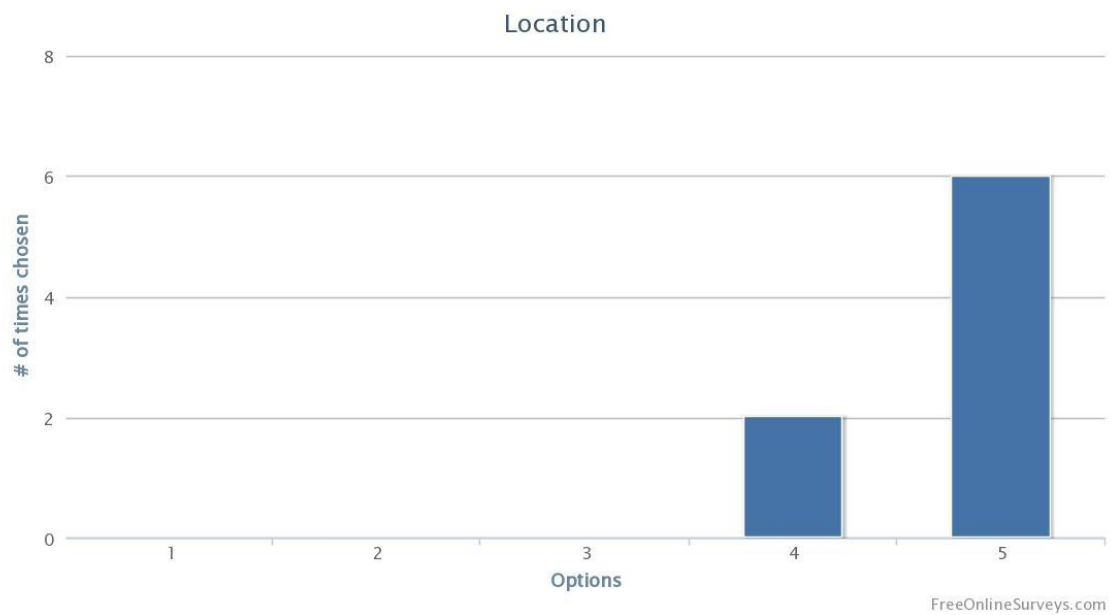
Figure 8: Hotel Location as a Competence in The New County Hotel

The location was naturally considered as a high competence to the business by all of the interviewees. The Central location opens many opportunities to a hotel.

Figure 9: Hotel Price as a Competence in The New County Hotel

The price of the rooms was considered as a high competence from most of the interviewees (rates 4-5). The ones that rated the prices to be a 3 were both lower managers of the hotel.
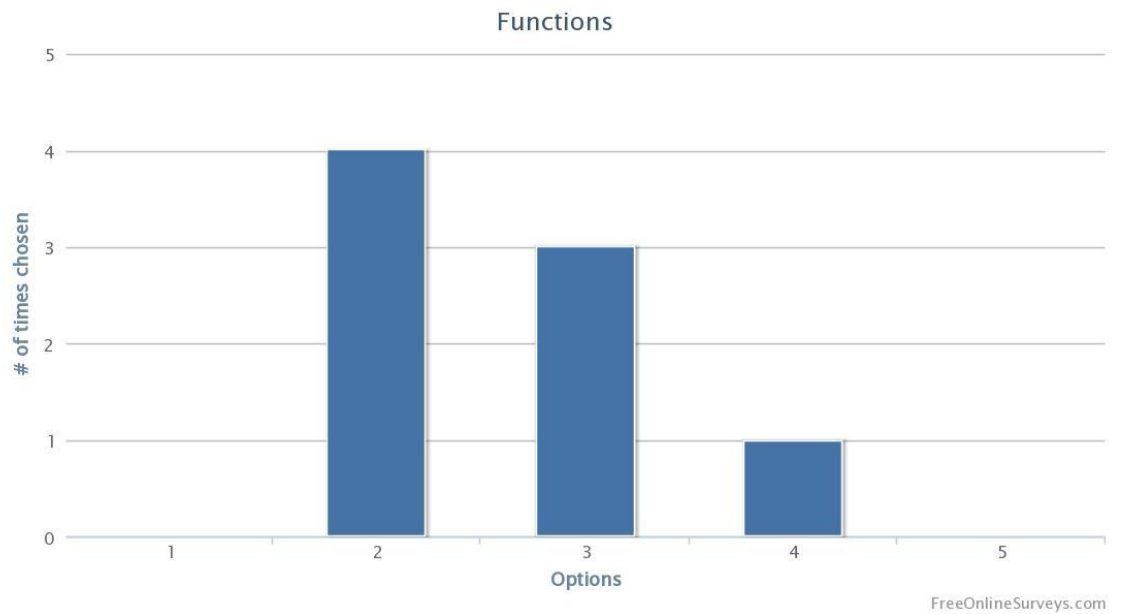
Figure 10: Function service as a Competence in The New County Hotel

Half of the interviewees considered the function service low as a competence. Only one member of staff considered it to be a rate 4.

Within the Restaurant and Bar
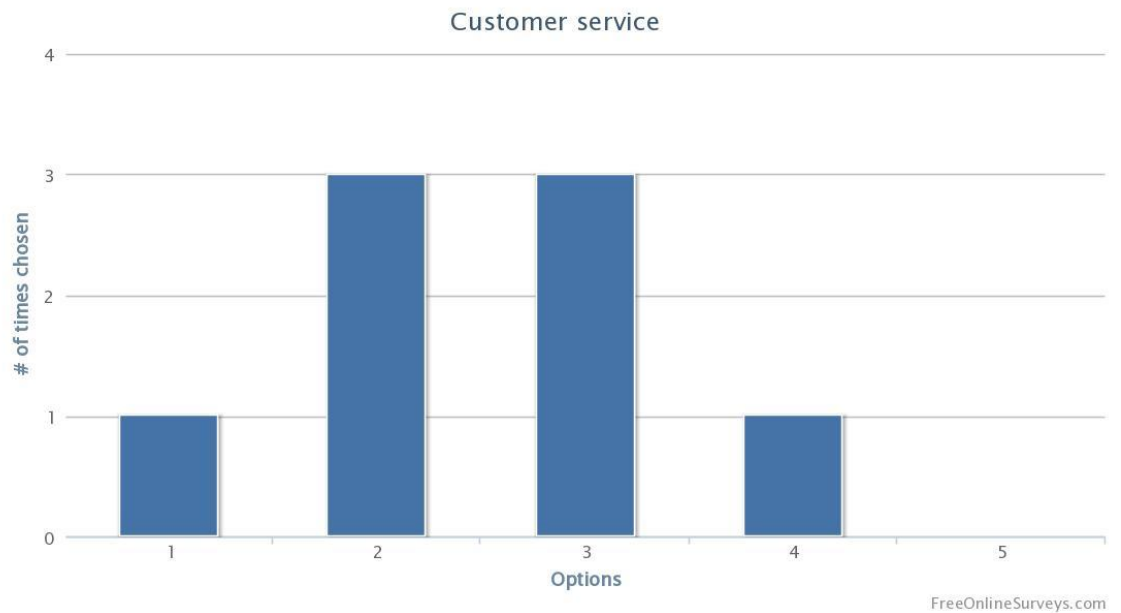
Figure 11: Restaurant Customer Service as a Competence in The New County Hotel

The highest (4) and the lowest (1) rates for the restaurant and bar customer service were given by the staff members. The managers were somewhat on the same line and rated the service to 2-3.
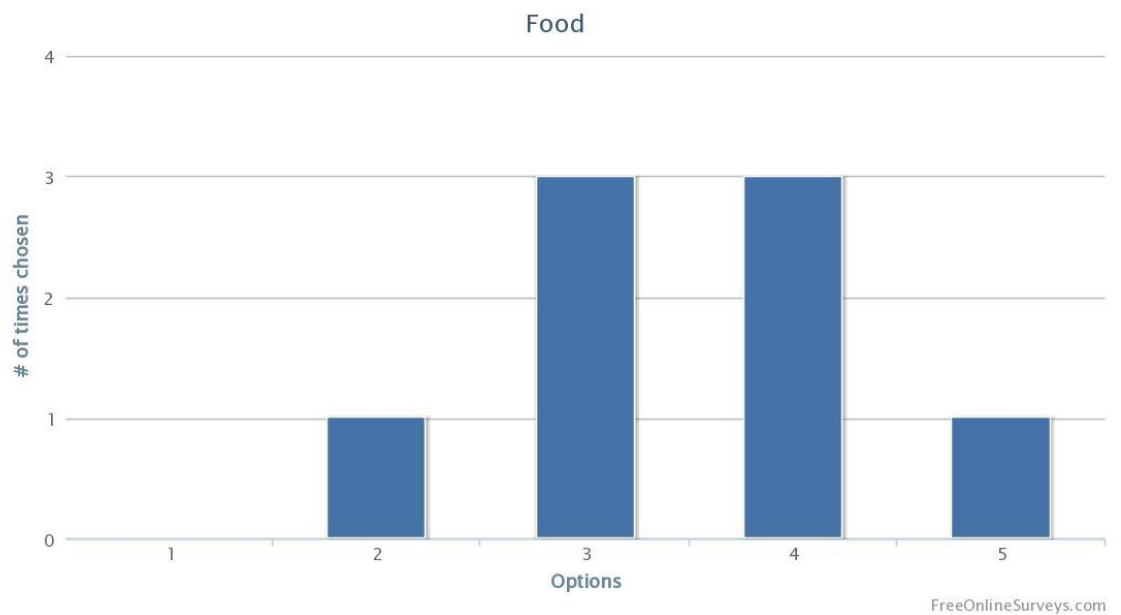
Figure 12: Restaurant Food as a Competence in The New County Hotel

The lowest (2) rate for the restaurant food was given by the General Manager and the highest (5) by a staff member. All the rest of the interviewees were again somewhat on the same line and rated the food at 3-4.
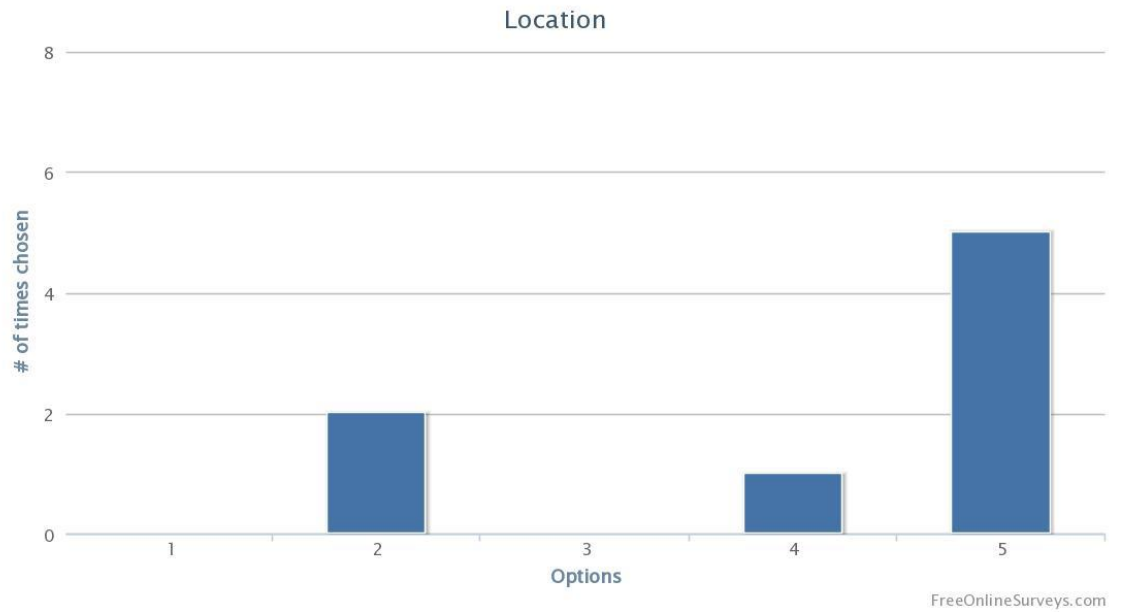
Figure 13: Restaurant Location as a Competence in The New County Hotel

