

# **COMPETITION AND COMPETITIVE ACTIONS IN THE HOTEL INDUSTRY IN FINLAND**

**Jyväskylä University School of Business and Economics**

**Master's thesis  
2020**

**Silja Malmström  
International Business and Entrepreneurship  
Supervisor: Mirva Peltoniemi**



JYVÄSKYLÄN YLIOPISTO

## ABSTRACT

<b>Author</b> Silja Malmström	
<b>Title of thesis</b> Competition and Competitive Actions in the Hotel Industry in Finland	
<b>Discipline</b> International Business and Entrepreneurship	<b>Type of work</b> Master's thesis
<b>Time (month/year)</b> June 2020	<b>Number of pages</b> 110
<b>Abstract</b> <p>This study examines competition in the Finnish hotel industry. The aim is to reveal the competitive actions hotel companies in Finland focus on, and investigate how market entries of international hotel companies affect the competition in the industry. As such, this thesis builds on competitive dynamics research and competitive actions literature.</p> <p>The research approach used in this thesis follows the Gioia methodology, an inductive research method. The research is conducted using a mixed-methods approach; collecting both quantitative and qualitative data. The data is analysed and visualised in two data structures. This ensures rigor and transparency of the research process. The data collection occurs in two phases. In the first phase, quantitative data, consisting of public announcements about competitive actions, is used to allocate competitive action profiles to each of the six studied hotel companies. In the second phase, based on these profiles, interviews are conducted with hotel industry experts to provide insights into non-promoted competitive actions, as well as to gain an in-depth understanding of economic and competitive challenges and opportunities within the hotel industry.</p> <p>The found competitive actions used by hotel companies in Finland are 1) Improving product/service (Technological improvements/innovations); 2) Clustering, Networking and Locality; 3) Revenue management/pricing strategies; 4) Market expansion/market entry; 5) Branding /Brand Affiliation/Marketing/Awards; 6) Sales; 7) Business Model &amp; Strategy; 8) Customer Service, Service Quality, Customer Relationship Management; and 9) Employee Satisfaction, Employee Engagement. The qualitative data from the interviews show that hotel companies welcome new entrants to the industry. New entrants are foreseen to improve the industry since they could create new opportunities such as increased RevPAR.</p>	
<b>Keywords</b> Competitive Dynamics, Competitive Actions, Gioia Methodology, Hotel Industry	
<b>Location</b> Jyväskylä University School of Business and Economics	

## TIIVISTELMÄ

<b>Tekijä</b> Silja Malmström	
<b>Työn nimi</b> Competition and Competitive Actions in the Hotel Industry in Finland	
<b>Oppiaine</b> International Business and Entrepreneurship	<b>Työn laji</b> Pro gradu -tutkielma
<b>Aika</b> Kesäkuu 2020	<b>Sivumäärä</b> 110
<b>Tiivistelmä</b> <p>Tässä Pro gradu tutkielmassa tarkastellaan kilpailua Suomen hotellitoimialalla. Tavoitteena on paljastaa Suomessa toimivien hotelliyrittäjien käyttämät kilpailutoimet (competitive actions) ja tutkia kuinka kansainvälisten hotelliyrittäjien markkinoille tulo vaikuttaa alan kilpailuun. Tämä työ perustuu kilpailudynamiikan tutkimukseen ja kilpailutoimia koskevaan kirjallisuuteen.</p> <p>Tutkimuksessa käytetty tutkimuslähestymistapa noudattaa Gioia-metodologiaa, induktiivista tutkimusmenetelmää. Tutkimusstrategiana käytetään monimenetelmäisyyttä; eli tutkimuksessa käytetään sekä määrällistä että laadullista tietoa. Tiedot analysoidaan ja visualisoidaan kahden data struktuurin avulla. Tämä varmistaa tutkimusprosessin luotettavuuden ja läpinäkyvyyden. Tiedonkeruu tapahtuu kahdessa vaiheessa. Ensimmäisessä vaiheessa käytetään määrällistä dataa, joka koostuu julkisista tiedotteista kilpailutoimista. Tätä määrällistä dataa käytetään rakentamaan kilpailutoimintaprofiilit jokaiselle kuudelle tutkitulle hotelli yritykselle. Toisessa vaiheessa, näiden profiilien perusteella, haastatellaan hotelli toimialan asiantuntijoita tarjoamaan syvällisiä näkemyksiä ei-julkisesti tiedotetuista kilpailutoimista. Lisäksi haastatteluista pyritään saamaan perusteellinen käsitys hotellitoimialan taloudellisista ja kilpailullisista haasteista ja mahdollisuuksista.</p> <p>Hotelliyrittäjien havaitut kilpailutoimet Suomessa ovat 1) Tuotteen / palvelun parantaminen (teknologiset parannukset / innovaatiot); 2) Klusterit, verkostoituminen ja sijainti; 3) Revenue management / hinnoittelustrategiat; 4) Markkinoiden laajentaminen / markkinoille tulo; 5) Brändäys / tuotemerkkijärjestö / markkinointi / palkinnot; 6) Myynti; 7) Liiketoimintamalli ja strategia; 8) Asiakaspalvelu, palvelun laatu, asiakassuhteiden hallinta; ja 9) Työntekijöiden tyytyväisyys, työntekijöiden sitoutuminen. Haastattelujen laadulliset tiedot osoittavat, että hotelliyrittäjät toivottavat uudet kilpailijat tervetulleiksi toimialalle. Uudet kilpailijat parantavat toimialaa ja luovat uusia mahdollisuuksia, kuten korkeampia tuloksia RevPARissa.</p>	
<b>Asiasanat</b> Kilpailudynamiikka, Kilpailutoimet, Gioia Metodologia, Hotelli toimiala	
<b>Säilytyspaikka</b> Jyväskylän yliopiston kauppakorkeakoulu	

## ACKNOWLEDGEMENTS

The process of this thesis started in the Autumn 2017, after I heard *Marriott International's* announcement for opening their first hotel in Tampere, Finland. Having worked in the hotel industry for over eight years and maintaining a strong interest in the industry's competitive landscape, this announcement gave me the interest in researching the incumbents' views on new entrants, the competition scene in general, and how a globally known hotel brands entrance would affect the competition in the hotel market in Finland. During these past 2.5 years the topic expanded to include 6 hotel companies and 15 hotel industry experts. The writing process has been longer than expected as I have worked full-time simultaneously. I am very grateful for this journey, and I want to thank the industry experts for welcoming me to interview them.

My gratitude goes to Jacqueline Tiaga and Tobias Grabsch, who kindly devoted their time to function as outsiders, read this thesis, and identified vague or biased interpretations. Likewise, I want to recognize Eleos Zannou's editorial suggestions and encouragement. Big thanks go to my supervisor Mirva Peltoniemi who enabled me to work towards my goals and gain the most insights of this project. Also, I want to thank my family and friends, who keep on believing in me and supporting my journey both in studies and in my career. Your support means everything to me.

I stepped out from the hotel industry in August 2019 and changed my career to the IT industry. I, as many others, could never have expected a pandemic to impact the hotel industry as it did. In the beginning of 2020, something happened that many businesses could never have expected and which impacted industries and countries on a global scale. The Novel Coronavirus (COVID-19) was detected in Wuhan, China, on December 31, 2019, which started to spread around the world. By March 11, 2020, it had reached 114 countries with over 118000 confirmed cases and over 4000 dead (World Health Organization, 2020). The pandemic of COVID-19 hit the companies and industries globally and, by mid-March 2020, the impact was also seen in Finland. Governments, including Finland, took measures to reduce individual citizens' movement and gatherings by requiring restaurants to close, ordering public meetings to be limited to ten people, and recommending people to stay home (Valtioneuvoston viestintäosasto, 2020; Aluehallintavirastot, 2020). As countries went on lockdown, tourism withered, and events were cancelled; the demand for accommodation, food and beverage, and events and conference facilities disappeared. In Finland, the overnight stays decreased by 48 percent in March 2020 and the nights spent in hotels was only 0,7million which was 50 percent less than a year earlier (Suomen virallinen tilasto (SVT, 2020). This led to wide layoffs and furloughs within the tourism industry. For example, *Marriott International* announced "tens of thousands of hotel workers will be furloughed, and will lay off a number of those workers" (Voytko, 2020). In Finland, hotel and restaurant workers were widely impacted by layoffs as well.

*Sokotel Oy* (which operates many *Sokos Hotels* and *Radisson Hotels* in Finland) introduced layoff negotiations impacting their 1048 employees and *Scandic Hotels Oy* had co-operation negotiations affecting 2000 employees, including staff, management and executives (Sokos Hotels, 2020; Scandic 2020). As the current focus is on crisis management, the magnitude of the impact this pandemic will have in the industry is yet to be seen. One day the lockdowns will be lifted, and governments' orders and restrictions will be removed. The world will probably not return to what it used to be like, but I believe that there is always the need for experiences. Thus, I want to acknowledge the important work that the individuals do in hotels, restaurants, bars, meetings & conferences, and in the other tourism related functions. Their work enable millions of us to enjoy services whether they are accommodation, food & beverage, or events. Thank you for enabling people to enjoy and experience!

June 2020,  
Silja Malmström

## CONTENTS

ABSTRACT	
TIIVISTELMÄ	
ACKNOWLEDGEMENTS .....	1
LIST OF FIGURES .....	5
LIST OF TABLES .....	6
DEFINITIONS .....	7
1 INTRODUCTION .....	8
2 THEORETICAL BACKGROUND .....	10
2.1 Competitive Dynamics.....	10
2.2 Types of Competitive Actions.....	13
2.2.1 New Product, New Service, and Product Improvements .....	13
2.2.2 Corporate Social Responsibility .....	14
2.2.3 Branding.....	14
2.2.4 Cooperation and Collaboration .....	15
2.2.5 Pricing and Revenue Management .....	16
2.2.6 Service Quality .....	17
2.2.7 Barriers of Entry .....	17
2.2.8 Market Entry and Market Expansion .....	18
2.2.9 Foreign Market Entry .....	19
2.3 Conclusions from the Theoretical Background .....	22
3 EMPIRICAL CONTEXT: HOTEL INDUSTRY .....	23
4 DATA AND RESEARCH METHOD.....	27
4.1 Inductive Research.....	27
4.2 Grounded Theory - Gioia Methodology as an Inductive Research Approach.....	28
4.3 Two-Phased Mixed Methods Approach (applying Gioia Methodology) .....	30
4.3.1 Quantitative Data - Public Information and Competitive Action Profiles .....	32
4.3.2 Qualitative Data - Interviews .....	32
5 RESEARCH FINDINGS .....	34
5.1 First Phase: Competitive Actions Based on Public Sources.....	34
5.2 First Phase: Hotel Companies' Competitive Action Profiles.....	35
5.3 Second Phase: Interviews - Competitive Actions.....	42
5.4 Second Phase: Interviews - Competitiveness.....	56
5.5 Second Phase: Interviews - Threats, Risks, and Opportunities.....	61
6 DISCUSSION AND LIMITATIONS.....	64
6.1 Competitive Strategies Employed by Hotel Companies .....	65

6.2	Hotel Companies Reactions on New Market Entries .....	67
6.3	Managerial Implications .....	69
6.4	Limitations and Recommendations for Further Research.....	70
7	CONCLUSION .....	73
	REFERENCES.....	75
	APPENDIX 1: INTERVIEWEES .....	84
	APPENDIX 2: DATA STRUCTURE BASED ON SECONDARY DATA.....	85
	APPENDIX 3: DATA STRUCTURE BASED ON PRIMARY DATA.....	87
	APPENDIX 4: INTERVIEW QUESTIONS .....	90
	APPENDIX 5: QUANTITATIVE DATA FOR COMPETITIVE ACTION PROFILES .....	95

## LIST OF FIGURES

FIGURE 1 - <i>Choice of Entry Modes (adapted from Pan &amp; Tse, 2000, p. 538; Pla-Barber et al. 2014)</i> .....	20
FIGURE 2 - <i>Competitive Dynamics concept illustration (own illustration based on Chen, 2009)</i> .....	22
FIGURE 3 - <i>Gioia Methodology – Data Structure Illustration (based on Gioia et al. 2013)</i> .....	30
FIGURE 4 - <i>Competitive Actions categorized in Aggregated Dimensions of all seven researched hotel industries combined. Three of the seven actions dominate the competitive landscape, occupying about three quarters of all competitive actions: Product improvement (35%), Marketing (25%) and Market expansion (18%).</i> .....	36
FIGURE 5 - <i>Hotel Company 1 – Competitive Action Profile 1</i> .....	37
FIGURE 6 - <i>Hotel Company 1 – Competitive Action Profile 2</i> .....	38
FIGURE 7 - <i>Hotel Company 2 – Competitive Action Profile</i> .....	39
FIGURE 8 - <i>Hotel Company 3 – Competitive Action Profile</i> .....	39
FIGURE 9 - <i>Hotel Company 4 – Competitive Action Profile</i> .....	40
FIGURE 10 - <i>Hotel Company 5 – Competitive Action Profile</i> .....	41
FIGURE 11 - <i>Hotel Company 6 – Competitive Action Profile</i> .....	41



## LIST OF TABLES

TABLE 1 - <i>Hotels average annual capacity and capacity utilization by year in Finland (Official Statistics of Finland, 2019)</i> .....	24
TABLE 2 - <i>Aggregated Dimensions, derived from public publications about the hotels in this study and developed according to the Gioia Methodology</i> .....	35
TABLE 3 - <i>Aggregated Dimensions Comparison – Developed according to the Gioia Methodology approach</i> .....	43

## DEFINITIONS

### **Occupancy Rate**

A percentage ratio used in the hotel industry to measure the used rooms in comparison to the total amount of available rooms.