The central location for the restaurant seemed to split the opinions from being a very big competence (5) to being a low competence (2). The ones who rated the location as a 2 were a staff member and one of the lower managers. Still, over half of the interviewees considered the location to be a high competence.
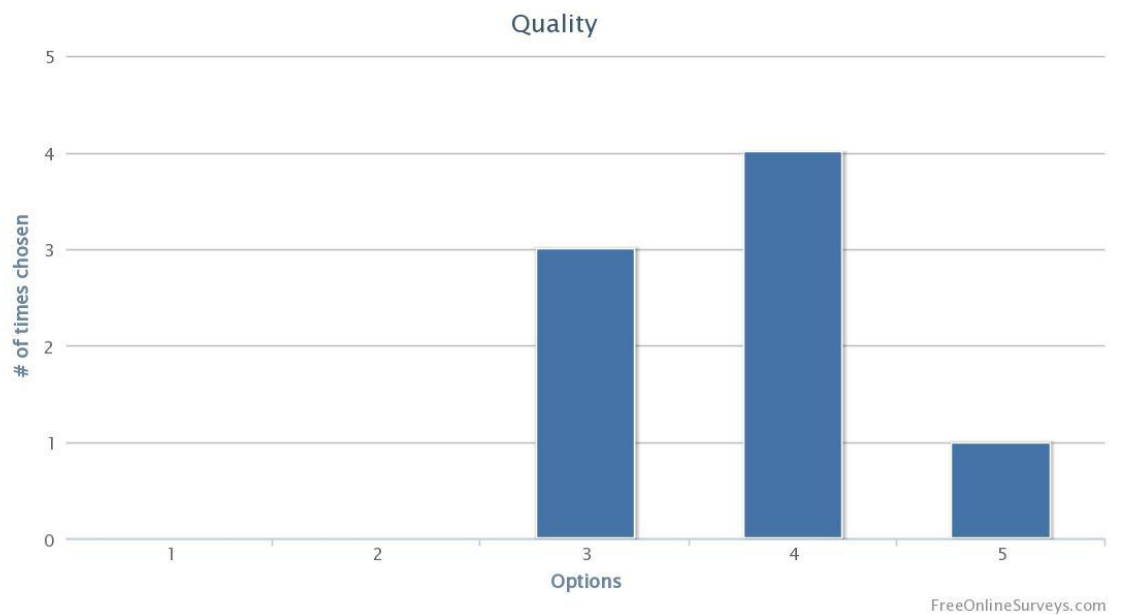

Figure 14: Restaurant Quality as a Competence in The New County Hotel

The quality of the restaurant was considered as high or moderate competence.
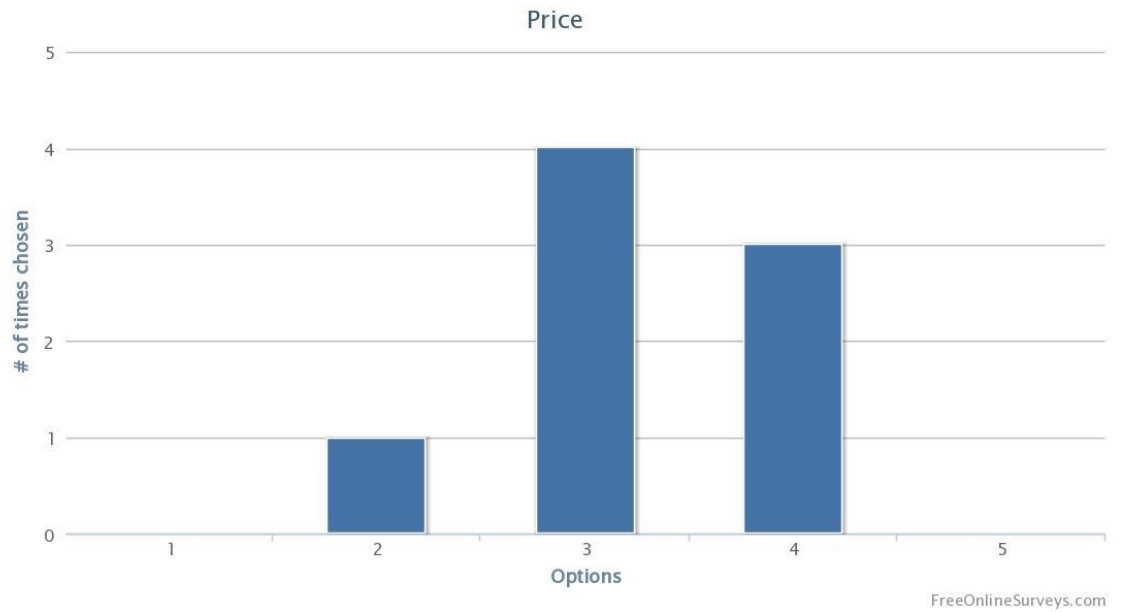
Figure 15: Restaurant Price as a Competence in The New County Hotel

The price of the restaurant and bar was rated as 3 by half of the interviewees. However one of the lower managers did consider it to be lower than that, rate 2.
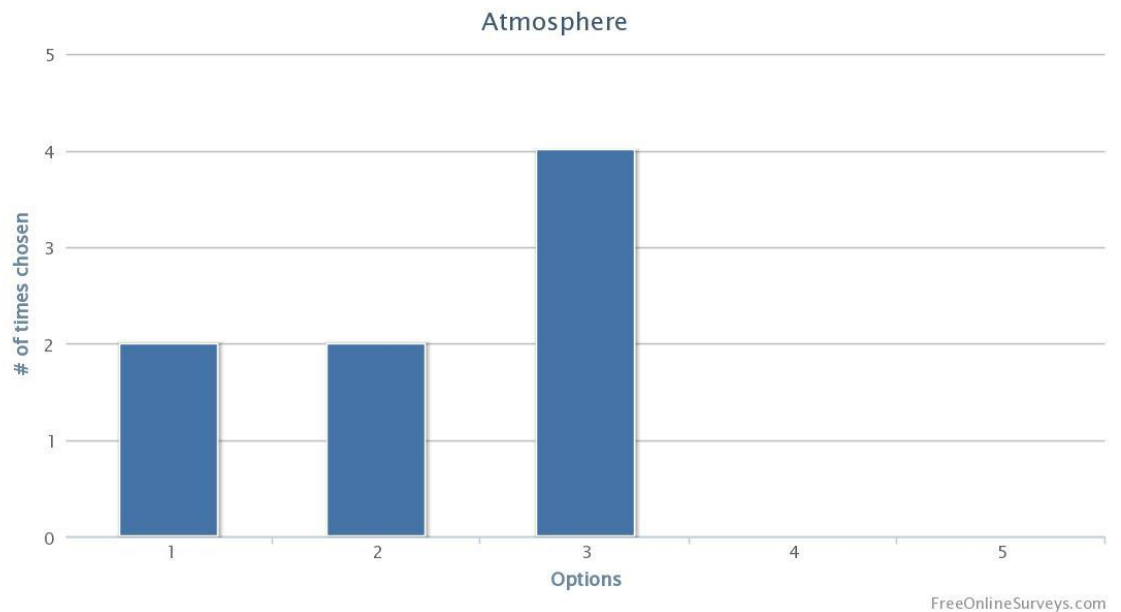

Figure 16: Restaurant Atmosphere as a Competence in The New County Hotel

Half of the interviewees considered the atmosphere to be moderate and rated it as a 3. However, the other half considered the atmosphere to be low as a competence (1-2). The ones that considered the atmosphere to be low as a competence were both managers and staff.

There was one thing couple of the interviewees wanted to add on the list as what in their opinion is a competence for the hotel and that was the management team and management competence which was rated as 3 by the General Manager.

Q4. Which of these factors in your opinion would require improvements in order to gain a better image and market place in the hotel industry? Choose from scale 1-5 (1 = not at all…5 = a lot).
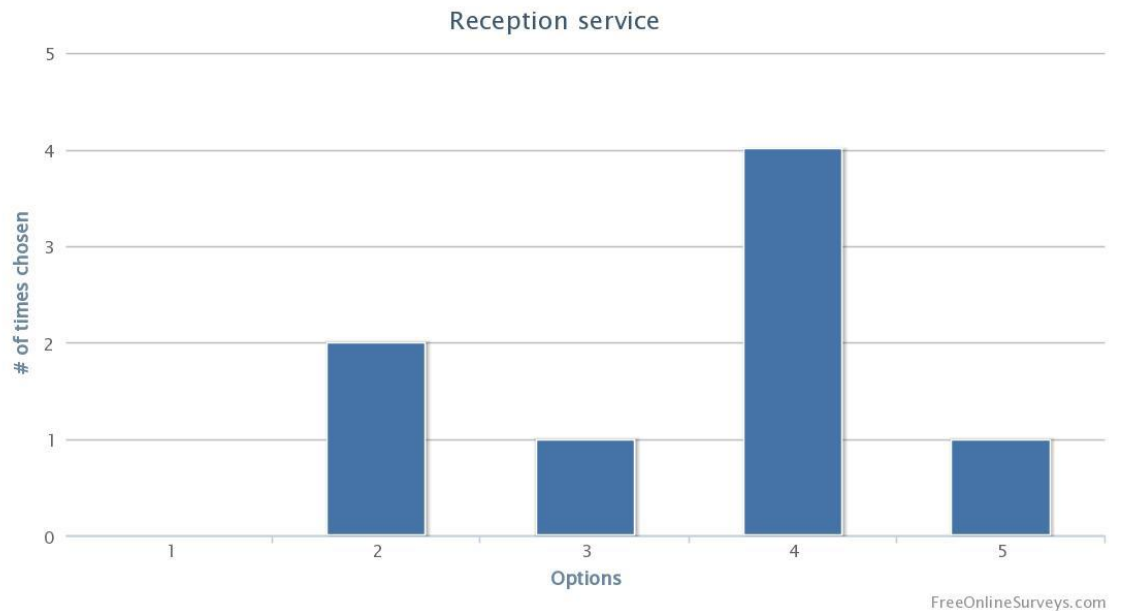
Within the hotel

Figure 17: Need for Improvements for the Reception Service

Over half of the interviewees considered the customer service in the hotel reception need quite a lot of work (rates 4-5). Only two considered it to need only little improvements (rate 2) including the Area Manager.
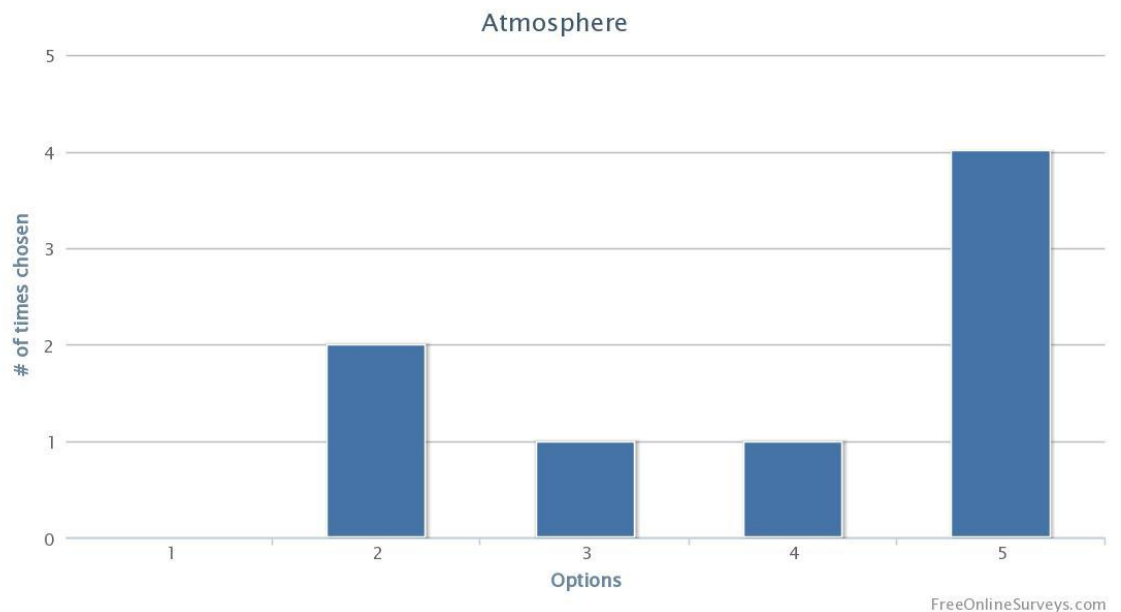