### **RevPAR (Revenue Per Available Room)**

A performance metric employed in the hotel industry. It is calculated by dividing the hotel's total room revenue by the total amount of available rooms.

### **Strata Title**

A form of property ownership. "Several individuals own parts or units of the hotel property as well as jointly owning the common areas of the hotel" (Kruesi & Zámorský, 2016, p. 319).

# 1 INTRODUCTION

In February 2018, the biggest Finnish newspaper *Helsingin Sanomat* published an article about the occurring hotel boom in Finland, with over 10 new hotel projects in the pipeline (Raeste, 2017). According to the Finnish newspaper *Talouselämä* (2017), the hotel industry in Finland was booming all around, as evidenced by the over 1200 rooms that were in planning to be built by 2020 in Helsinki, Turku, and Tampere. Furthermore, the industry was under big changes and movement: *Nordic Choice Hotels* entered the Finnish hotel industry in 2016, *Scandic Hotels* acquired the *Restel* company in 2017, and *Nordic Choice Hotels* acquired *Kämp Collection Hotels* in August 2019 (Tamminen, 2019; Nieminen, 2017). In other words, through increased accommodation demand, international hotel companies' market entry to Finland clearly became more attractive, which is exactly what happened: In November 2017, *Marriott International*, the world's largest hotel company, held a press conference at *Tampere Hall* to announce that it was opening its first hotel in Tampere, Finland (Stremia Oy, 2017).

Companies must notice the opportunities and threats that lie before them. Successful companies take advantage of such opportunities, and pursue competitiveness by improving, integrating, protecting, and reconfiguring the company's intangible and tangible assets when needed (Teece, 2007). For many companies, the main objectives and aims are about becoming an industry leader, sustaining the industry leadership, or decreasing the market share gap towards the current leader (Ferrier, Smith, & Grimm, 1999). For a company to be prosperous, it must observe its competitors and proactively create strategic responses to their plausible actions (Enz, Canina, & Liu, 2008). Companies that are attentive to competition and use competitive actions outperform companies that are passive in the competitive landscape (Andrevski, Brass, & Ferrier, 2016). There are many elements that affect industries as companies pursue of growth, but not all factors can be forecasted or prepared for.

One way for companies to pursue growth, is to expand their business and enter new markets. Market entries and entry modes are widely studied among international business scholars, as well as service industries. In particular, the hotel industry has gained increasing interest within the market entry strategy studies (Kruesi & Záborský, 2016; Pla-Barber, Villar, & León-Darder, 2014; Quer, Claver, & Andreu, 2007; Arturs, & Wilbur, 2004). Those studies focus on the decision-making and strategies behind ventures entering a foreign market and how the entry of one hotel company attracts other hotel companies to the market. But how the incumbents act in the emergence of a foreign company, especially in the field of hotels, is barely studied.

This thesis concentrates on understanding the existing hotel companies' behaviour and strategizing in the competitive landscape of the hotel industry. Investigation is on the behaviour of existing hotel companies when new competitors enter the market by examining the competitive dynamics of hotels in Finland. Competitive dynamics refers to the interactions between competitors based

on competitive actions and reactions used to strengthen a company's position within an industry (Chen & Miller, 2012, p.4). For this, the related strategies employed by established hotel companies are analysed to understand their respective view of the competitive landscape. This study concentrates on hotel companies in Finland due to interesting developments in the domestic hotel market. The main objective of this thesis is to find out how the hotel companies in Finland use competitive actions and how the market entry of international hotel chains affects the competition in the industry. This study aims to find out how the existing hotel companies view the competitive landscape and which competitive actions they recognize to be important for their company. Furthermore, the aim is to uncover how new entrants are perceived and what benefits and disadvantages they create in the market, from the incumbents' perspective. To reach the objectives, research questions were used to guide the research process:

1. What competitive strategies do successful hotel companies in Finland employ and why?
2. How do hotel companies react to new market entries?

The research approach used in this thesis follows the Gioia methodology and the research is conducted using a mixed-methods approach. The quantitative and qualitative data is collected in two phases. In the first phase, quantitative data is used to create competitive action profiles to the studied hotel chains. In the second phase, based on the profiles, in-depth interviews are conducted with hotel industry experts. The justification for the chosen methods is to gain a broad and in-depth understanding of the Finnish hotel industry's competitive dynamics. This thesis is divided into seven chapters. The introduction is followed by the theoretical background which explores the previous academic research made on competitive dynamics, and competitive actions. The third chapter introduces the reader to the hotel industry, which is the empirical context of this research. The empirical context is necessary for the first phases of the data research collection in chapter 4. After this, the processing of the material, the data, and research method are explained. Crucial to this thesis is the use of the Gioia methodology and this is also defined and explained in chapter 4. In the fifth chapter the results of the data collections are presented. The results are discussed in the sixth chapter with the recommendations for managers. Also, the limitations and recommendations for future studies are covered. Finally, in chapter 7, the conclusions are presented.

## 2 THEORETICAL BACKGROUND

As this thesis explores how hotels in Finland use competitive actions to stay competitive, and how foreign market entry of a competitor affects the industry, it becomes necessary to understand competitive dynamics. This theoretical background concentrates on competitive dynamics describing the main research findings in the field. Furthermore, competitive actions are examined to have a general foundation for the study.

In accordance with the Gioia Methodology, which is introduced in chapter 4.1, the data was collected before delving into the literature too extensively. The literature of competitive actions was studied vaguely before the start of data collection to understand the main theoretical concepts and to detect the suitable data points. First, the current scientific articles were examined to understand what the current state of competition and competitive actions research is. After understanding competition research discipline and the related theories, the focus was shifted to concepts that emerged from the empirical data to match what was being researched and what this research could bring to the field of competition research.

First, the findings of highly cited competitive dynamics and competitive actions studies are examined in Section 2.1. Sections 2.2. to 2.2.6 explain the different types of competitive actions that companies use. Because market entry, essentially growth, is a critical component of business success, Sections 2.2.7 to 2.2.8 address the barriers of entry, types of market entry and methods for expansion. Section 2.2.9 discusses foreign market entry strategies. Since this thesis is primarily concerned with foreign hotels entering the hotel market in Finland, these strategies are of special interest. Lastly, Section 2.3 brings together the chapter by briefly summarizing competitive dynamics and connecting it to the competitive actions studied in this thesis.

### 2.1 Competitive Dynamics

Companies make moves, i.e. actions, and those are countered by rival companies' reactions, and this is the fundamentality of competitive dynamics (Smith, Ferrier & Ndofofor, 2001; Chen, 2009). "*Competitive dynamics is the study of interfirm rivalry based on specific competitive actions and reactions, their strategic and organizational contexts, and their drivers and consequences*" (Chen & Miller, 2012, p.4). The foundation for competitive dynamics research lies in companies wanting to improve their position against the competition (Ferrier et al. 1999) by taking certain actions while competitors respond to those actions with countermeasures. The competitive actions a company makes can lead to performance changes, such as increases or decreases in market share or profits (Williams, 2007). As the name suggests, competition is not a static phenomenon. Competition is dynamic in nature and

interactive, where actions and reactions unfold, reflecting the concrete strategy implementation (Hutzschenreuter & Israel, 2010; Chen & Miller, 2012).

Competitive dynamics, which is constructed of competitive actions and reactions, has been researched vastly in different industries since 1990s and is generally grounded in the Schumpeters' theory of creative destruction (Chen & Miller, 2012; Smith, Ferrier & Ndofor, 2001). In the 1990s, when strategic research gained more recognition in management literature, competitive dynamics also emerged as one of the central lines of strategic leadership research (Chen & Miller 2012). Ferrier et al. (1999) studied the role of competitive actions and market share and found that a company's market share was linked to their aggressiveness in the competitive landscape. Specifically, a market leading company could hold its position if they were "1) taking more new actions, (2) carrying out a broader range of actions, and (3) undertaking actions more quickly than challengers" (Ferrier et al., 1999; p. 385). Furthermore, competitors with less market share had the potential to become industry leaders if they were taking the same steps. Initially, this line of research focused on the impact of specific actions, the relationship between the reactions and the correlation between these interactions to corporate success (Smith et al., 2001). However, it soon became apparent that this level of scrutiny was not sufficient, and that more detailed information was needed on the various types of competition measures that could be taken by companies as well as why specific measures were taken (Smith et al., 2001; Chen & Miller, 2012). For decades now, it has been essential in strategic management research to comprehend how companies use competitive strategies to succeed (Livengood & Reger, 2010). Individual action/reaction studies are expanding upon this to observe competitive repertoires and how interconnected the actions are (Chen & Miller, 2012).

The research on competitive dynamics clearly points out the essential phenomenon of competitive interdependency; which is to show that the "*success of a firm's action(s) is dependent upon the competitive context where it takes place, and its attempt to predict both the causes and performance and competitive consequences of action*" (Smith et al. 2001, p. 59). Competition can be relative and situational depending on the context, since the relationship between two firms can be competitive or collaborative, as the companies are interdependent (Chen & Miller, 2012). One aspect of the academic literature on competitive dynamics is the awareness-motivation-capabilities (AMC) perspective. Researchers have observed that above all, three circumstances – awareness level, the motivation level, and amount of capabilities – are key drivers in competition. Thus, AMC most significantly affects the competitors' actions and reactions (Livengood & Reger, 2010).

One essential source of competition in an industry is the entry of a new company. The new venture is often seen as a threat, but new entrants can generate agglomeration economies, increase demand, and decrease production costs, as well as allow incumbent firms to price their offerings higher (McCann & Vroom, 2010). Nevertheless, the incumbent firms and new ventures use competitive actions and reactions to keep their businesses running whether they see the entry as a threat or an opportunity.

There are several factors that influence the choice and implementation of a particular action. When decision makers strategize and plan the future, they should consider what type of actions the plan requires and what timing would be the best (Hutzschenreuter & Israel, 2010; Chen & Miller, 2012). There are several competitive actions that a company can perform (Chen & Miller, 2012), and these competitive actions can be divided into 'strategic' actions and 'tactical' actions (Smith, Grimm, Gannon, & Chen, 1991). The distinction can be made based on how many specific resources the competitive action requires and what the time frame for it is; for example, market expansion is a strategic action and pricing change is a tactical action (Boyd & Bresser 2008; Smith et al. 1991). As Boyd and Bresser (2008) explained; strategic actions, such as mergers or introductions of new products, categorically need more distinct resources and time for implementation, while tactical actions, such as advertising campaigns and pricing actions, need less resources and time. Thus, for competitors it is easier and faster to make counter moves (reactions) to tactical actions, than to strategic actions. (Boyd & Bresser 2008)

Researchers of competitive dynamics have found that the timing of certain competitive actions, such as technological change, product entry, and competitor moves have important implications for performance (Hutzschenreuter & Israel, 2010). It is widely acknowledged among competitive dynamics scholars that a first mover advantage exists, but it is important to note as Boyd and Bresser (2008) found in their competitive dynamics research, that rapidity is not advantageous in reactions. It is recommended that managers try an intermediately-timed response, both with tactical and strategical actions, which offers the opportunity to learn as well as higher returns on investment, especially in industries where other companies commonly have timing delays with their competitive responses (Boyd & Bresser, 2008; Luoma, Ruutu, King & Tikkanen, 2017). Additionally, there are many ways companies can prevent new ventures from entering the market, called 'barriers of entry'.

As addressed by Hutzschenreuter and Israel (2010), the longitudinal objectives of competitive strategy imply a degree of instability and lack of continuity. The constantly changing environment and organizations impose managers to be adaptive. The hotel industry, being closely linked to tourism industry, is subject to perpetual changes. Yang, Ye, and Yan (2011) studied the factors affecting international tourism in the Sichuan Province. Their research shows how the increase in three conditions - the number of international tourists, the per capita GDP, and the number of scenic spots - increases the international tourism income. Thus, it is important that the quality of the destination, whether viewed as a city or as a region, is in a state that attracts foreign tourists. Nasir, Wu, and Guerrero (2015) studied the economic factors affecting tourism in Andalucía and used several other countries as a reference point. They found that likewise the quality of a destination, also the price competitiveness increases the number of visitors. The research of Nasir et al. (2015) also highlighted how the fluctuations in the economy affect tourism greatly. Tourism creates jobs not only in the hotels, restaurants, and airlines, but also in other fields, which further leads to economic

growth. Thus, when the economy collapses, it depresses the businesses in tourism as well. However, during the economic crises in 2007-2009, when the prices were lower, the tourist inflow increased which boosted the employment and supported the recovery of the economy (Nasir et al. 2015).

## **2.2 Types of Competitive Actions**

The following chapters showcase different strategies companies can use as competitive actions and reactions to improve their position in the market. These include 1) offering new products, services, or improvement, 2) increasing corporate social responsibility (CSR) activities, 3) branding, 4) cooperation with others, 5) pricing and revenue management, 6) service quality, 7) creating barriers to prevent others from entering the marketing, 8) entering new markets and expanding reach in existing markets, and 9) entering foreign markets.

### **2.2.1 New Product, New Service, and Product Improvements**

Introducing a new product and/or a new service is a type of competitive action (Joshi, Chi, Datta, & Han, 2010) and the timing of the product introduction has been found to have a connection to the company's performance (Hutzschenreuter & Israel, 2010). New product introduction was studied by Krider and Weinberg (1998) and they found that timing, especially in the motion picture industry, is essential when bringing new products into the market. They found that the timing of a new product release can be the determinant between being a pioneer and missing an opportunity by delay. Also, cannibalizing one's own products with a new one can create discussions on when to introduce the new product. The timing of product introduction in industries that are affected by seasonality is especially important. (Krider & Weinberg, 1998) In retail, new products are introduced frequently, and often the new products fail and exit the market (Hitsch, 2006). In this context, the introduction of new products concerns tangible products, but in the hotel industry the products are mostly intangible services. Still, hotel companies can also open new hotels and renovate existing hotels, thus offering new products, new services and improved products. Like new services, new products can provide businesses with an edge over competitors. Sandvik, Arnett, and Sandvik (2011) studied Norwegian hotels, their new product development (NPD) proficiencies, and their business performance. According to their study; "Hotels that had higher levels of NPD proficiency were able to develop products that had advantages over rivals. That is, NPD proficiency has a direct effect on product advantage" (Sandvik et al. 2011, p. 648). Thus, hotel companies, that aim to grow and be competitive, should develop product/service offerings that customers view as valuable and beneficial.



### 2.2.2 Corporate Social Responsibility

Corporate social responsibility (CSR), a method for companies to improve the social, economic, and environmental issues of a society, can also be used as a competitive action (Palacios-Florencio, García del Junco, Castellanos-Verdugo, & Rosa-Díaz, 2018;). Building a prestigious company with a positive image in the eyes of customers and other stakeholders is important for companies who aim to grow, and CSR can be used to build that (Arendt, & Brettel, 2010). Liu, Wong, Shi, Chu, and Brock (2014) found that CSR practices in the Chinese hotel industry positively affect customers' brand preferences. Furthermore, hotel companies that offer information and evidence of their CSR practices to consumers improve the perceived service quality and customer loyalty (Liu et al. 2014). CSR practises cover many aspects of a hotel's operations: energy consumption, water consumption, sorting of waste, responsible supply chain management, training of CSR practices, effect on local communities, and responsible human resource practices. Benchmarking, which is comparing the kind of CSR practices other hotels have, can help leverage resources that improve competitiveness. (Sainaghi, Phillips & Zavarrone 2017). Serra-Cantallops, Peña-Miranda, Ramón-Cardona, and Martorell-Cunill (2018) made an extensive study about the CSR research in the hotel industry and found several positive implications that a hotel's CSR practices create. It positively impacts employee retention, organizational commitment among employees, work engagement, job satisfaction, corporate financial performance, attractiveness of the firm as an employer, and the benefits of the customers (Serra-Cantallops et al. 2018). However, it must be noted that the link between CSR and a hotel company's financial performance is still unsettled (Serra-Cantallops et al. 2018). Nevertheless, Singal (2014) also found that investing in diversity, i.e. having a diverse staff, positively affects financial performance.

### 2.2.3 Branding

A brand is a trademark (or trade name) but in a more practical sense, a brand is an intangible image of a company in the consumer's mind. This makes branding a marketing tool, one that is used heavily in the hotel industry. Many different branding strategies play a role in hotel marketing, including brand extension and cobranding.

Branded hotel companies, otherwise known as brand-affiliated hotels, such as hotel chains, are hotels bound together by a common identity. It is common that branded hotel companies enter multiple markets as they seek growth (Dev, Thomas, Buschman & Anderson, 2010). Brand-affiliated hotels are more inclined to have development capital and better resources to create demand than unaffiliated hotels, which are independent hotels (Slattery, 2009). Hence, they have better operating margins which consequently leads to higher performance (Slattery, 2009). Indeed, branded hotel companies have increasingly taken over the market from the unaffiliated hotel companies (Slattery, 2009). Carvell, Canina, and Sturman (2016) conducted extensive matched-pair re-search to compare the

brand-affiliated hotels and unaffiliated properties. They found that brand-affiliated hotels have clear occupancy rate (see definition on page 6) advantages in all market sizes and segments due to “distribution channel management systems, loyalty programs, and corporate and group business sales pro-grams” (p.199). However, when comparing primary markets and non-primary markets, the advantages of brand-affiliated hotels are more evident in non-primary markets than in the primary markets due to the latter being more agglomerated (Carvell et al., 2016).

Another branding strategy commonly employed by hotels is co-branding, which is the practice of hotels co-creating their brands with their customers. Jaakkola & Alexander (2014) found that if the consumers feel empowered, they are more inclined to devote their time towards supporting the brand, which benefits the company. Thus, it is critical for companies to look beyond their customers’ wants and needs. Companies must discover which values their customers seek from the company, and use those values to empower the consumers, thus make them loyal to the brand (Jaakkola & Alexander, 2014).

#### **2.2.4 Cooperation and Collaboration**

Cooperation is the collaboration, or clustering, between companies in related industries used to improve the economic positions of the participants. Like competition, cooperation has a vital role in competitive strategy (Chen & Miller, 2012). Moreover, Hutzschenreuter and Israel (2010) reviewed competitive dynamics research published between 1986 to 2005 and found that cooperation was a significant component. Cooperation is commonly employed when the competitive environment is aggressive. For example, alliances have been shown to decrease the intensity of competition, thus companies are more inclined to initiate cooperation as competition increases. Additionally, it has been shown that the network a company has access to affects cooperation strategy, especially for small companies (Hutzschenreuter & Israel, 2010). According to Rodríguez-Victoria, Puig, and González-Loureiro (2017), clustering with other firms within a destination is connected to a hotel’s competitiveness. To increase competitiveness, a hotel can form networks and relationships with other companies within the tourism industry, as well as other industries. Thus, cooperating while competing improves competitiveness (Rodríguez-Victoria et al., 2017). Furthermore, physically clustering near other hotels impacts the hotel company’s pricing. Enz, Canina, and Liu, (2008) found that mid-scale hotels benefit in pricing when those are located near high-scale and luxury hotels. Whereas high-scale hotels have disadvantages if most hotels around them are low-cost hotels. Additionally, it has been shown that clusters of hotels within one location enjoy elevated demand, since consumers are able to compare a wider range of offerings (Enz et al. 2008).

Another theorised aspect in strategic management research is coopetition, which is defined as competition and cooperation occurring simultaneously among firms (Gnyawali & Charleton, 2018; Chen & Miller, 2012; Kylänen & Rusko, 2011; Ketchen, Snow, & Hoover, 2004). According to Kylänen and Rusko

(2011), coopetition is common in the tourism industry, especially when discussing actors in a certain destination. In other words, in this thesis; hotels can cooperate with several other hotels, tourism organizations, and tourism operators to enhance the attractiveness of a destination; while simultaneously competing with the same hotel companies to gain the biggest market share.

### 2.2.5 Pricing and Revenue Management

Studies have been conducted on companies adjusting their pricing for competitive reasons which refer to the actions that companies use as a part of their competitive strategy (Chen & Miller 2012; Ferrier et al. 1999). Revenue management, also known as monitoring pricing and cost control, is a method used widely by hotels and airlines to price their perishable product (e.g. a hotel room) according to predicted consumer behaviour, and thus maximize revenue (Cross, 1997; El Haddad, 2015). The objective of revenue management is to decrease costs and improve inventory management. Important categories in revenue management that guide pricing include segmented demand, distribution channels, the market, special events, and number of days in question (El Haddad, 2015). According to Cross (1997, p.35), there are nine steps that can be taken to implement a profitable revenue management system: “(1) *Evaluate your market needs*; (2) *Evaluate your organization and process*; (3) *Quantify the benefits*; (4) *Enlist technology*; (5) *Implement forecasting*; (6) *Apply optimization*; (7) *Create teams*; (8) *Execute, execute, execute*; and (9) *Evaluate success*.”

The components of revenue management are pricing and product distribution (Vinod, 2004, p.178). Pricing is based on customer segmentation, referring to the clients the hotel company aims to attract. This segmentation is then broken down to see what the customers’ “*needs, business constraints, customer characteristics and willingness to pay*” are (Vinod, 2004, p.178). The pricing of rooms and services also includes other variables. According to Abrate’s and Viglia’s (2016) study, hotels use dynamic pricing, which includes three variables – tangible, reputational, and contextual – which move between the strategic and tactical dimensions of competitive actions. Differing customer groups act differently when the prices change. For example, tourists travelling for leisure are more prone to choose their hotel according to price whereas business customers are not. In other words, if prices fluctuate the demand from leisure-based customers is more likely to fluctuate as well. Thus, it is wise for hotel companies to offer their rooms at several rates. Revenue management allows hoteliers to optimize their prices to improve profitability, by choosing the right mix of customers (Vinod, 2004). It is challenging to differentiate whether the pricing of company A is a competitive action or a reaction for a company B’s pricing, especially in price cuts among companies who are so called cost leaders. However, quality leaders are more likely to follow their own pricing strategy and often do not respond to price cuts of rivals. (Chen & Miller, 2012)

Another important part of revenue management is product distribution, which are the platforms where hotel rooms are sold. Hotels sell their hotel rooms themselves, but a major part is sold by outside distributors. In current times,

online travel agencies (OTAs) are viewed as a necessary product distribution channel for hotels. However, from the hotels' perspective, OTAs have both advantages and disadvantages. OTAs create more visibility for hotels as the hotels are listed in the OTA channels, but they also take a part of the sales through commissions or by forcing the hotels to allot certain amount of rooms for them, meaning the hotel companies have less rooms to sell via their own channels, thus obliging hotels to share their revenue. (Liao, Ye, & Wu, 2017)

### **2.2.6 Service Quality**

Service quality is essential for hotels that aim to stay competitive in business. It assists in increasing brand loyalty among customers, creating repeated customer visits, spreading good word-of-mouth, growing a willingness to pay price premiums, decreasing the likelihood of hotel failure, and improving customer satisfaction (Hemsley-Brown & Alnawas, 2016). As a service industry, the hotel industry is labour intensive (Assaf et al. 2016), and the quality of service leans on labour (Lado-Sestayo, Vivel-Búa, & Otero-González, 2017). When measuring service quality and customer satisfaction, employee courtesy and interaction with staff are often the most important service attributes according to customers (Min & Min, 1996). Currently, it is not enough to have outstanding service because every hotel seeks to offer that. Hotel companies must innovate new product and service concepts to keep customers interested. According to Sandvik, Duhan, and Sandvik (2014), innovativeness and profitability are positively correlated. According to their research, hierarchies discourage innovativeness, whereas ad hoc-racies, which are organizations characterized by a lack of structure, encourage innovativeness (Sandvik et al. 2014). Thus, organizations with a flexible structure are best positioned to foster innovation in service, which will make them more successful compared to competition.