Figure 18: Need for Improvements for Hotel Atmosphere

Again, over half of the interviewees considered the atmosphere within the hotel to need a lot of improvements (rates 4-5). The two people who con-

sidered the atmosphere to need only little improvements (rate 2) were the Area Manager and one staff member.
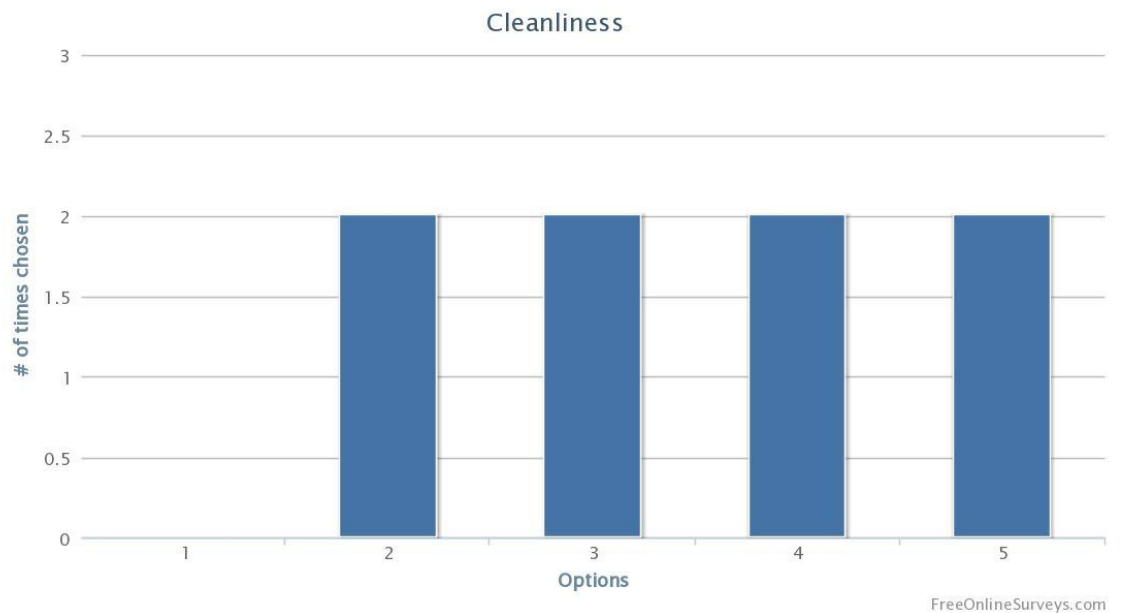

Figure 19: Need for Improvements for Hotel Cleanliness

The cleanliness of the hotel split the opinions quite roughly. The people who considered the cleanliness of the hotel does not need that much improvements (rate 2) were the Area Manager and on of the lower managers of the hotel. The two people who rated the hotel cleanliness to need a lot of improvements were one of the lower managers and a staff member.
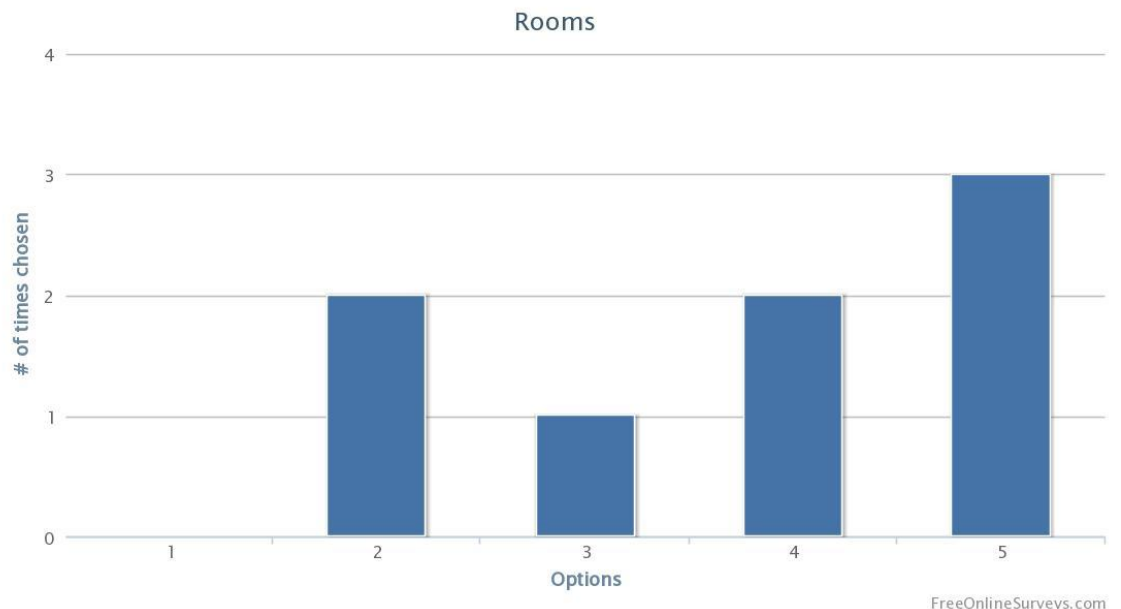

Figure 20: Need for Improvements for Hotel Rooms

Most of the interviewees considered that the rooms of the hotel would need quite a lot or a lot of improvements (rates 4-5). All of these people who rated the need of improvements high, were either lower managers or

staff members. The Area Manager rated the need of improvements as 2 and the General Manager rated the need of improvements as 3.
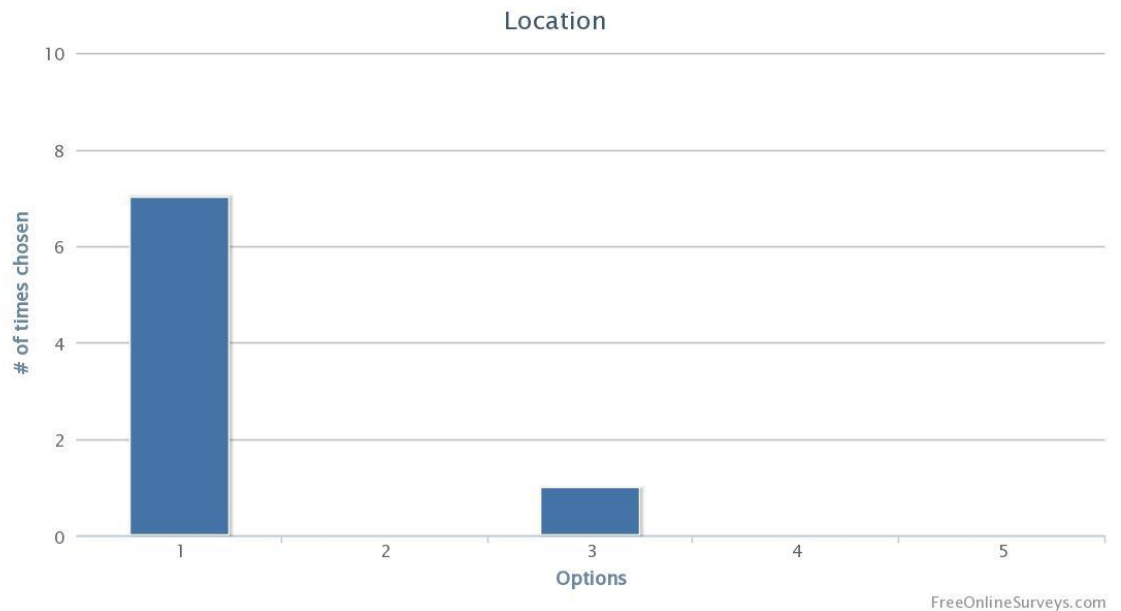

Figure 21: Need for Improvements for Hotel Location

The opinions about whether the location of the hotel would need any improvements were quite unanimous and most of the interviewees rated it as 1. Only one person considered the location to need moderate amount of improvements and that was a member of staff.
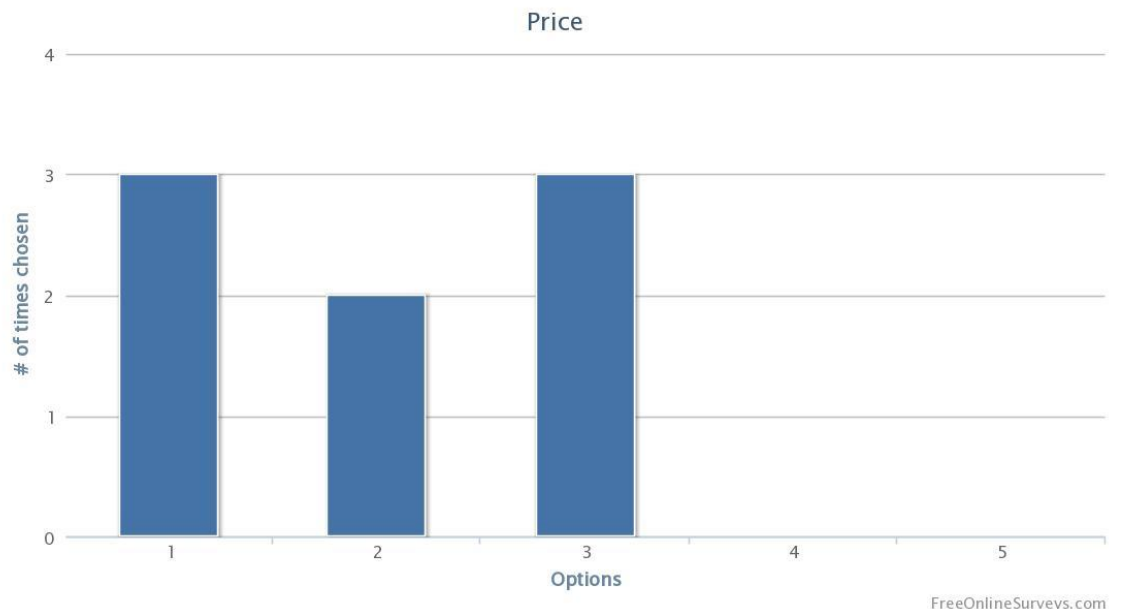