Another way to improve service quality is through differentiation. Differentiation is a competitive strategy in many industries, including hotels. New ventures are nevertheless agile enough to imitate the differentiated components of incumbents in the hotel industry, as argued by Enz, Peiró-Signes, and Segarra-Oña (2014). Thus, the differentiating elements of a hotel company should be planned in a way that makes it hard for competitors to imitate them.

In sum, hotel managers ought to stress the importance of employees, encourage a culture of ad hoc-racy and look for innovative new concepts if they wish to keep the quality of service high and their company profitable (Sandvik et al. 2014).

### **2.2.7 Barriers of Entry**

As observed above, new ventures can easily imitate incumbents' differentiation. Thus, incumbents should create more innovative ways to create barriers of entry. There are several sustainable differentiation components that incumbents can apply to create barriers, e.g. channel management, management communication,

local stakeholder relationships, and green and sustainable attitudes (Enz et al. 2014).

One way incumbents can create barriers of entry is to increase their capacity; in the case of hotels, this means increasing the amount of rooms (Conlin & Kadiyali, 2006). Before entering the market, new ventures are recommended to establish and work on demand before entry (Enz et al. 2014). Hence, a new company should make sure that there will be demand for their supply. Bulow, Geanakoplos, and Klemperer (1985) studied idle capacity and found that in some instances companies might keep idle capacity to deter market entry. They also mentioned both the theoretical and empirical challenges in testing the concept. Idle capacity indicates the capacity that a company cannot use or benefit of and in hotel industry's context it would be e.g. idle room capacity. According to Conlin and Kadiyali (2006), increasing capacity even to a level of idle capacity is more effective in concentrated markets and for companies with considerable market share. Consequently, incumbents' capacity increases are better positioned to meet the demand and hence deter new ventures' market entries (Conlin & Kadiyali, 2006).

Another stakeholder that might create barriers of entry is an institution of authority. Such institutions can limit the growth of the lodging industry by regulating policies. Country regulations are a typical barrier of entry for new ventures (Lado-Sestayo et al. 2017).

## **2.2.8 Market Entry and Market Expansion**

In any industry, companies who intend to stay prosperous need to pursue growth and change, and, as Ansoff (1957) wrote, if a company wants to advance its position, it should pursue growth and change with double the effort. One way to achieve this is to expand and enter new markets. One factor that influences a company's plan to enter a new market is the increase in demand. Additionally, the presence of only few competitors, compared to a saturated market, is an attracting attribute of a target market. However, markets with many competitors are avoided. (Kocak & Ozcan, 2013)

According to Zachary, Gianiodis, Payne, and Markman (2015), the timing of an entry does influence the success of the company, but how and under which circumstances is still uncertain. In other words, being first in a market does not always create a competitive advantage. Other factors that influence the success of an entry, potentially more than timing, are incumbents, buyers, partners, other stakeholders, the place of the entry, the actual product/service, resources, the strategy, and the capabilities of the company (Zachary et al. 2015).

When a company enters new markets, there are several risks that must be regarded. The ownership and management structures bring their own risks, but beyond those the hotel company will face the universal risks that all new ventures face no matter of the industry, the "liability of newness" being one (Enz et al. 2014). In the hotel industry, new ventures can benefit from their newness, especially if they enter the market under a brand umbrella which provides the knowhow and other beneficial resources (Enz et al. 2014). Enz et al. (2014) found

that in contrast to other industries, there is very little evidence that new ventures in the hotel industry would be as risky or face the “liability of newness” as might companies in other industries. They observed that new ventures in the hotel markets can start their business with price premiums and generate increasing demand quickly. In foreign market entries, hotel companies need to acknowledge another risk which is the “liability of foreignness” (LOF) (Zhou & Guillen, 2016). Liability of foreignness can introduce additional costs that the company would not have when expanding domestically. This is further explored in the next chapter.

### **2.2.9 Foreign Market Entry**

There are several strategic decisions that must be contemplated when planning the entry to foreign markets; for example, what kind of ownership structure is best suitable and how the management should be organized. According to Dev et al. (2007), ownership and management are often separate entities within the hotel industry. When entering a new foreign market, a hotel company should establish who owns the hotel facilities, after which the decision of who manages the operations is made (Dev et al. 2007). It could be managed by the hotel chain, a separate management company, or managed locally (Dev et al. 2007). In other words, control is a major influencer in foreign market entry mode decision-making. Furthermore, intangible resources, such as brand value and knowledge that the company possesses, also affect the foreign market entry mode decision-making (Pla-Barber et al. 2014). Companies also need to consider the liability of foreignness (LOF) when expanding to foreign markets (Zhou & Guillen, 2016). These additional costs relate to the company’s unfamiliarity in the host market’s environment as well as to the discriminatory position that the foreign customers, suppliers and government organizations might have (Chen, Griffith & Hu, 2006).

Market entry modes can be divided into three different groups (see Figure 1): export, contractual agreement, and foreign direct investment (FDI) (Kruesi & Záborský, 2016; Quer et al. 2007). Contractual agreements include management contracts and franchising, whereas FDIs include acquisitions and joint ventures (Pla-Barber et al. 2014). Moreover, these groups belong to either non-equity/low resource-augmenting entry modes (exports and contractual agreements) or equity/high resource-augmenting entry modes (i.e. FDIs) categories (Kruesi & Záborský, 2016; Pan & Tse, 2000; Pla-Barber et al. 2014). Due to the hotel industry’s service-intensive nature, exports from the non-equity entry mode category are excluded. Instead, this section concentrates on contractual agreements and FDIs.

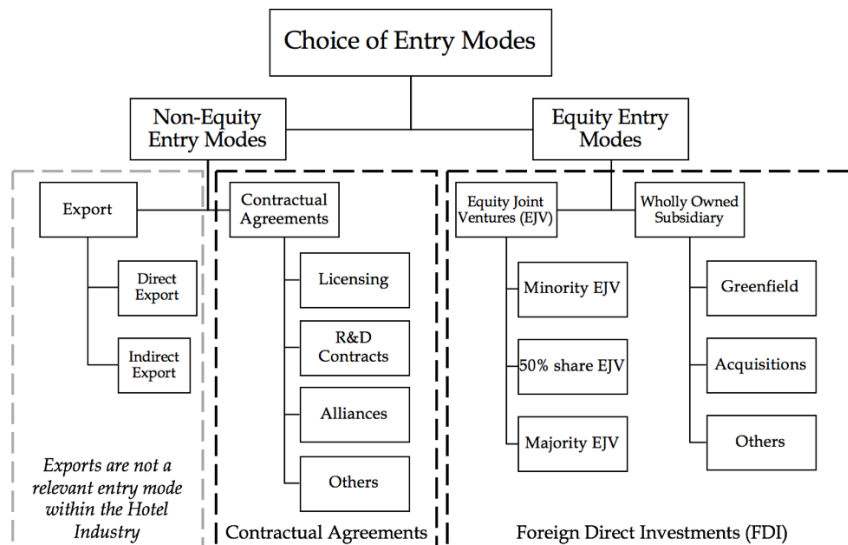


FIGURE 1 - Choice of Entry Modes (adapted from Pan & Tse, 2000, p. 538; Pla-Barber et al. 2014)

Many studies have examined whether non-equity or equity modes are more common within manufacturing and soft-service industries (Erramilli, Agarwal, and Dev 2002). Blomstermo, Deo Sharma, and Sallis (2006) found that in soft-service industries, to which hotels belong, companies tend to choose high control entry modes, especially when the cultural distance increases. High control entry modes incorporate joint ventures and wholly owned subsidiaries (Blomstermo et al. 2006). Opposing Blomstermo et al. (2006), several researchers have found that within the hotel industry the non-equity entry modes, meaning managerial agreements and franchising, are used to an increasing extent compared to equity entry modes (Endo, 2006; Kruesi & Zámorský, 2016). To clarify, based on Blomstermo et al.'s (2006) definitions, high control entry mode is a counterpart for equity entry mode. In 1998, Contractor and Kundu found that globally 65,4 percent of hotels had used the non-equity entry modes when entering foreign markets. They also saw that, globally, entry mode decisions tended to vary depending on the geographical area, e.g. non-equity entry modes were more common in North America, whereas equity entry modes were more common in Asia (Contractor & Kundu, 1998). In Endo's article (2006), it was found that the biggest hotel groups, such as InterContinental Hotels Group, Marriott International, Accor, Hilton Hotels Corp, and Best Western International, all used non-equity entry modes. However, there are opposing views on whether the foreign market entry modes used by soft service industry companies are used at the same level by hotel companies, even though hotels generally belong to the soft service industry.

Kruesi and Zámorský (2016) studied non-equity entry mode choices in New Zealand, and they found several factors affecting international hotel companies' market entry mode decision-making. For instance, management contracts are often chosen as a non-equity entry mode to ensure consistent service quality standards. Thus, management contracts are more common among higher

star-rated hotel chains, whereas franchising is more frequent among lower star-rated chains. Furthermore, shared ownership structures called strata titles are also used by hotel companies. Strata titles (see definition on page 6) provide hotel companies with the possibility of keeping strategic control while decreasing the concern about managerial capabilities and the behavioural uncertainty. (Kruesi & Záborský, 2016)

International strategic alliances are used in conjunction with strata titles as a non-equity entry mode (Kruesi & Záborský, 2016). Franco and Pereira (2013) found that alliances, such as commercial agreements, co-marketing, sub-contracting, buyer-supplier agreements, and franchising are increasingly used in the hospitality industry. Strategic alliances decrease behavioural uncertainty as well as the risk of opportunistic behaviour since the parties of the alliance do not want to harm the alliance (Kruesi & Záborský, 2016). On the other hand, Dev and Klein (1993) point out that alliances are likely to fail unless they are well evaluated and negotiated beforehand.



## 2.3 Conclusions from the Theoretical Background

Sections 2.1 and 2.2 covered the existing literature on competitive dynamics, unravelling how the research has developed over time. Due to the focused industry, an extended review was done on literature relevant to hotel industry. The findings from the previous literature are illustrated in Figure 2, which has been adapted from Chen (2009), where the action/reaction dyad is the central concept of competitive dynamics and the different competitive actions, such as the introduction of a new product, are listed. These actions can be studied and related to other companies' reactions based on the likelihood, volume and speed of the actions. The quality of the reaction results from the characteristics of the action and the companies in question (Chen & Miller, 2012). The key behavioural drivers for competitors' actions and responses are awareness-motivation-capability (AMC).