Figure 22: Need for Improvements for Hotel Prices

Most of the interviewees considered that the pricing of the hotel does not need a lot of improvements (rates 1-2) including both the Area Manager (2) and the General Manager (2).
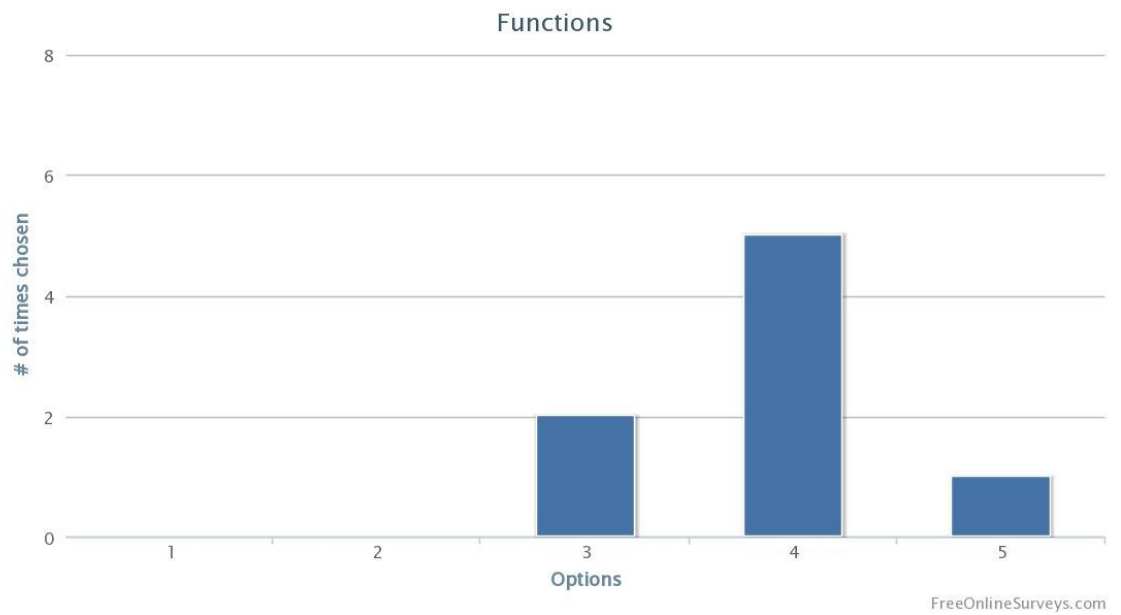
Figure 23: Need for Improvements for Function Service

Most of the interviewees considered the function service needs quite a lot or a lot of improvements (rates 4-5) as well including both the Area and General Managers (4).

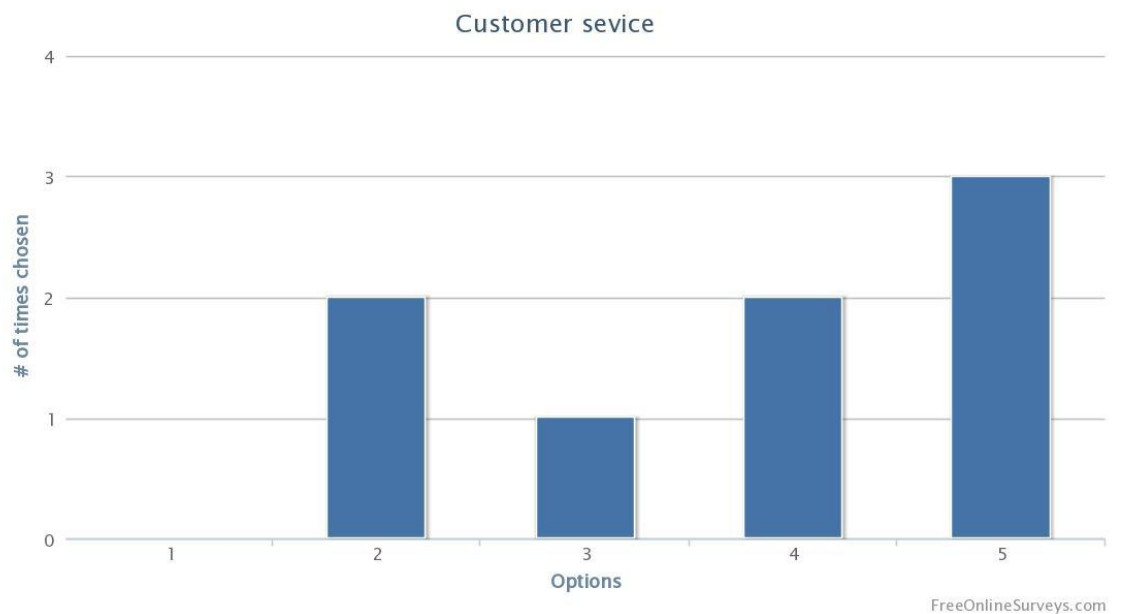**Within the Restaurant and bar**

Figure 24: Need of Improvements for the Restaurant Customer Service

The need of improvements in the customer service within the bar and restaurant was rated as quite high by over half of the interviewees (rates 4-5) including the Area Manager. The two interviewees who rated the need of improvements in the service low (2) were the General Manager and a lower manager.
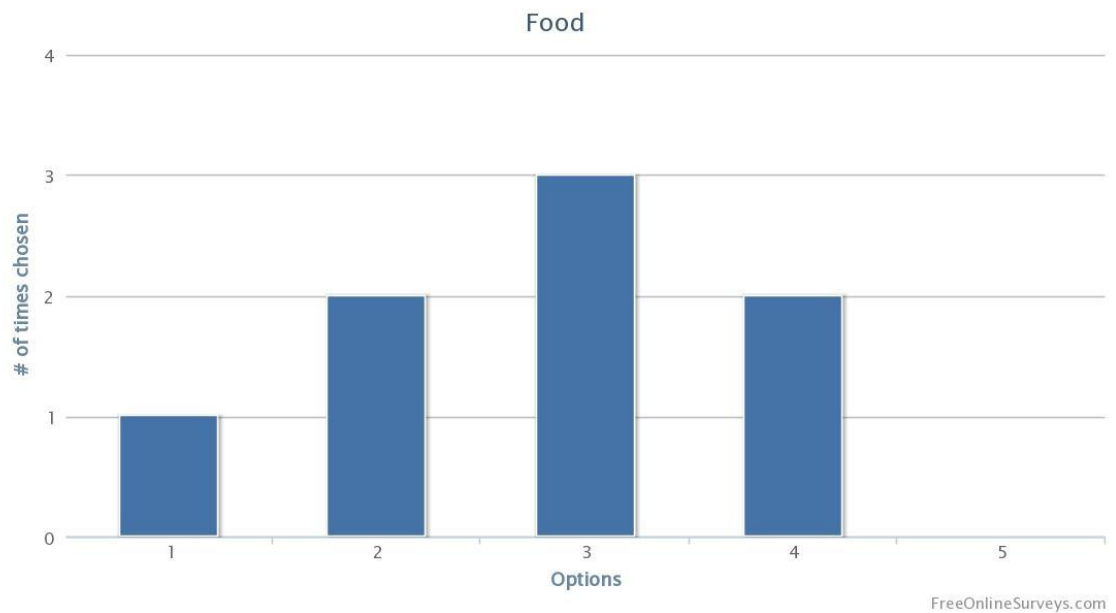
Figure 25: Need of Improvements for Restaurant Food

The food of the restaurant split the interviewees' opinions. Both the Area Manager and General Manager rated the needed improvements to be the highest (rate 4) and one member of staff rated it to need not at all improvements (rate 1).
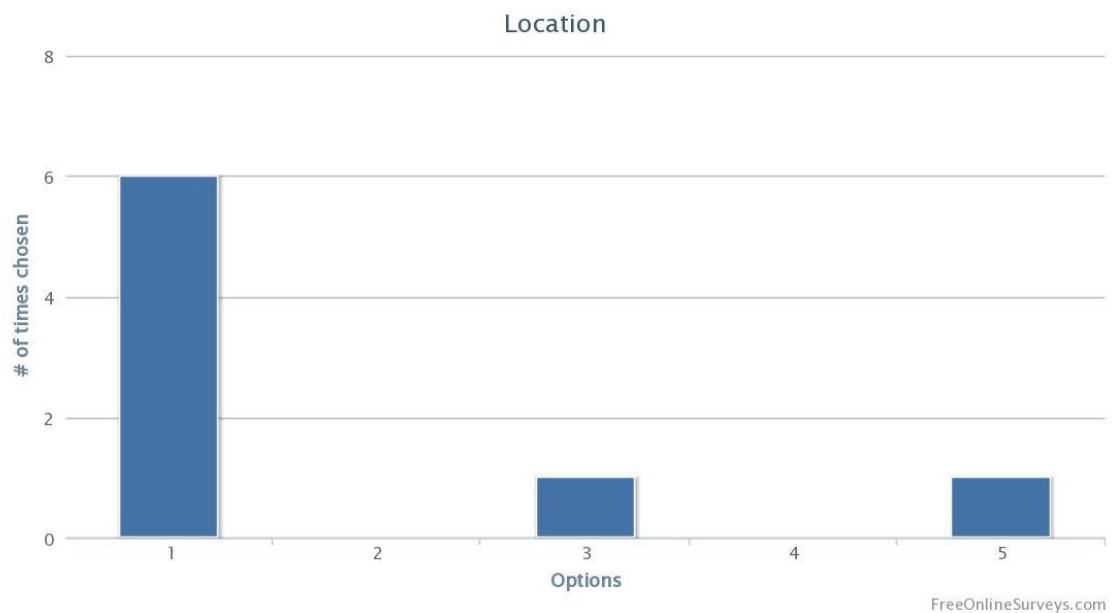
Figure 26: Need of Improvements for Restaurant Location

Most of the interviewees were unanimous and though that the location of the restaurant would not need at all improvements (rate 1) including both the Area and General Managers. Still, one of the lower managers considered it to need a lot of improvements (rate 5).
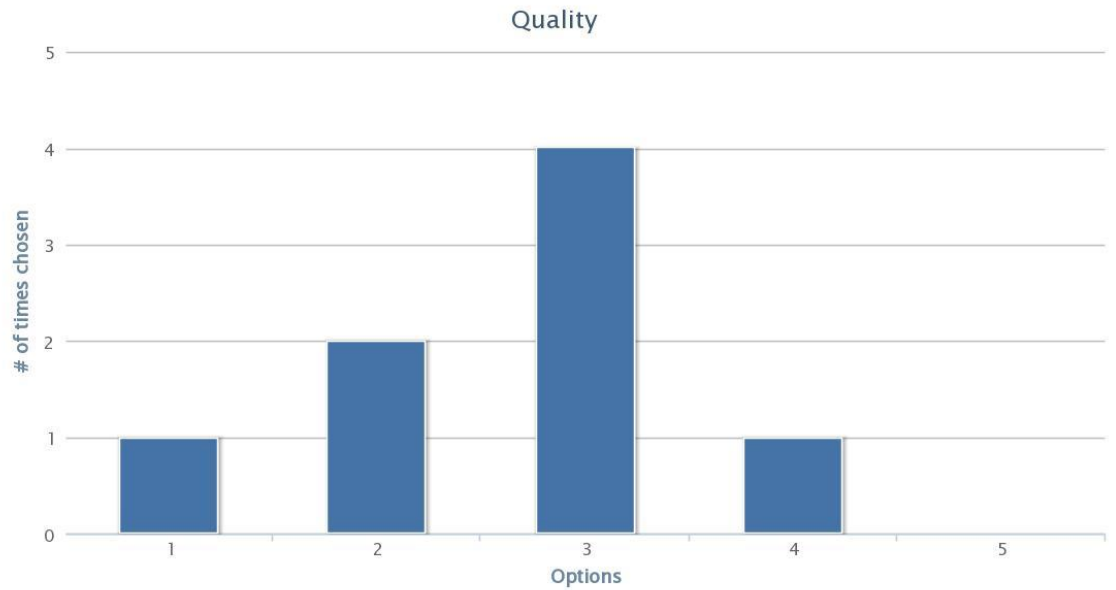
Figure 27: Need of Improvements for Restaurant Quality