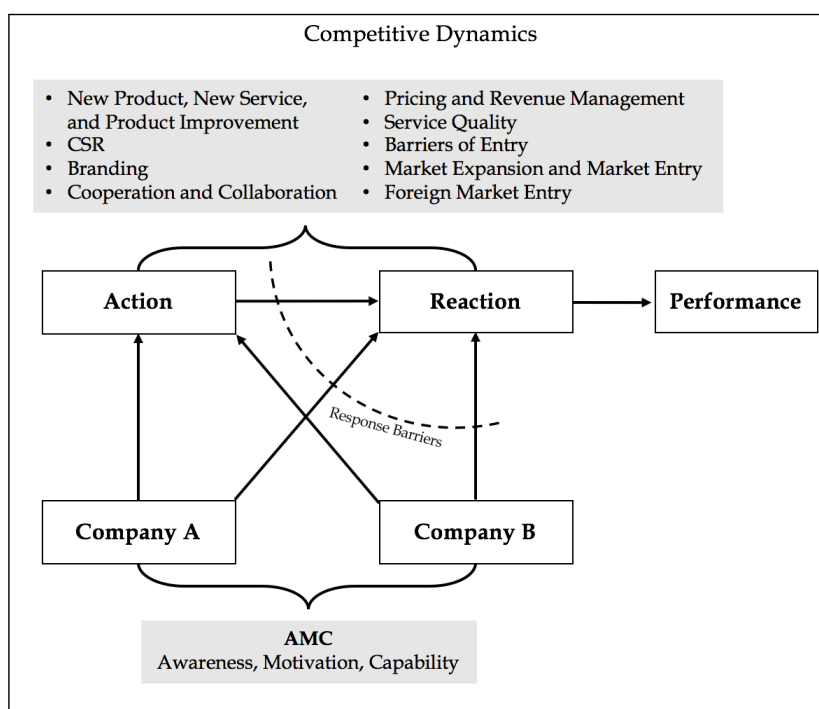


FIGURE 2 - Competitive Dynamics concept illustration (own illustration based on Chen, 2009)

### 3 EMPIRICAL CONTEXT: HOTEL INDUSTRY

The empirical context of this thesis is the hotel industry in Finland. In this section, the industry's fundamental characteristics are described and the country's specific features in relation to the industry are explained. This empirical context is necessary for having better understanding about the industry, its current topics and challenges. Furthermore, the background knowledge on Finland's hotel industry, e.g. the biggest companies, creates the base for the data collection as those hotels are preferred as study subjects.

Hotels are categorized into the hospitality industry and the service industry, due to production and consumption occurring simultaneously (Santos, Brochado, & Esperança, 2016). The distinctiveness of the hotel industry is based on its nature of intangibility, inseparability and aggregability. Furthermore, high operational-leverage, high business risk and high capital requirement are closely linked to the hotel business (Singal, 2015). Higher operational-leverage refers to hotel companies being able to leverage on their tangible assets, e.g. by using land and properties as collateral for loans. Concurrently, the assets require high amounts of capital which increases the financial risks needed in order to operate a hotel. (Singal, 2015)

Hotel industry is a part of the tourism industry where one key characteristic is labour intensity, which means that one of the main operative costs is labour cost (Assaf, Josiassen, & Oh, 2016). Hotels bind a large amount of money in the physical facilities, and profit is made by offering services in the form of accommodation, food and beverage, and meetings and conferences, among other things. The tourism industry in Finland is 2.5% of Finland's GDP. The turnover of the tourism industry's core cluster amounted to EUR 9.7 billion in 2017. The core cluster companies include hotels, restaurants, passenger traffic, and event services. (Jänkälä, 2019) There are four main sources of demand in the hotel business, which are the customer groups that use the offered services: domestic business, domestic leisure, foreign business, and foreign leisure (Slattery, 2009).

In Finland, the largest hotel companies in the core cluster of tourism are companies with extensive operations in the domestic market, whose customers also include a significant number of international tourists. These are companies in the hotel industry operating in Finland with an extensive network, meaning they are part of larger entities through various group structures and doing business in several industries (Jänkälä, 2019). In Finland, there are 634 hotels (Official Statistics of Finland, 2019). The largest hotel companies in Finland (according to 2017 financial statements) by turnover are *Sokotel Oy*, part of the *SOK Business Group* (EUR 219.8 million); *Scandic Hotels Oy* (EUR 195.9 million), *Kämp Collection Hotels Oy* (EUR 76 million) and *Lapland Hotels* (EUR 46 million) (Jänkälä, 2019).

Tourist arrivals were expected to grow at an annual rate of 4,8% by 2020 globally (Santos et al., 2016). There are regional differences, but there was a growing demand which could be witnessed also in Finland. The total number of nights spent in Finnish accommodation establishments increased by 7,2 percent in 2019

compared to the previous year. The nights spent by Finnish domestic travellers grew by 5,6 percent and by 12,2 percent for foreign travellers (Official Statistics of Finland, 2019). These statistics show the increase in accommodation demand in Finland (see TABLE 1), which explains why an international hotel company would be interested in entering the Finnish market or a local operator in expanding its market. TABLE 1 illustrates the steady increase of both the number of hotel rooms in Finland as well as their occupancy rate over the last decade: An average annual raise of 1,1% and 1,5%, respectively.

	WHOLE COUNTRY						
	Hotels						
	Number of establishments	Number of rooms	Occupancy rate of bedrooms, %	Average room price	Number of beds	Occupancy rate of bed-places, %	Average price per night
2009	634	48,916	49.2	86.22	105,210	38.8	52.23
2010	631	49,006	51.3	85.67	106,273	40.1	51.36
2011	626	49,595	52.9	87.96	108,098	41.1	52.79
2012	635	50,611	52.6	90.96	109,710	41.3	54.43
2013	636	51,163	51.3	91.00	111,111	40.3	54.67
2014	624	50,946	51.5	91.88	111,172	39.4	56.19
2015	613	50,776	52.3	92.09	110,735	40.0	56.29
2016	608	50,287	54.0	96.96	109,998	41.3	58.91
2017	621	52,207	55.9	101.26	114,695	42.5	61.05
2018	628	53,161	55.4	104.09	117,075	42.1	62.59
2019*	634	54,265	56.7	108.32	119,272	43.0	65.96

TABLE 1 - *Hotels average annual capacity and capacity utilization by year in Finland (Official Statistics of Finland, 2019)*

A central practice in the hotel industry is revenue management. As discussed in chapter 2.2.5, revenue management is done according to the segmented demand, distribution channels, the market, special events, and holidays (El Haddad, 2015). It is important to note that advanced technology has created systems where the pricing is now done automatically. Also, the performance measurement is changing from measuring the revenue per available room (RevPAR) to measuring the total revenue or gross operating profit (Kimes, 2011).

In the hotel industry, “location, location, and location” is a widespread statement that embodies what is seen as the most important attribute of a hotel. For a hotel to deliver its goods and services profitably, it must be in a customer-desirable location (Yang & Buschman, 2017). Location is important not only due to the hotels’ segments, but also because other hotels located in close proximity have an impact on each other’s pricing (Enz, Canina & Liu, 2008). Thus, the hotel industry is greatly driven by its location specific nature. In Finland, most of the tourism companies are located in the regions of Uusimaa, Pirkanmaa and South-west Finland. (Jänkälä, 2019). Hotel companies seek growth by maintaining various locations, since “*growth translates into greater market coverage, increased visibility, and greater opportunities for cross-destination marketing – in addition to the benefits of economies of scale and scope*” (Dev & Klein, 1993 p.42). One way to open new hotels in foreign markets is to use local investors, to build the facilities that the hotel company will manage. Alternatively, the hotel company can finance its own

building of (Dev, Brown & Zhou, 2007). Building new hotels is a slow process and ties a vast amount of capital, thus many hotel companies choose to use acquisitions or franchising/management contracts to expand domestically as well as internationally. There have been several acquisitions, in the hotel industry in Finland. As mentioned in the introduction; two of the biggest latest ones are the *Scandic Hotels* acquiring the *Restel* company in 2017, and *Nordic Choice Hotels* acquiring *Kämp Collection Hotels* in August 2019 (Tamminen, 2019; Nieminen, 2017). As discussed in chapter 2.2.9, acquisitions and franchising/management contracts are normally a faster and less expensive way of expansion. Furthermore, acquisitions bring in the acquired hotel's brand equity, management systems, and their local network connections (Yang & Buschman, 2017).

As discussed in chapter 2.2.7, governmental restrictions and regulations can be a challenge to hotels' business and other service businesses (Lado-Sestayo et al. 2017). When considering the entry to a foreign market, a hotel company must study the regulatory environment to determine if it is possible to enter the market without being sanctioned too greatly and learn what other restrictions there may be. Such regulatory restrictions may concern ownership matters, foreign exchange controls, property rights, corporate tax, competition policies, and consumer policies (Assaf et al., 2016). For example, in Finland, the laws concerning competition are strict and the competitive environment is overseen and controlled by the Finnish Competition and Consumer Authority (Kilpailulaki, 2011/948; KKV, 2019).

In the hotel industry, competitive actions are more affected by the attractiveness of the industry, the general competitiveness of the tourism industry, and the economy. The economy both impacts and is impacted by the competitiveness of the hotel industry. Due to the globalized nature of tourism, the hotel industry's players must consider not only the competitiveness of their company but also the city and/or the country as it relates to attracting customers and attracting employees. In other words, hotel companies need to be aware of how competitive their hotel is compared to other hotels, including how competitive domestic tourism is compared to neighbouring countries. Furthermore, hotel companies need to invest effort and resources in improving the attractiveness of their locations – be it a city, state, or country – together with other facilitators and organizations, in order to increase the demand. These facilitators include local government and other tourism companies (such as aviation companies).

One significant differentiator among hotel firms in their competitiveness is human resources (Sainaghi et al. 2017). As noted, the hotel industry is labour intensive, thus having talented employees is crucial for the continued success of hotel companies. In Finland the tourism sector employs over 72,000 employees directly and approximately 6,000 employees through temporary-work agencies (Jänkälä, 2019). It is broadly acknowledged that the hotel industry, more widely the tourism industry, has considerable challenges in attracting experienced labour force; this is a global phenomenon (Joppe, 2012; Zopiatis, Constanti, & Theocharous, 2014). This can also be clearly seen in the Finnish hotel industry, where the labour availability problems have been more common in companies operating in the accommodation and catering sector than in other industries. According

to Statistics Finland's employer interviews, in 2016, about 36 percent of enterprises that were looking for new employees in the accommodation and catering sector had experienced difficulties in finding suitable staff. (Jänkälä, 2019). Both Joppe (2012) and Zopiatis et al. (2014) write how migrants are nowadays more likely to apply for jobs in the tourism industry than native-born workers. They found that this creates a variety of challenges, including the potential abuse of employees' rights. All in all, the attractiveness of the tourism industry is a challenge in many countries. When this leads to a lack of human resources in the day-to-day work of hotels, competitiveness suffers greatly as well. McGinley, Hanks, and Line (2017) wrote that in the United States, the tourism industry is the second largest sector in the economy, thus not only are the companies responsible for improving the attractiveness, but governments should acknowledge the causality and have a vested interest as well.

## 4 DATA AND RESEARCH METHOD

Due to the nature of this study it was necessary to collect two types of data, quantitative and qualitative. Before anything, investigation was made to have a list of all the hotel companies operating in Finland and how many hotels each company operates. An outline was created which stated that hotel companies operating minimum 5 hotels in Finland would be included in this research. The reason for collecting two types of data was to get a dual-view for the research problem. It was vital to understand the background of the hotel companies before examining them more closely via interviews. Therefore, it was decided to collect quantitative data first to clarify what kind of competitive actions the hotel companies were inclined to use. After that, the qualitative data were collected to gain in-depth understanding of the researched matter.

This chapter introduces the main methods of this thesis used to answer the research questions proposed in section 1. First, in chapters 4.1 and 4.2, the rationale for choosing inductive research is told. It is also necessary to consider the rigor while the research design and data collection methods are chosen, thus those topics are explained as well. The Gioia methodology is explained in relation to how the quantitative and qualitative data was collected and analysed. Then, chapter 4.3 describes how the mixed methods approach has been applied to get a dual view on the researched topic. Lastly, chapters 4.3.1 and 4.3.2 explain how the data was collected and analysed, by developing competitive action profiles from quantitative data and conducting interviews to acquire qualitative data.

### 4.1 Inductive Research

Inductive research, a form of reasoning, starts with a single set of observations and forms a generalization or theory about them. Justification for using inductive research approach in this thesis include the research needing to be explanatory (i.e., asking “how” and “why” questions) and experiences of the industry experts being critical as it increases the practical relevance of the findings (Barratt, Choi, & Li, 2011). It is disputed whether qualitative studies and especially inductive studies are rigorous in their results (Gioia et al. 2013). The aspects used to measure the rigor of a study are reliability, validity, and generalizability. Each of these concepts are further discussed below.