The quality of the restaurant was considered as needing moderate amount of improvements by half of the interviewees (rate 3). Only the Area Manager considered the quality of the restaurant to need quite a lot of improvements (rate 4).
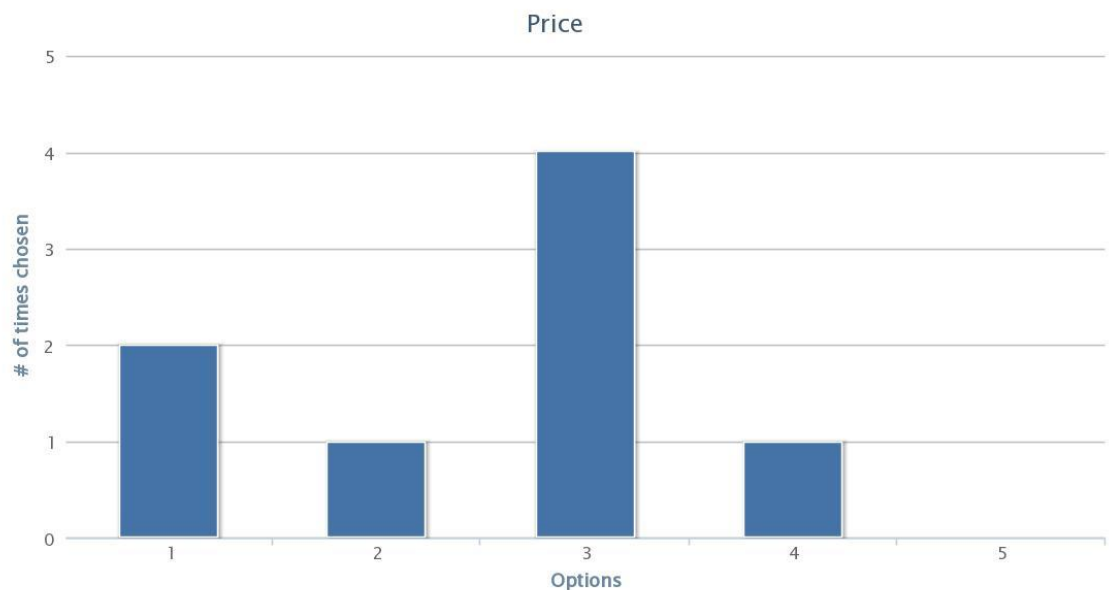
Figure 28: Need of Improvements for Restaurant Prices

Half of the interviewees considered the pricing of the restaurant and bar need a moderate amount of improvements (rate 3) including the Area Manager. The General Manager along with a lower manager of the hotel considers the pricing to nee no improvements at all (rate 1), while one of the lower managers consider it to need quite a lot of improvements (rate 4).

Figure 29: Need of Improvements of Restaurant Atmosphere

The half of the interviewees considered the atmosphere of the restaurant to need moderate amount of improvements (rate 3) including both Area and General Managers. The three interviewees who considered the atmosphere to need a lot of improvements (5) were all lower managers of the hotel.
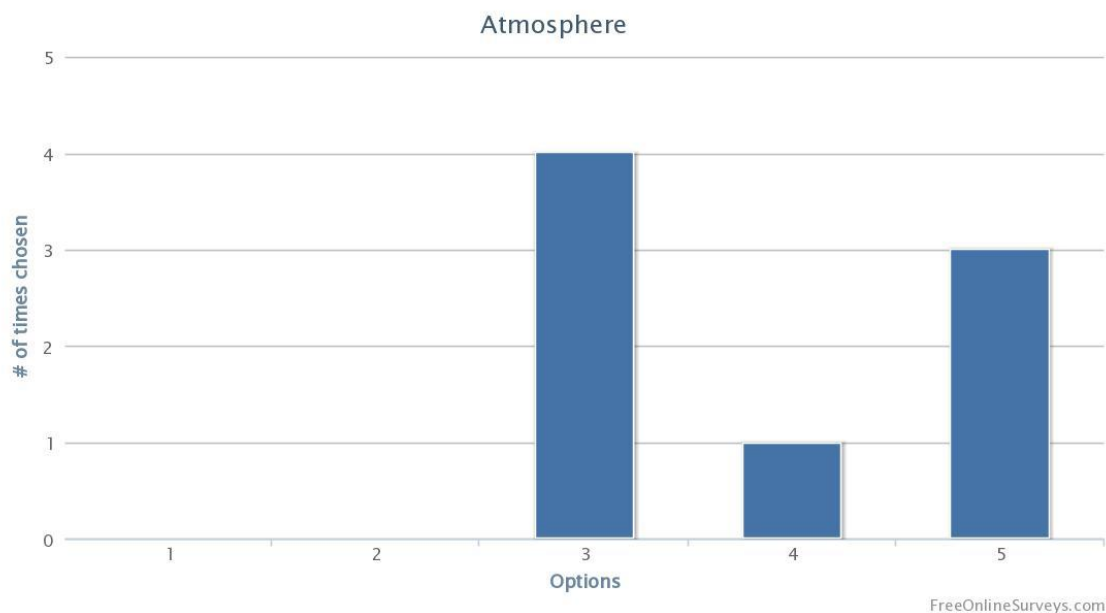
One of the lower managers also wanted to add the general maintenance of the hotel to need quite a lot of improvements (rate 4).

Q5. How big of a budget does the company have to the marketing department and marketing in general for The New County Hotel?
This question was only addressed to the Area Manager Steve Hall and the General Manager Patrick Smith. According to them, the hotel does not have a marketing budget, but the money is given when needed. According to the Steve Hall there is no need for a set budget for marketing but if something is needed the money will provided (Hall & Smith, Interview 22.10.2012).

Q6. Do you think it would be beneficial/ necessary for the hotel to have a separate marketing department?
This question was addressed to the Area and General Managers as well as the lower managers of the business. Four of the interviewees, including the General Manager, considered a separate marketing department as quite beneficial. Two of the interviewees considered it as extremely beneficial for the business. According to the General Manager, a single person who would work a few hours a day would be enough to keep the marketing of the business up and going (Smith, Interview 22.10.2012).

Q7. How sufficient the overall marketing of the hotel is in your opinion? Choose from scale 1-5 (1 = not at all…5 = a lot).
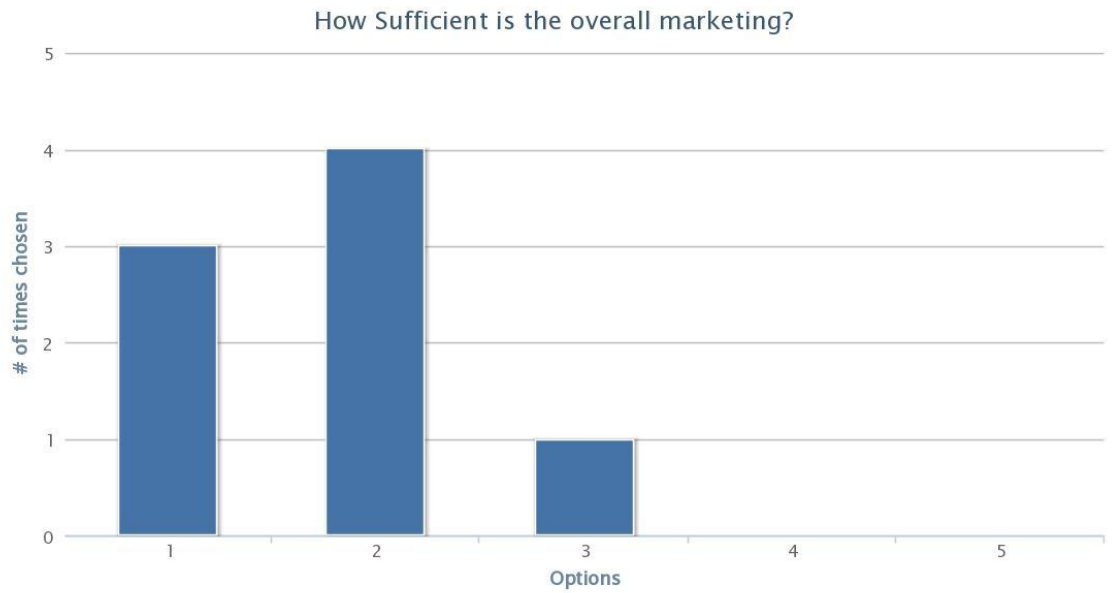
Figure 30: How Sufficient is the overall Marketing of The New County Hotel?

The overall opinion about the marketing efficiency of The New County Hotel was that it is not efficient (rate 1-2).Only one staff member considered the marketing to be moderately efficient. The General Manager stated that the hotel does not advertise itself nearly as much as it should.

Q8. How much does the hotel use each of these marketing channels? Choose from scale 1-5 (1 = not at all… 5 = very much).
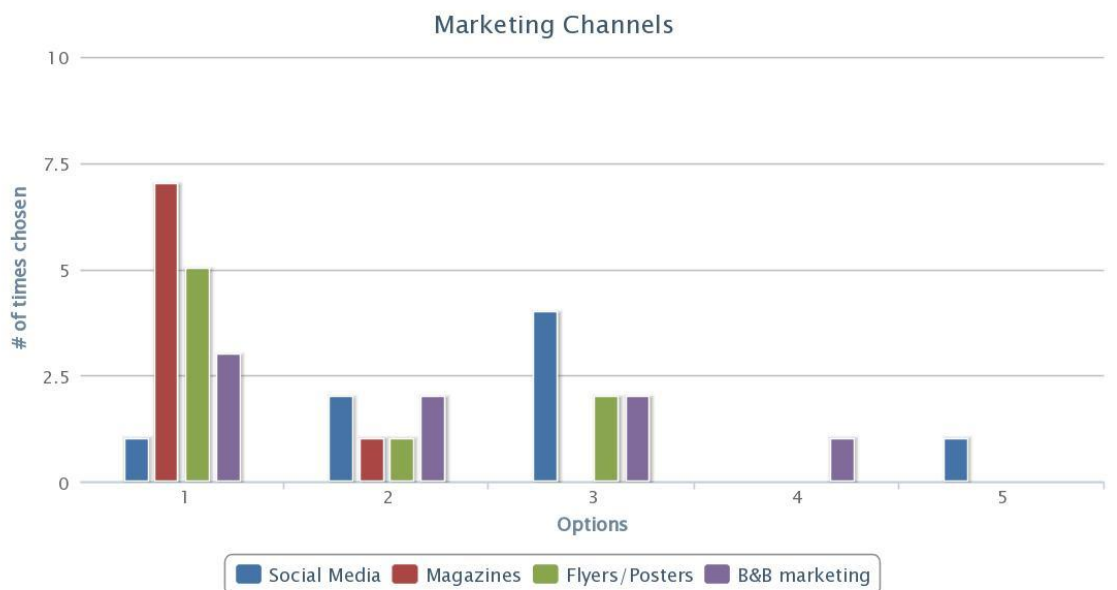
Figure 31: What are to most used Marketing Channels?

As one can see from the chart, the marketing channels are not used much according to the interviewees. The channel used most according to the re-

sults is the social media and second most used channel would be Business to business marketing. Magazines are not used at all according to the interviewees .One channel added by couple of the lower managers was the word-of-mouth marketing.

Q9. How important you see the social media as a marketing tool?
Most of the interviewees considered the social media as a marketing tool very important. The Area manager even stated that the social media in today's marketing is even more important that traditional marketing. One of the lower managers stated that it is important because it reaches a wider audience. Three considered the social media as quite important marketing tool. The General Manager stated that even though it is important, it is time consuming and does not show any clear results. Only one lower manager considered the social media as somewhat important as a marketing tool.

Q10. After the restaurant and bar is franchised under its own name, what kind of changes you are expecting for the image/ competences and competitive advantages of the hotel itself?
According to the Area Manager Steve Hall franchising the restaurant under a new name is a time and money consuming change which also includes a risk. That is why it will take time for it to be implemented. The General Manager expects that after modifying the restaurant with different style of menu and not high class approach, the restaurant would be able to stand on its own in the future.

The lower managers seemed to have a similar mind set of how the relaunch of the restaurant would change the whole business. Not only they expect the business to grow due to the new customers that the restaurant brings in, they expect the change to lift also the staff morale. By bringing in new customers, the lower managers are expecting the clientele also move into the other departments to the business. Also one of the lower managers stated that she expects repeat business by creating customer relationships. Another lower manager stated that by standing on its own, the restaurant will become an asset to the business and will increase the revenue of the whole business (Keeble, Interview 27.10.2012, Stone 28.10.2012,Kelly, 29.10.2012, Ali 29.10.2012).

3.1.2 SWOT- Analysis of The New County Hotel

Strengths	Weaknesses
- Excellent Location - Reasonably Priced - Motivated management team - Good facilities - Multiple operations - High quality restaurant - Good customer service	- No marketing department - Uneducated staff - Inconsistent authority - lack of communication - Multiple operations - Unfinished refurbishment of facilities - Unmotivated staff - Too little staff - Inefficient marketing - Function Noise
Opportunities	**Threats**
- Re launch of the restaurant - Multiple operations - Location	- Inconsistent authority - local competition - Un finished refurbishment of facilities - Unstable atmosphere within hotel - Unmotivated staff - Inefficient marketing

3.1.3 Strengths

Excellent Location: The New County Hotel is situated in the city centre near all the city's tourist attractions such as The Gloucester Cathedral, the docs and several museums, as well as the public transportation, which allows the customers an easy access even outside the city borders. For this reason, The New County Hotel is a high candidate for the customer to choose from the other competitors within the area.

Reasonably Priced: The hotel room tariffs are carefully followed and compared to those of the local markets and when taken into consideration of the location of the hotel it has succeeded to keep a competitive rate within the Gloucester area.

Motivated management team: The management team in The New County Hotel is young and motivated to make the business successful. They put high effort in their tasks and managing their staff in order to gain the best possible results.

Good facilities: The New County Hotel offers not only accommodation with comfortable rooms, but it also it has three separate function rooms that can be customised into customer need. The range of events that can be organized in the function rooms varies from small business meetings into

weddings of 100-200 people. Due to the recent refurnishing of the facilities the hotel is clean and comfortable to stay in as well as a classy place to hold events in.

Multiple operations: Even though the New County Hotel is mainly a hotel, it can provide several other services to the customers as well. A high quality restaurant offers food to the in-house customers as well as any outside customers, a bar which is in multiple use depending the time of the day (café in the morning, disco in the evening) is a relaxed place to spend time in and the event organization service that not only provide the facilities, but also plan and implement the event itself for the customer. This brings multiple profit sources to the business and creates a multi skilled operation and staff.

3.1.4   Weaknesses

No marketing department: The lack of a proper marketing department is one of the reasons why there is no marketing in the first place. Because there is no one who would be in charge of the marketing side of the business, nobody has the time or motivation to do it. This creates a worrying fact that without proper marketing, nobody knows the business exists and because of that it is not reaching its potential customers to boost up the business.

Uneducated staff: The fact that only couple of members of the staff have proper or even partly training for their jobs unfortunately shows in the overall implementation they put in their work tasks. Without the necessary knowledge and skills to handle problems and unexpected situations, the members of staff are not capable to react and function as effectively as needed. Also, because of the lack of knowledge many things are overlooked and not even realised before it is too late. For example, some of the basic rules of etiquette are not filled in waitressing which prevents the hotel to exceed to a next level.

Unmotivated staff: One problem the hotel has with its staff members is the decreasing motivation for them to do their job with their best possible effort and skill. The un motivation and lack of interest towards their work tasks leads to customer complaints and that way harms the company image. For example, the complaints of the hotel cleanliness and service efficiency are becoming more and more common.

Too little staff: When talking about problems in staff motivation and their lack of education, one reason for the miss function of the operation is due to the limited amount of staff. Because of the current amount of staff on the hotel's records, when facing a sickness or unexpected situation that requires more work force, there is no extra staff that the managers could call in. This is why it takes much more time to react to an unexpected problem, which causes serious functional difficulties and affect negatively the company image as well as the quality of service.

Inconsistent authority: The unclear separation between departments also make unclear which manager is responsible of which department and its issues. This leads to each manager to taking care of the issues they consider as their responsibilities which may exclude many important factors that also need to be taken care of. Also, the standards of quality expected from the staff and their work varies with every single manager, which can be seen in the results of work after every shift. This also confuses the staff itself; "Why am I required to do something I was not required to do yesterday".

Lack of communication: The lack of communication especially between management can be seen in the issues that have not been taken care of within the time it should. This may also be caused by the unclear separation of departments, which leads to other managers to assume the issue is another manager's responsibility, even though the particular manager does not know it him/herself. The unstructured operation can prevent seemingly the hotel to function as fluently as possible.

Multiple operations: The fact that The New County Hotel is not only a hotel but it includes also a restaurant and function facilities, can also bring negative effect to the business. All of these separate departments need resources to run and due to the fact that the hotel already has a limited amount of resources, each department prevents the other to operate as its full capacity.

Unfinished refurbishment of facilities: One of the biggest weaknesses the hotel has is the facilities. Even though the hotel was recently refurnished, the problems within the building itself were not taken care of. The biggest customer complaints are due to the miss functions caused by the inefficient renovation and improvements of the facilities. For example the complaints of noise are mainly caused by the fact that the hotel does not have proper isolation or double glazing. Also, a leaking roof and a view to an untidy roof from the hotel window do not create an image of a high quality hotel.

Inefficient marketing: By not putting enough effort to marketing, the business does not reach the customers and therefore is losing possible income.

Function noise: When the hotel arranges an evening function, it causes considerable amount of noise that will cause inconvenience to the hotel residents above the function rooms. Because of this fact over quarter of the rooms are useless and cannot be sold to other customers.

3.1.5   Opportunities

Re launch of the restaurant: The plan to separate the restaurant from the hotel and make it as its own franchise can bring different market opportunities as well as open new possibilities for the hotel itself. By segmenting the restaurant more to the locals and modifying it more into their demands, the restaurant can bring more profit to the business than it has before.

Also, by re launching the restaurant the hotel can create much needed visibility and use the new name as a new start in the markets.

Multiple operations: The multiple operations that the hotel provides also hold an opportunity with it. Because of the central location of the hotel, it can easily, for example, take part in local activities by providing accommodation or facilities for the events. This way it can make itself more visible to the local community and increase their mouth-to-mouth marketing.

3.1.6   Threats

Inconsistent authority: Because of the inconsistent authority, the business can face a threat of uncontrolled staff and decreasing follow up with orders. This would harm not only the whole operation but the company image itself.

Local competition: The competition within Gloucester is relatively big and there exists several companies who offer similar services even with lover price and which are situated near the central area of Gloucester as well. That is why The New County Hotel need constantly develop itself and assure its place in the markets.

Un finished refurbishment of facilities: The problems caused by the inefficient work done to the facilities are constantly growing. The more time is consumed by not fixing the problems, the more harm they will cause to the business.

Unstable atmosphere within hotel: One of the biggest threats the company has is something it has been experiencing for a while and that is the continuously changing atmosphere within the hotel. By having four general managers within a year, the atmosphere within the hotel is not stable and can cause problems of its own. For example, the instability can cause confusion within staff which can lead to lack of motivation as well as increase the unnecessary stress of the uncertainty of work places. It is highly important that when facing a change, all work forces are still kept up to date about what is happening in their work place.

Unmotivated staff: Unmotivated staff can be a real threat to the company, due to the fact that the staff members are the face of the company. If the customers are not treated properly or they feel other ways unwelcome because of the act of a staff member, they automatically reflect that experience to the whole company and its image. Also a lazy or melancholy staff member can reflect the business negatively to the customers.

Inefficient marketing; As in weaknesses, the inefficient marketing prevents the business to reach potential customers. Without proper marketing the customers do not even know about the existence of the company.

3.1.7   Summary of the SWOT- Analysis

The SWOT-Analysis shows that the company has many assets which have positive effect on the business such as location and good facilities and which will also open doors for the business as creating opportunities in the future. Still, it does have several weaknesses that affect the business negatively in a current situation as well as they create a possible threat in the future. For example the inefficient maintenance of the facilities can bring unexpected increases of facility costs and the lack of communication weakens the co-operation of both management and staff.

Even though the opportunities and threats of the company are usually factors outside the company, it seems that the biggest threats as well as opportunities lay in the company itself. According to the Area manager Steve Hall, Gloucester has only one big hotel which competes with The New County Hotel, the Travelodge hotel company.

3.2   Customer Questionnaire Results

The questionnaire for the customers was in the hotel reception, where the receptionists asked the questions during the customer's check in. The questionnaire was on the reception approximately one month and had 72 responses in total.

Q1 How did you find out of The New County Hotel?

As the pie chart shows, the majority of the customers heard about the New County Hotel through a booking site. There were three clearly bigger sites that brought the customers to the hotel and those were the Booking.com, Laterooms and the TripAdvisor. Another channel through which the customers apparently hear about the hotel from is from a friend or acquaintance.
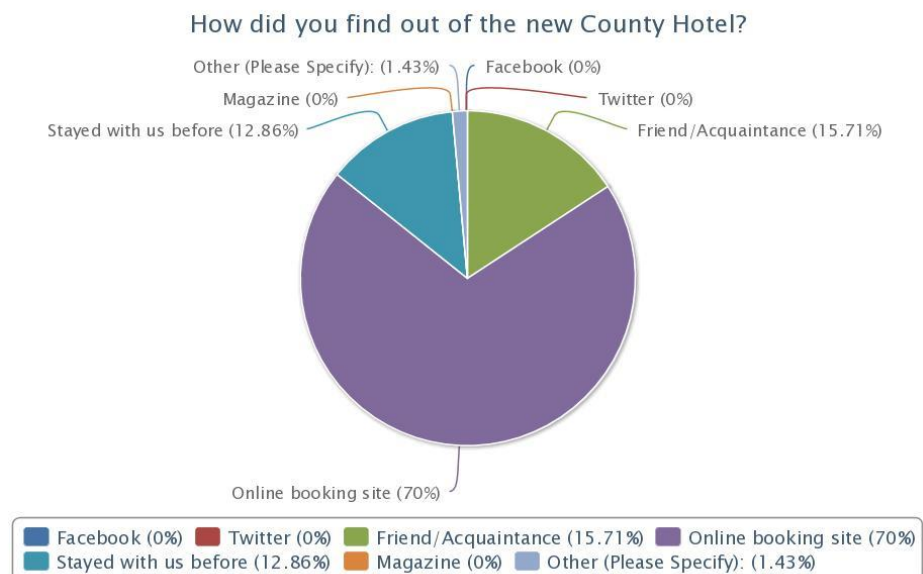
Figure 32: Customer Questionnaire