Reliability refers to the repeatability of research (Morse, 2015). It ensures that the results would be the same even if the research was conducted again at a different time by a different researcher with a different sample of subjects. Tourism and leisure studies, especially, face this challenge because the research concern human beings in different social and physical environments that tend to differ and change constantly and, hence, cannot be reproduced (Veal, 2011). As pointed out by Morse (2015), the essence of inductive research makes it hard to

maintain reliability. The threats to reliability include subject or participant error, subject or participant bias, observer bias, and observer error. The first three threats can be avoided by choosing a neutral time and place when studying the subjects, ensuring anonymity for the subjects, and structuring the interview schedule. The fourth threat, observer error, is hard to avoid because there are multiple ways to interpret the results. Thus, the results must be observed regularly and the analysis done transparently to avoid or correct observer error (Saunders, Lewis, & Thornhill, 2009).

Validity is the concept that measures how well the results of the research reflect the reality and whether the results can be generalized to a population wider than the one studied. Like reliability, tourism and leisure research have difficulties in validity because the matters studied are primarily peoples' behaviours and attitudes towards something. The data collected for tourism and leisure studies can rarely have as certain a validity as natural sciences (Veal, 2011). To measure validity in a study, one can ask questions such as "Is the study valid and accurate?", "Has the research been able to capture the essence of the phenomenon?" and "Can researchers in similar positions or circumstances recognize the existence of the research findings?" (Morse, 2015). When the rigor of a research is assessed, the attention is often put on how close the researcher has been to the data. In qualitative studies the data is collected through personal interaction, via interviews or observations, the data is analysed interpretatively, and data itself is often subjective in nature. These threaten the validity of the research (Morse, 2015). There are means to ensure validity: "*prolonged engagement, persistent observation, and thick, rich description; negative case analysis; peer review or debriefing; clarifying researcher bias; member checking; external audits; and triangulation*" (Morse, 2015, p. 1214).

Generalizability, as the name suggests, refers to the concern of whether the results of a research are generalizable: are the results equally applicable to other research settings? It can be a challenge for case studies and studies with a small number of subjects to prove that the results can be generalizable to all populations. But one can test the generalizability in follow-up studies. (Morse, 2015)

## **4.2 Grounded Theory – Gioia Methodology as an Inductive Research Approach**

Grounded theory is an inductive methodology, which is designed to produce an inductive theory; based on phenomena and social processes arising from the data. The grounded theory can also be called data-based theory. Despite its name, it is not really a theory but a qualitative research method. (Martin & Turner, 1986) Exhaustive emphasis is not placed on the previous literature, as is adequate to grounded theory studies. The main purpose of this is to ensure that the researcher does not drive literary ideas into the data. On the other hand, one cannot ignore earlier literature and there should be a balance in the theoretical background in the early stages of the research to avoid re-inventing the wheel (Gioia et al., 2013).

Meaning, if similar research was found previously, then the chosen method should have focused on theory testing or some other approach.

There are multiple approaches to grounded theory and the terminology used differs in each. The research approach used in this thesis follows the grounded theory method according to the Gioia methodology, as described by Gioia, Corley and Hamilton (2013). To clarify, Gioia methodology is the research method of this thesis. In contrast to deductive research, which is used in theory testing studies (Barratt, Choi, & Li, 2011), Gioia methodology, a grounded theory approach, is an inductive approach used in theory building studies. Features of Gioia methodology approach are the use of several data sources, to ensure reliability of the data, as well as performing semi-structured interviews, which gather more data and more unbiased data than structured interviews. The Gioia methodology, in essence, offers a *“flexible orientation toward qualitative, inductive research that is open to innovation”* and presents a way to build rigor in inductive studies (Gioia et al., 2013, p.26).

The Gioia methodology is set up on the idea that one should not focus on the already existing knowledge, but on the knowledge that one is about to discover. The ground assumption is that decision makers in companies and researchers alike are “knowledgeable agents” (Gioia et al., 2013). This means that *“people in organizations know what they are trying to do and can explain their thoughts, intentions, and actions”*, and researchers can work out patterns in the data that uncover connections that the respondents might not see, while also defining these phenomena in theoretically relevant terms (Gioia et al., 2013). In this setting the interviewed industry experts; i.e. managers can bring light to topics that have not been found previously and the researchers can build the connections of those topics. In addition to this, the Gioia methodology also offers flexibility in the data collection, as it encourages to edit the further interview questions, or to backtrack to previous informants to ask more questions.

With Gioia methodology, three iterations are performed for organizing information obtained from the data. This can be visualised in the data structure (see Figure 2) constructed from 1<sup>st</sup> order concepts, 2<sup>nd</sup> order themes and 3<sup>rd</sup> aggregated dimensions (Gioia et al., 2013). In the 1<sup>st</sup> level concepts, all possible terms, categories, and codes are obtained from the raw data, and listed. It shall be mentioned that in this thesis these concepts are obtained in Finnish and English, depending on the sources and interviewed persons, and then translated into English, while avoiding influencing the data. All data is analysed in English. Moving forward in the research process, the 1<sup>st</sup> order concepts are examined regarding their similarities and sorted accordingly into 2<sup>nd</sup> order themes. Special interest is given to concepts that seem novel. Once the 2<sup>nd</sup> order themes present clear themes, the objective is to further investigate their similarities and differences to *“distill the emergent 2nd-order themes even further into 3<sup>rd</sup> order ‘aggregate dimensions’”* (Gioia et al. 2013, p. 20). In this thesis, the aggregated dimensions are used in building the profiles for the researched companies, and to compare the quantitative and qualitative data findings. A central component of this Gioia methodology is to structure the data after all the stages have listed concepts. The resulting



data structure reflects the progress of the research, which is one method to validate rigor in qualitative research. (Gioia et al. 2013) In short, the key features for research design and data collection with the Gioia methodology are “1) to articulate a well-defined phenomenon of interest and research question(s), 2) consult with existing literature, with suspension of judgment about its conclusions to allow discovery of new insights, 3) Give extraordinary voice to informants, who are treated as knowledgeable agents, 4) Preserve flexibility to adjust interview protocol based on informant responses, and 5) “Backtrack” to prior informants to ask questions that arise from subsequent interviews” (Gioia et al., 2013, p26).

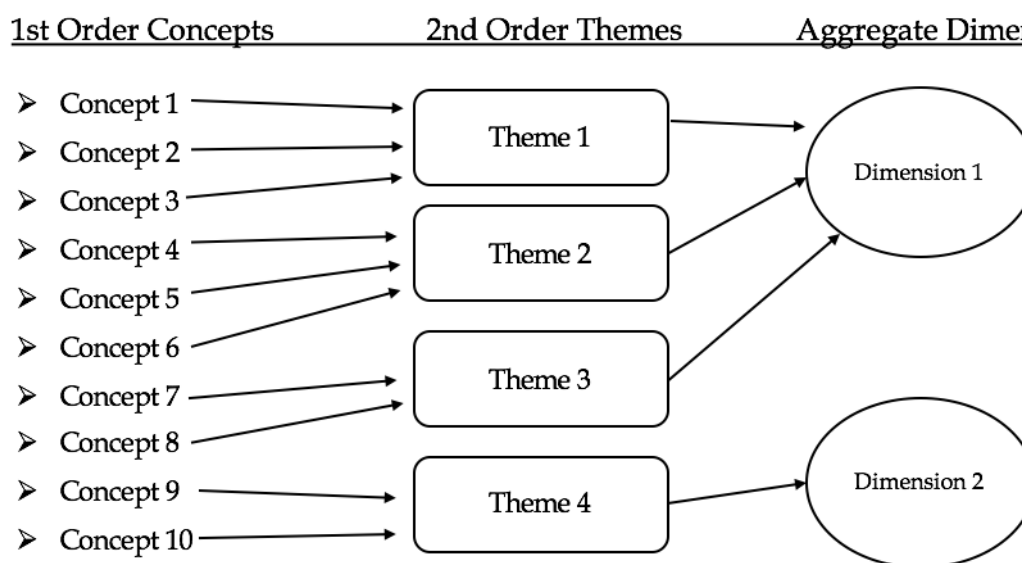


FIGURE 3 - Gioia Methodology – Data Structure Illustration (based on Gioia et al. 2013)

### 4.3 Two-Phased Mixed Methods Approach (applying Gioia Methodology)

As Gioia et al. (2013) write, the methodology should not be used as a template or “formula”(p.25-26) to repeat previous published work. On the contrary one should be innovative and flexible in how to use it. Hence, in this thesis, the Gioia methodology is used in two iterations, with the mixed methods approach: first, with the quantitative data and second, with the qualitative data. Diverse and comprehensive results can be obtained from a research subject, by utilizing more than one method; meaning e.g. not only quantitative method or qualitative method. Due to the objectives of this thesis, a dualistic look on competitive actions in the Finnish hotel industry was desired, thus a mixed methods approach was used. A mixed methods approach, as a combination of qualitative and quantitative research, allows the researcher to combine the benefits of both research methods to find a more encompassing answer to the research question, which a

quantitative or qualitative research method alone could not provide (Creswell, 2014). Quantitative method enables the researcher to discover the phenomena; which actions are used. Whereas, qualitative methods like interviews allow deeper understanding of possible motives of actions. A mixed methods approach, therefore, utilizes the strengths of both ways. As Guetterman, Babchuk, Howell Smith, and Stevens (2019) found; several researchers have successfully integrated mixed methods and grounded theory. Thus, the judgement was made that the integration could work with this study as well.

The data collection was conducted in two phases. First, quantitative data in the form of public announcements by the companies was collected. This data was used to allocate competitive action profiles to each hotel, which represents also the first data set that is later used to answer the research question. These profiles provide vital background information for effective, individualized interview questions during the second phase of data collection. This data also provides an initial view of the competitive actions the hotel companies are using, which is complemented later through the interview answers. Second, qualitative data in the form of semi-structured interviews with hotel representatives was gathered. The interviews are at the heart of this thesis for finding answers to the research questions. Meaning, these interviews aim to reveal the deeper strategic decision making underlying the respective company's competitive behaviour, which represents one of the objectives of this thesis. These two phases of data collection are explained in detail in the following two subsections.

As discussed in chapter 4.2, the Gioia methodology was used to analyse the data. Thus, the analysis of the data began with the quantitative data collection and continued throughout the interviewing phase before pursuing the aggregated results that were scrutinized under the theoretical lenses. First, the quantitative data was collected from suitable sources and then categorised under key concepts. Terms, categories, and codes were allowed to expand organically in the secondary data gathering to get a wide impression of the possible competitive actions used by the hotel companies. The instances were reviewed and measured to have a reasonable amount of data. They were analysed to determine whether it was possible to create differentiated competitive action profiles for the companies whose representatives were planned to be interviewed. The purpose of this categorization was to see whether a company was more likely to favour certain competitive actions over others.

The second phase of data acquisition consisted of gathering primary data via interviews of the hotel company's representatives. For reasons explained previously, the interviews were semi-structured, with three sections of questions. The interview questions in sections 2 and 3 were open-ended. The interviews were composed according to the quantitative data collected, the competitive action profiles, and competitive actions literature. For example, if a competitive action profile showed that the hotel company had carried out actions linking to market expansion, then that hotel company's representative was asked about market expansions, and the benefits and challenges behind such an action. Throughout the interview process, the data was transcribed and analysed to see

whether the following interviews would require different questions, in accordance with the Gioia methodology (see section 4.2). As with the secondary data, new aggregated dimensions (i.e. actions) were collected and added to the subsequent interviews, if applicable.

#### 4.3.1 Quantitative Data – Public Information and Competitive Action Profiles

The collected quantitative data in phase one covers a period of six years - from January 2013 to February 2019 - to ensure a statistically satisfying amount of data. The quantitative data was collected in the form of public announcements, company announcements, articles, and other postings collected from the studied hotel companies' websites, newspaper websites and other websites. In all, 14 different data sources were used and 107 documents gathered (see *Appendix 5: Quantitative Data for Competitive Action Profiles*). This number of documents was sufficient in enabling the creation of distinctive competitive action profiles for each company.