None of the customers found out about the hotel through facebook, Twitter or through a magazine, however, apparently the hotel does have regular customers that have stayed in the hotel several times.
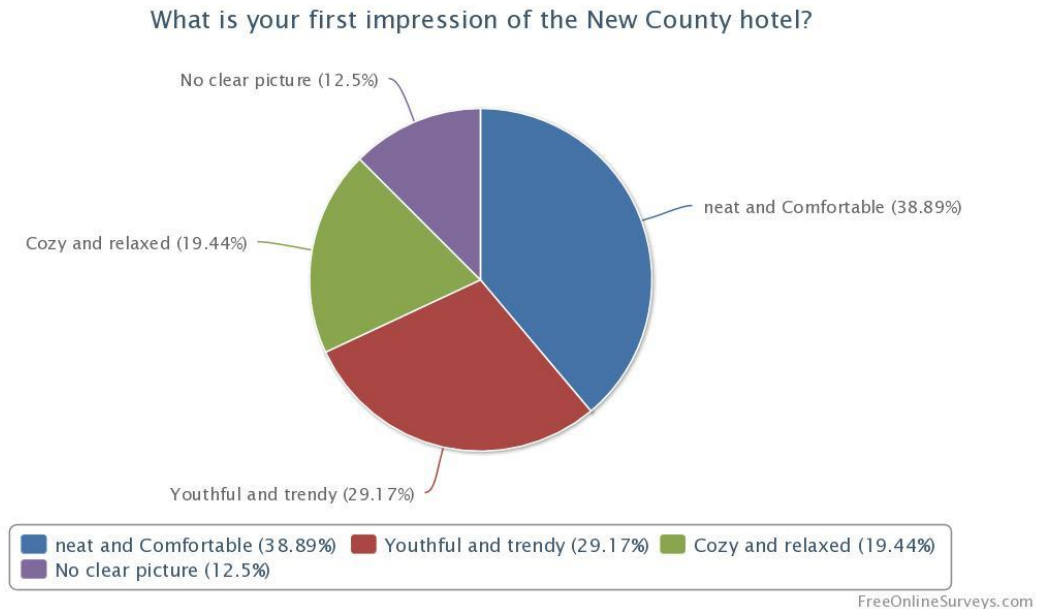
Figure 33: Customer Questionnaire

The biggest percentage of the customers considered the hotel to be neat and comfortable when they first walked in to the hotel. Still, 12,5% of the customers did not have any opinion about the hotel image or a first impression.

4 ANALYSIS

The aim of this thesis was to research the current situation of The New County Hotel in Gloucester, England within the local markets and how could its image and market position be improved in the future. With the theory part the author aims to explain the meaning of competition for a company and how to increase their appeal in the markets by individualising their company competences and by creating a functional marketing strategy. It also aims to show how important the customer loyalty within the hotel industry has become and how the hotel can create a sustainable customer relationship as well as increase the customer loyalty. In the theory part one can also find collected data from the tourism situation within the United Kingdom, South West Region and the city of Gloucester, which help the reader to understand the markets the hotel is in.

In the research the author has implemented interviews to different levels of the hotel management as well as to staff members. The aim of these interviews were to find out how the opinions of each of these levels differ about the hotel marketing and image building as well as how the information of the hotel situation and function is passed along between each level. From the result the author found out that indeed some information about the business has not moved from the higher level of management to the lower levels of management, let alone the staff level of the company. One example is that no other levels except the owner level and general manager seem to be aware about the customer segment or the image the hotel tries to achieve in its markets. Not only can this lead to difficulties within the lower managers and staff to understand some decisions made by the higher management of the company, but also it might make the levels to work as a unite team towards a common goal more challenging.

The interviews aimed also to identify the competences of the business and which of them are the most important in every level's opinion.
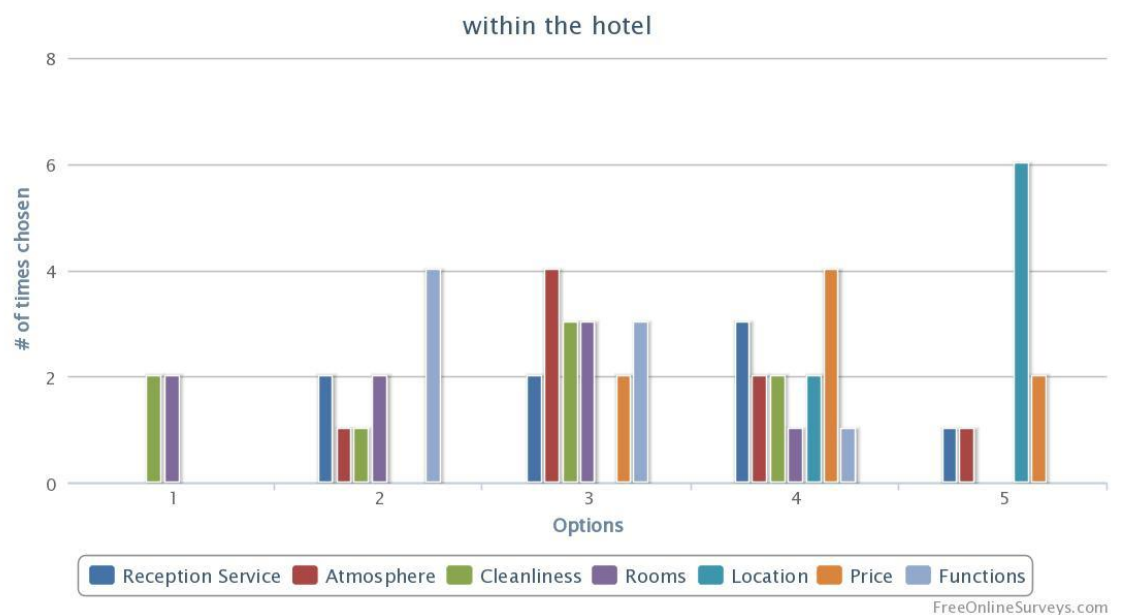
Figure 34: The division of what factors the interviewees considered to work as competences for the business.

Within the Restaurant & Bar

Figure 35: The division of what factors the interviewees considered to work as competences for the business.

The tables show that the biggest competence of the business both in the hotel and the restaurant is the location. The second best seemed to be the price in the opinions of the interviewees and in the restaurant the overall quality as well as the price. Still, as one can see some of the some of the factors had split opinions of the level of the competences such as the restaurant food and hotel atmosphere and cleanliness.

In the Hotel
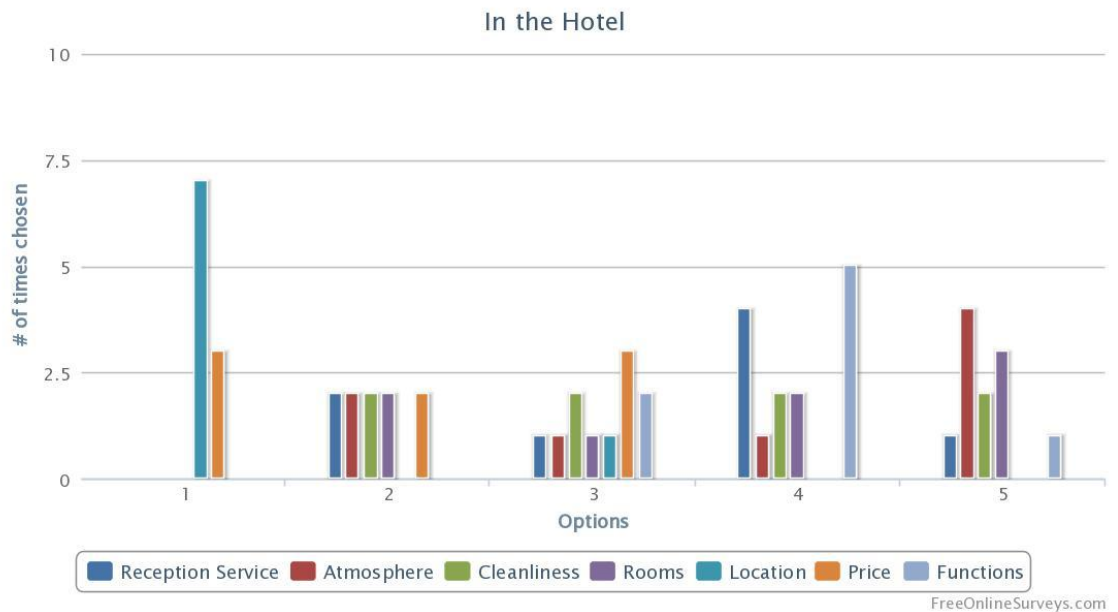
Figure 36: The division of opinions in how much each factor needs improvements to make the business more competitive

Figure 37: The division of opinions in how much each factor needs improvements to make the business more competitive

The tables show that in the interviewees' opinion the factors that need the most improvements within the hotel would be the function service and the overall atmosphere. Within the restaurant and bar the factors that would need the most improvements would be the atmosphere and customer service. However, in these tables one can also see split opinions about the levels of improvement needed in certain factors such as restaurant food and restaurant quality and hotel rooms and reception service. The reason for the split of opinions both in competences and improvement of the business could be found from the lack of communication, all levels do not know what is going on in certain department or with a certain factor. For example the hotel cleanliness might seem good when one is only occasionally visiting the hotel, than when one deals with issues of the hotel cleanliness every day bases. This is why the importance of communication does not just go from top to bottom, but also from bottom to top.

When it came to marketing and whether the interviewees considered it to be efficient enough or not, they all were more or less unanimous with the fact that the business is clearly not marketed enough. Also when enquiring about the marketing channels and how much each interviewee considered them to be used, the answers all stated that basically the main marketing channel the business uses is social media. Even though the social media was stated as the biggest marketing channel, nobody considered it to be efficiently used. Few of the interviewees mentioned the word-of-mouth an important marketing channel for the hotel which supports the theoretical background the author has gathered for the thesis. As presented in the theory part, the word-of-mouth is one of the strongest marketing channels to gain new customers (Castronovo C.& Huang L. 2012, p. 118). Also, that the word-of-mouth marketing goes hand in hand with social media, which unsurprisingly is the most active channel of the hotel. It was also stated by the General Manager himself, that the social media marketing is even more important in today's business than the traditional marketing (Smith 2012, Interview 22.10.2012).

One part of the research was a customer questionnaire that was located in the hotel reception where the receptionists presented the questions to the customers when they checked themselves in to the hotel. According to the result gained from the interviews it is clear that the social media indeed is the most important channel the customers use to find and select the hotels they decide to use. 70% of the respondents found out about the hotel through an online booking site like TripAdvisor. Even though the hotel has both Twitter and Facebook sites, not a single customer reported to have found out about the hotel through those channels. Clearly smaller but still second biggest channel in how customers had heard about the hotel was through a friend or acquaintance, which also proves the word-of-mouth marketing is the biggest and maybe even the most vital marketing channel the hotel has at the moment.

When enquiring about the expected changes the interviewees expect after the change in the hotel restaurant and its re launch, one aspect came up from several responses that they wish to change along with the restaurant and that was the staff motivation. Several lower managers of the business considered the change to lift up staff spirit and hopefully increase their work motivation. The lack of staff motivation is also what the author has noted as a company weakness in the SWOT –analysis. One reason for the lack of motivation could be explained with the lack of communication and inconsistent authority. With no clear expectations and no clear goals and rewards to work towards to, the staff members can get lazy and easily distracted from their daily duties.

5 RECOMMENDATIONS AND CONCLUSION

From the SWOT- analysis of the thesis one can also see that most of the threats of the hotel seem to come from inside, rather than outside the business. One of the biggest issues that weaken the business and its functionality are the facilities themselves. One example of a problem that the facilities bring to the business is noise that comes from outside and inside the hotel. The hotel locates in the city centre in a reasonably busy road in which the traffic and passing by people cause constant noises. Because the hotel does not have double glazing, the voices from outside the hotel carry themselves into the hotel rooms. Another serious fault in the structure of the facilities is the noises which carry themselves from the function rooms to the rooms above. In case an evening function, quarter of the rooms cannot be sold to the customer because of the disturbing noise from the function. With a proper isolation to the function room this problem could easily be erased and the above rooms could be sold normally disregarding an ongoing function.

Another big issue that is holding the business back from its full capacity is the lack of market department and insufficient marketing. Without marketing the business cannot reach as many customers it would need to in order to increase their revenue and build up their market share on the area. With a consistent attribution to the company marketing the business would easily reach and gain new customers for each service their offer. By creating a clear marketing plan it is easy to target the customer segments and mar-

keting channels to reach them. Even with a small contribution the business could make a big difference in building up their image and spread knowledge about the business to the customers.

This thesis was made to research the current situation of The New County Hotel and how can it improve its business in the future. The research does not include any financial information or data about the current income and revenue of the business of how each of its services and departments operate. The results provided are aimed to help the company to improve their act and increase their revenue as well as provide ideas how to solve some of the immediate problems the company is facing at the moment. The research does not give any undisputed solutions, but suggestions which are based on the research material as well as the personal observation of the author.

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Appendix 1

.**RELEVANT METRICS FOR SOCIAL MEDIA APPLICATIONS ORGANIZED BY KEY SOCIAL MEDIA OBJECTIVES**

This table organizes the various social metrics for social media by classifying them according to social media applications and social media performance objectives. While it is not exhaustive, it should give marketers a useful starting point for measuring the effectiveness of social media efforts because all of the metrics listed are easily measured.

Social Media Application	Brand Awareness	Brand Engagement	Word-of-Mouth
Blogs	•number of unique visits •number of return visits •number of times book-marked •search ranking	•number of members •number of RSS feed subscribers •number of comments •amount of user-generated content •average length of time on site • number of responses to polls, contests, surveys	• number of references to blog in other media (online/offline) •number of reblogs • number of times badge displayed on other sites •number of "likes"
Microblogging (e.g., Twitter)	•number of tweets about the brand •valence of tweets +/− •number of followers	•number of followers •number of @replies	•number of retweets
Cocreation (e.g., NIKEiD)	•number of visits	•number of creation attempts	• number of references to project in other media (online/offline)
Social Bookmarking (e.g., StumbleUpon)	•number of tags	•number of followers	•number of additional taggers
Forums and Discussion Boards (e.g., Google Groups)	•number of page views •number of visits •valence of posted content +/-	•number of relevant topics/threads •number of individual replies •number of sign-ups	•incoming links •citations in other sites •tagging in social bookmarking • offline references to the forum or its members • in private communities: number of pieces of content (photos, discussions, videos); chatter pointing to the community outside of its gates •number of "likes"
Product Reviews (e.g., Amazon)	•number of reviews posted •valence of reviews • number and valence of other users' responses to reviews (+/−) •number of wish list adds • number of times product included in users' lists (i.e., Listmania! on Amazon.com)	•length of reviews •relevance of reviews • valence of other users' ratings of reviews (i.e., how many found particular review helpful) •number of wish list adds • overall number of reviewer rating scores entered •average reviewer rating score	•number of reviews posted •valence of reviews • number and valence of other users' responses to reviews (+/−) • number of references to reviews in other sites •number of visits to review site page • number of times product included in users' lists (i.e., Listmania! on Amazon.com)
Social Networks (e.g., Bebo, Facebook, LinkedIn)	•number of members/fans •number of installs of applications •number of impressions •number of bookmarks • number of reviews/ratings and valence +/−	•number of comments •number of active users •number of "likes" on friends' feeds • number of user-generated items (photos, threads, replies) • usage metrics of applications/widgets •impressions-to-interactions ratio • rate of activity (how often members personalize profiles, bios, links, etc.)	• frequency of appearances in timeline of friends •number of posts on wall •number of reposts/shares • number of responses to friend referral invites
Video and Photosharing (e.g., Flickr, YouTube)	•number of views of video/photo •valence of video/photo ratings +/−	•number of replies •number of page views •number of comments •number of subscribers	•number of embeddings •number of incoming links • number of references in mock-ups or derived work • number of times republished in other social media and offline •number of "likes"

Hoffman D. L. & Fodor M. 2010. Can You Measure the ROI of Your Social Media Marketing?. pp. 44.

Appendix 2

Staff Interview

1. What is the image the hotel aims to achieve on the markets and what is its competitive strategy?

_____
_____
_____

2. How well do you think the wanted image is achieved?

__ Very Well   __Relatively well   __Partly   __Not at all

3. Which of the following factors you consider to be the main competences of the hotel? Choose from scale 1-5 (1= not at all… 5= very much).

Within the Hotel

Reception service	1	2	3	4	5
Atmosphere	1	2	3	4	5
Cleanliness	1	2	3	4	5
Rooms	1	2	3	4	5
Location	1	2	3	4	5
Price	1	2	3	4	5
Functions	1	2	3	4	5

Within the Restaurant & bar

Customer Service	1	2	3	4	5
Food	1	2	3	4	5
Location	1	2	3	4	5
Quality	1	2	3	4	5
Price	1	2	3	4	5
Atmosphere	1	2	3	4	5

Something else?

_____
_____
_____

4. Which of these factors in your opinion would require improvements in order to gain a better image and market place in the hotel industry? Choose from scale 1-5 (1 = not at all…5 = a lot).

In the Hotel

Reception service	1	2	3	4	5
Atmosphere	1	2	3	4	5
Cleanliness	1	2	3	4	5
Rooms	1	2	3	4	5
Location	1	2	3	4	5
Price	1	2	3	4	5
Functions	1	2	3	4	5

In the Restaurant & bar

Customer Service	1	2	3	4	5
Food	1	2	3	4	5
Location	1	2	3	4	5
Quality	1	2	3	4	5
Price	1	2	3	4	5
Atmosphere	1	2	3	4	5

Something else? _____

_____
_____
_____

5. How sufficient the overall marketing of the hotel is in your opinion? Choose from scale 1-5
(1 = not at all…5 = a lot).

1	2	3	4	5

6. How much does the hotel use each of these marketing channels? Choose from scale 1-5 (1 = not at all… 5 = very much).

Social Media	1	2	3	4	5
Magazines	1	2	3	4	5
Flyers/ Posters	1	2	3	4	5
B & B marketing	1	2	3	4	5

Something else_____
_____
_____

7. How important you see the social media as a marketing tool?
__Very important   __Quite important   __Somewhat important
          __Irrelevant

8. After the restaurant and bar is franchised under its own name, what kind of changes you are expecting for the image/ competences and competitive advantages of the hotel itself?
_____
_____
_____

Manager Interview

1. What is the image the hotel aims to achieve on the markets and what is its competitive strategy?

_____
_____
_____

2. How well do you think the wanted image is achieved?

__ Very Well   __Relatively well   __Partly   __Not at all

3. Which of the following factors you consider to be the main competences of the hotel? Choose from scale 1-5 (1= not at all… 5= very much).

Within the Hotel

Reception service	1	2	3	4	5
Atmosphere	1	2	3	4	5
Cleanliness	1	2	3	4	5
Rooms	1	2	3	4	5
Location	1	2	3	4	5
Price	1	2	3	4	5
Functions	1	2	3	4	5

Within the Restaurant & bar

Customer Service	1	2	3	4	5
Food	1	2	3	4	5
Location	1	2	3	4	5
Quality	1	2	3	4	5
Price	1	2	3	4	5
Atmosphere	1	2	3	4	5

Something else?

_____
_____
_____

4. Which of these factors in your opinion would require improvements in order to gain a better image and market place in the hotel industry? Choose from scale 1-5 (1 = not at all…5 = a lot).

In the Hotel

Reception service	1	2	3	4	5
Atmosphere	1	2	3	4	5
Cleanliness	1	2	3	4	5
Rooms	1	2	3	4	5
Location	1	2	3	4	5
Price	1	2	3	4	5
Functions	1	2	3	4	5

In the Restaurant & bar

Customer Service	1	2	3	4	5
Food	1	2	3	4	5
Location	1	2	3	4	5
Quality	1	2	3	4	5
Price	1	2	3	4	5
Atmosphere	1	2	3	4	5

Something else? _____

_____
_____
_____

5. Do you think it would be beneficial/ necessary for the hotel to have a separate marketing department?

__Extremely   __Quite   __Not that   __Not at all
beneficial   beneficial   beneficial   beneficial

6. How sufficient the overall marketing of the hotel is in your opinion? Choose from scale 1-5 (1 = not at all…5 = a lot).

            1   2   3   4   5

7. How much does the hotel use each of these marketing channels? Choose from scale 1-5 (1 = not at all… 5 = very much).

Social Media	1	2	3	4	5
Magazines	1	2	3	4	5
Flyers/ Posters	1	2	3	4	5
B & B marketing	1	2	3	4	5

Something else?_____
_____
_____

8. How important you see the social media as a marketing tool?

__Very important   __Quite important   __Somewhat important   __Irrelevant

9. After the restaurant and bar is franchised under its own name, what kind of changes you are expecting for the image/ competences and competitive advantages of the hotel itself?
_____
_____
_____

Appendix 4

Owner Interview

1. What is the image the hotel aims to achieve on the markets and what is its competitive strategy?

_____
_____
_____

2. How well do you think the wanted image is achieved?

__ Very Well   __Relatively well   __Partly   __Not at all

3. Which of the following factors you consider to be the main competences of the hotel? Choose from scale 1-5 (1= not at all… 5= very much).

Within the Hotel

Reception service	1	2	3	4	5
Atmosphere	1	2	3	4	5
Cleanliness	1	2	3	4	5
Rooms	1	2	3	4	5
Location	1	2	3	4	5
Price	1	2	3	4	5
Functions	1	2	3	4	5

Within the Restaurant & bar

Customer Service	1	2	3	4	5
Food	1	2	3	4	5
Location	1	2	3	4	5
Quality	1	2	3	4	5
Price	1	2	3	4	5
Atmosphere	1	2	3	4	5

Something else?

_____
_____
_____

4. Which of these factors in your opinion would require improvements in order to gain a better image and market place in the hotel industry? Choose from scale 1-5 (1 = not at all…5 = a lot).

In the Hotel

Reception service	1	2	3	4	5
Atmosphere	1	2	3	4	5
Cleanliness	1	2	3	4	5
Rooms	1	2	3	4	5
Location	1	2	3	4	5
Price	1	2	3	4	5
Functions	1	2	3	4	5

In the Restaurant & bar

Customer Service	1	2	3	4	5
Food	1	2	3	4	5
Location	1	2	3	4	5
Quality	1	2	3	4	5
Price	1	2	3	4	5
Atmosphere	1	2	3	4	5

Something else? _____

_____
_____
_____

The Future Development of the New County Hotel

5. How big of a budget does the company have to the marketing department and marketing in general for The New County Hotel?

_____
_____

6. Do you think it would be beneficial/ necessary for the hotel to have a separate marketing department?

__Extremely   __Quite   __Not that   __Not at all
beneficial   beneficial   beneficial   benefial

7. How sufficient the overall marketing of the hotel is in your opinion? Choose from scale 1-5 (1 = not at all…5 = a lot).

               1   2   3   4   5

8. How much does the hotel use each of these marketing channels? Choose from scale 1-5 (1 = not at all… 5 = very much).

Social Media	1	2	3	4	5
Magazines	1	2	3	4	5
Flyers/ Posters	1	2	3	4	5
B & B marketing	1	2	3	4	5

Something else?_____
_____
_____

9. How important you see the social media as a marketing tool?

__Very important   __Quite important   __Somewhat important   __Irrelevant

10. After the restaurant and bar is franchised under its own name, what kind of changes you are expecting for the image/ competences and competitive advantages of the hotel itself?

_____
_____
_____

Customer Questionnaire

1. How did you hear about the New County Hotel?

Facebook

Twitter

Stayed with us before

Booking site (Tripadvisor, booking.com, etc)

Magazine

Friend/acquaintance

Tourist Information

2. What kind of first impression you have from the hotel?

Neat and comfortable

Youthful and trendy

Cosy and relaxed

No clear image