Following the Gioia methodology, upon evaluation of the data, the aggregated dimensions are essentially the competitive actions found in the quantitative data. The documents (announcements and alike) are categorized according to the aggregated dimensions (competitive actions) following the categories found in chapters 2.2.2 to 2.2.9. For example, a media announcement saying, "Kämp Group Buys 3 hotels from Royal Ravintolat in Helsinki" was categorized as "market expansion/market entry" (chapter 2.2.8), and "During the spring 2013 Scandic has introduced several of improvements that affect the impact on the climate and environment" was categorized as CSR (chapter 2.2.2). These categorized competitive actions were assessed to see whether a company was more likely to favour certain competitive actions over other actions. Based on this assessment; competitive action profiles were created for each researched hotel company. The profiles were visualised in the form of pie charts. The pie charts were drawn for each hotel company to get a clear visible comprehension of each company's competitive profile. The listed documents are found in the *Appendix 5: Quantitative Data for Competitive Action Profiles* and the competitive action profiles (visually the pie charts) are explained in chapter 5.2.

#### 4.3.2 Qualitative Data – Interviews

The interview questions were divided into three sections (see *Appendix 4: Interview Questions*) The first section included questions about the interviewed person's background and the hotel company's background, this was used to build a common understanding for the interviewee being a "knowledgeable agent", meaning an industry expert. The second section included general questions about the hotel industry in Finland. This was important for understanding how the respondents view the competitive landscape; how it has changed and how they forecast it to change while new competitors enter the market. The questions in the first two sections were the same for every interviewee. In the second and

third section, the questions were open ended. This way, the interviewees were invited to provide answers to previously overlooked questions. The third section varied by the hotel company and included individual questions based on the respective competitive action profile created in phase one. The questions of the third section had the purpose of understanding the strategizing behind the chosen competitive actions. To achieve this, the design of the third section had two major differences to the previous two: First, the questions were tailored to the interviewees based on the respective company's profile. This way, some questions had to be dropped as those were not applicable to all. Simultaneously, more knowledge could be gained about the competitive actions that a particular hotel company had done. Second, upon encountering such new relevancies, respective questions were implemented in subsequent interviews. Thusly, the questions of interview section 3 developed over time, taking into consideration newly gained knowledge. This method, known as inductive method, was chosen because it enables the discovery of new knowledge and was explained in more detail in chapters 4.1 and 4.2.

The interviews were conducted over the course of eight months from November 2018 – July 2019. A total of 15 hotel professionals were interviewed, representing 7 hotel companies operating in 5 Finnish regions, and managing hotel companies that operate all around Finland see *Appendix 1: Interviewees*. These researched hotel companies comprise over 155 hotels which is approximately 24% of all the hotel establishments in Finland. Hotel professionals whose positions related to competitive actions and included strategic decision making were interviewed, since they are seen as the “knowledgeable agents” explained in chapter 4.2. This criterion led to a sample consisting of General Managers, Division Directors, Area Managers, Director of Operations, Vice Presidents, and CEO's. The regions and the positions of the respondents were chosen as to avoid regional bias of the answers, which is an important component of rigor, (see chapter 4.1), and based on their significant share of Finnish tourism. Accordingly, the interviews were conducted where the respondents were stationed; in Helsinki, Tampere, Turku, Jyväskylä and Vaasa. It must be mentioned that several respondents' positions' (CEO's, Vice Presidents and Director of Operations') responsibility cover the whole of Finland. This means that a comprehensive understanding of how the hotel industry in Finland works is demonstrated. The interviewees were found by contacting hotel employees at major hotel companies in Finland, which are defined as companies that operate a minimum of five hotels for the purposes of this thesis. The interviewees were contacted via phone and email. All interviews, apart from two phone calls, were conducted face-to-face. The interviews lasted between 20 minutes and 62 minutes, with most lasting over 50 minutes. In total, 584 minutes of interviews were recorded and transcribed, resulting in over 106 pages of material. Anonymity was granted to all participants; thus, identifiers are used in the results section (e.g. Company 1, GM 2).

## 5 RESEARCH FINDINGS

The findings of this thesis are presented in this chapter according to the research process. In doing so, this showcases the route of the research and ensures transparency by revealing the researcher's thought process. In chapter 5.1, an analysis of the hotel companies' publicly published media is presented based on data that was collected by applying the Gioia Methodology to an inductive mixed methods approach, as described in detail in chapter 4. This data was used to prepare competitive profiles for the hotels, as shown in chapter 5.2. These profiles were then implemented in the interview questions and, consequently, discussed in chapter 5.3. Lastly, chapters 5.4 and 5.5 explain how hotel companies view competition in Finland, and what threats, risks, and opportunities they see in it. In the following subsections, the findings are disclosed.

### 5.1 First Phase: Competitive Actions Based on Public Sources

During the first stage of the data collection, the data was collected from public sources to gain an initial overview about which competitive actions the different hotel companies in Finland use (see *Appendix 5: Quantitative Data for Competitive Action Profiles*). It should be emphasized that hotel companies only publish positive information about themselves. Furthermore, this data is not enough to analyse whether the competitive actions of rivaling hotel companies are linked. Nevertheless, this step was crucial to understand the general competitive scene before drilling deeper to find out how the companies view competitors.

As explained earlier in chapter 4.1 and 4.3, the Gioia methodology was used as a guide to analyse the data and a data structure was constructed. The full results of this analysis can be found in *Appendix 2: Data structure based on Secondary data*. The 1<sup>st</sup> Order Concepts in this table list the different actions identified in the publications. It was considered important to analyse the data already from the start. One example of this is the exclusion or omission of pricing campaigns that hotels publish frequently about. This was decided as the pricing campaigns give only a one-sided view of revenue management. Another decision was to list several of these 1<sup>st</sup> Order Concepts as a combination of actions. To give an example, hotel companies often communicate about their renovations, be it a room renovation, a meeting room renovation, or hotel extension, and these are under the "Renovating hotels" concept. In other words, different forms of renovations are not listed as standalone concepts.

Next the 1<sup>st</sup> Order Concepts were analysed in the light of their similarities and differences and how they relate to the existing literature on competitive actions, creating the 2<sup>nd</sup> Order Themes. While several of the emerging themes were found in existing literature, e.g. acquisitions, marketing, clustering, and technological advancements, interest was given to concepts that were not directly linked

to the literature. Themes that did not directly link to existing literature were: “Bigger portfolio -Reaching a wider customer base”, “Renovations”, “Offering new hotel experiences”, “Improving and clarifying offering”, “Improving customer loyalty”, “Awards”, and “Technological improvements and innovations”. These themes are close to other themes, e.g. bigger portfolio is close to market expansion, thus those are distilled together to the aggregated dimensions. But, these themes were kept in mind in the interviews for finding out the potential bigger importance those might have. When starting to distil the 2<sup>nd</sup> Order Themes, answers to the research questions were pursued (e.g. What competitive strategies do successful hotel companies in Finland employ and why?)

The 2<sup>nd</sup> Order Themes were distilled into the third stage of the data structure, Aggregated Dimensions. The Aggregated Dimensions, presented in TABLE 2, are used to create the competitive profiles for the hotel companies.

Aggregated Dimensions - 1 <sup>st</sup> Data Structure
New product/service
Improving product/service (Technological improvements/innovations)
Clustering
Revenue management/pricing strategies
CSR (Environmental, Social, Economic)
Market expansion/market entry.
Branding /Brand Affiliation/ Marketing/ Awards

TABLE 2 - *Aggregated Dimensions, derived from public publications about the hotels in this study and developed according to the Gioia Methodology*

## 5.2 First Phase: Hotel Companies' Competitive Action Profiles

It was necessary to compile competitive action profiles for each researched hotel company, as a way to unravel the competitive landscape of the Finnish hotel industry and serve as a base from which to start constructing the interviews. This section discusses the seven competitive action profiles created from the 107 documents collected.

As explained in chapter 5.1, the competitive actions found in the documents were categorized using the Gioia methodology. The profiles were built on the list of 7 aggregated dimensions shown in TABLE 2. Thus, the competitive action profiles showcase the proportion of the competitive actions used by each hotel company based on the number of occurrence. The competitive action profiles are illustrated in the pie charts below. FIGURE 4 presents a general overview of the competitive actions found among the studied hotels. FIGURES 2 to 7 view the individual profiles of each hotel included in this study.

The competitive action profiles are different, but some actions are more frequently used (See FIGURE 1). The most common actions found were improving product/service (technological improvements/innovations) with 35% and marketing (branding, brand affiliation, awards) with 24%. Additionally, market expansion/market entry and CSR activities were popular actions with 18% and 12%, respectively.

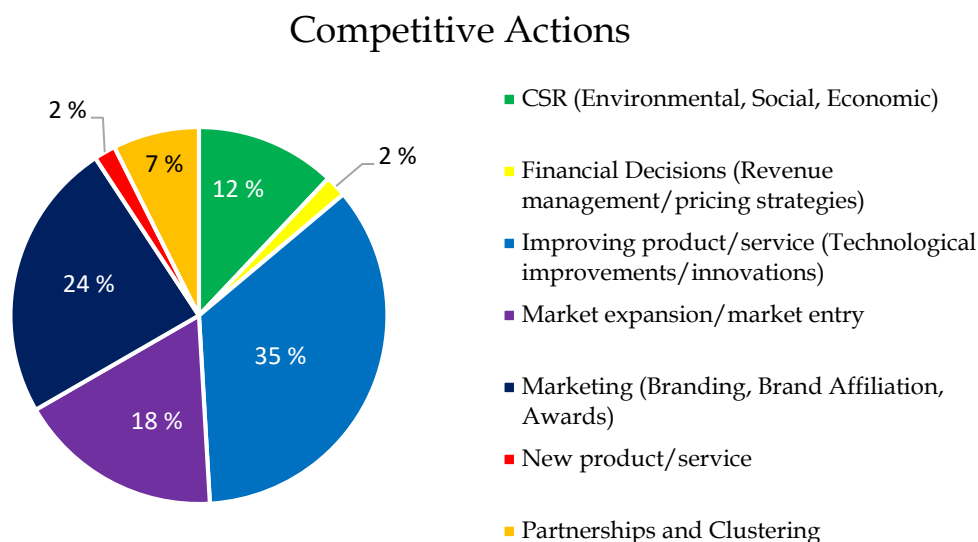


FIGURE 4 - *Competitive Actions categorized in Aggregated Dimensions of all seven researched hotel industries combined. Three of the seven actions dominate the competitive landscape, occupying about three quarters of all competitive actions: Product improvement (35%), Marketing (25%) and Market expansion (18%).*

Popular actions that are under the ‘improving products’ category include hotel renovations, technological innovations (e.g. online check-in and check-out service), and other technological improvements (e.g. applications). The ‘marketing’ category represents publications about winning awards and branding. All in all, the announcements of competitive actions are positive topics that aim to attract both new and existing customers. For example, the corporate social responsibility (CSR) actions, such as acquiring a sustainability certification are nowadays increasingly desired by customers, but also attract other stakeholders like partners and shareholders. The publications relating to financial decisions (2%, see FIGURE 1) were about potential increases in stock prices, likely to attract shareholders.

Next, the competitive action profiles for each hotel and the interview questions that the profiles generated are given. This discussion begins with Hotel company 1, followed by Hotel companies 2, 3, 4, 5, and 6.

Two different competitive action profiles were created for Hotel Company 1 (see FIGURE 5 and FIGURE 6) because it operated and published separate announcements for two hotel brands. Moreover, the profiles were different from each other, which justified keeping them separate. However, the questions created from the profiles were ultimately combined, since the interviewees representing Hotel company 1 worked in positions that affect both brands. Profile 1 for Hotel company 1, shown in FIGURE 5, reveals that 34% of their online content involve branding, which lead to the interview question “How has rebranding of [Hotel Company 1] affected the business?”. Second biggest (with 33%) involve product improvements, such as renovations. Thus, it became evident to ask about how the room renovations affect the business, and whether there is a clear increase in demand after the renovations are done. In Profile 1 only 11% address market expansions, such as new hotels acquisition and hotel expansions. 22% involves CSR-related actions, such as Green Key certificates and getting rid of plastic straws. Hence, the question “Why are CSR-practices, such as acquiring the Green Key certificate, important for business?”. Profile 2 for Hotel company 1, shown in FIGURE 6, show an astounding 66% of their communicated actions involving product improvements. Another 22% is related to branding under which several publications are about awards. This resulted in asking about the importance for hotels to participate in awards. 9% of the publications are about market expansions, and only 3 % to CSR.

### Hotel Company 1 - Competitive Actions (Profile 1)

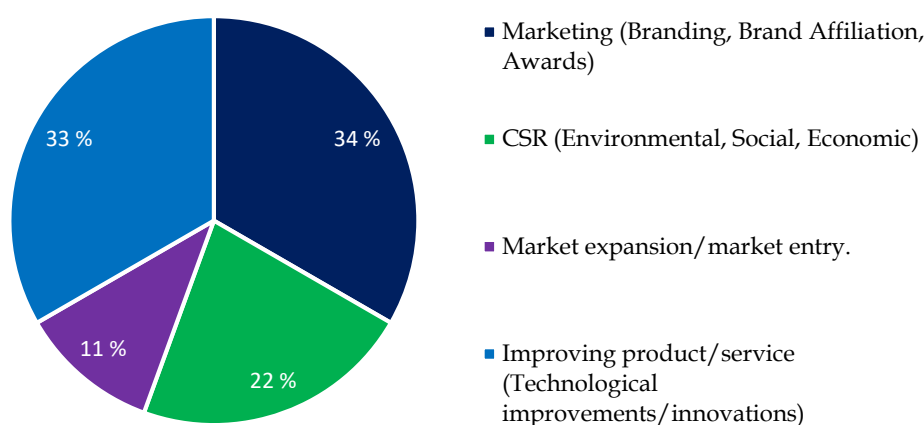


FIGURE 5 - Hotel Company 1 – Competitive Action Profile 1



### Hotel Company 1 - Competitive Actions (Profile 2)

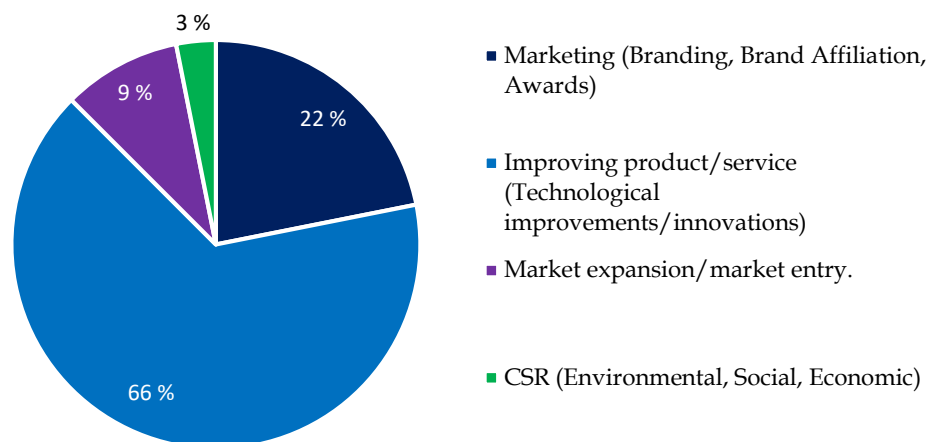


FIGURE 6 - Hotel Company 1 – Competitive Action Profile 2

The competitive action profile for Hotel Company 2 is the only profile that includes all seven competitive actions listed as Aggregated Dimensions in this study. This finding can be the result of Hotel Company 2's generous amount of announcement or the transparency in their activities. According to the 30 announcements collected online, Hotel Company 2 has used all 7 of the competitive actions' distilled in the 1<sup>st</sup> Data Structure in the ratio as shown in FIGURE 7. The largest component of these actions related to product improvements, which represent 26% of the competitive actions. Several of the product improvement announcements were about technological improvements, thus a question was added to the interview about how the technological improvements affect the business. Additionally, 19% referred to market expansion, 16% to CSR, 16% to branding, 10% to clustering, 7% to pricing strategies, and 6% to new products and services. Based on this competitive action profile, the individualized questions surrounded the most used competitive actions: Market expansion and CSR.

### Hotel Company 2 - Competitive Actions

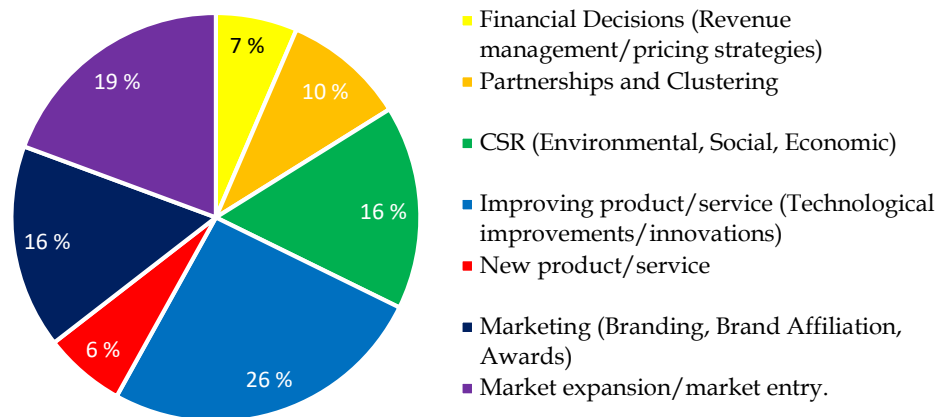


FIGURE 7 - Hotel Company 2 – Competitive Action Profile

As shown in FIGURE 8, Hotel company 3 focused 37% of their online presence on branding, 27% on partnership efforts, 18% on market expansion, and 9% in both improving products / services and CSR. Public recognitions and awards made up the largest component in their announcements. This resulted in the individual question of “How important are public recognitions and awards for [Hotel Company 3]”. Additionally, there were a few announcements about their new hotels, showing that they are expanding their market presence. Thus, a question was made about the importance of market expansion.

### Hotel Company 3 - Competitive Actions

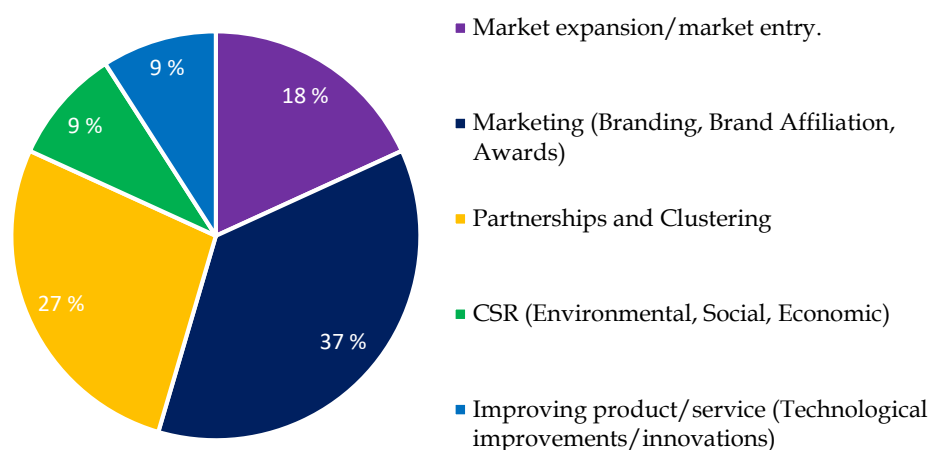


FIGURE 8 - Hotel Company 3 – Competitive Action Profile

Hotel Company 4 is not based in Finland, and entered the Finnish market in 2016, thus the respective amount of publications within Finland is limited in

relation to the Finnish-based companies, resulting in 5 documents gathered. Consequently, the competitive action profile created for this company is limited. As FIGURE 9 shows, 40% of Hotel Company 4's competitive actions are about improving existing products. Looking more closely, they even had an announcement about conducting a customer survey for product/service development. Thus, a question was asked about this: "A big customer survey was conducted by your company in the summer. Why is it important to include customers in the product/service development?". The rest of the publications are 20% each about marketing, market expansion, and CSR. This finding resulted in questions about the importance of CSR-practices and market expansion. Furthermore, since this hotel company has operated in the Finnish market for only a few years, they were also asked about their views and experiences about operating in Finland.

### Hotel Company 4 - Competitive Actions

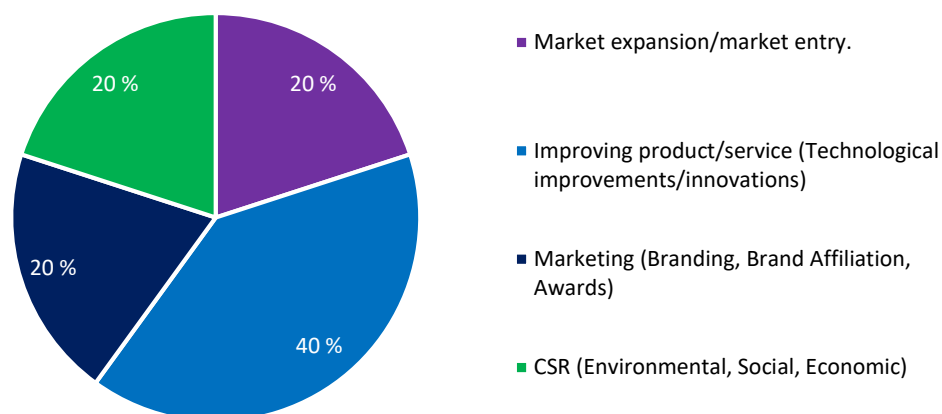


FIGURE 9 - Hotel Company 4 – Competitive Action Profile

Hotel Company 5's competitive action profile's validity is limited due to the small amount of publications. Only 6 official announcements were found from the company's web pages. The small amount of data can be explained with the young age of the company and overall having only little announcements published. According to the limited data collected online the hotel company's main competitive actions relate to the aggregate dimension of strong market expansion in the form of acquiring new hotels, corresponding to 83% on Chart 3. Partnerships and clustering make up the other 17%. Since market expansion was the central competitive action, the individual question for this hotel company's representatives was: "Other than increasing the offering and reaching other locations, how has the opening of new hotels affected your company/business".

### Hotel Company 5 - Competitive Actions

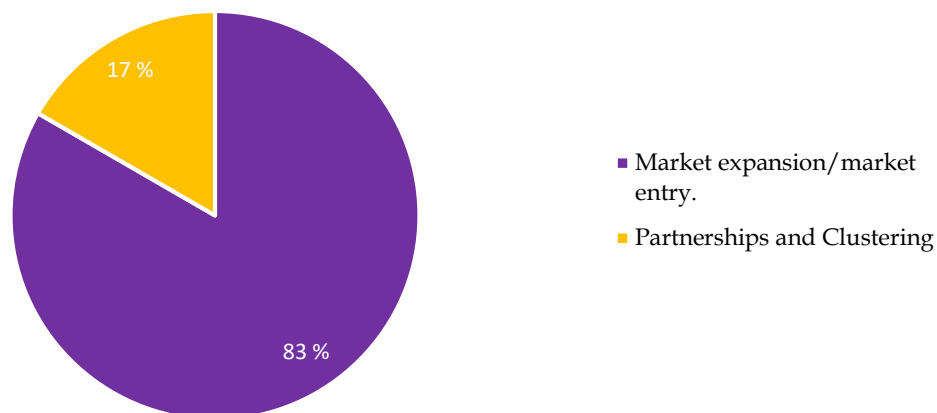


FIGURE 10 - Hotel Company 5 – Competitive Action Profile

The competitive action profile's validity of Hotel Company 6 is limited because there were only 10 official publications related to the company. As shown in FIGURE 11, the competitive activities were 50% about branding and marketing activities such as advertising existing products. Publications about winning hotel awards and good performance in TripAdvisor also played a role in this. This resulted in the question "How important are public awards, such as TripAdvisor's Best Hotel?". Additionally, 30% of activities pertained to CSR activities and 10% to partnerships and improving product /service alike. Thus, the individual questions included also questions about the CSR practices, and the importance of taking steps to expand the market.

### Hotel Company 6 - Competitive Actions

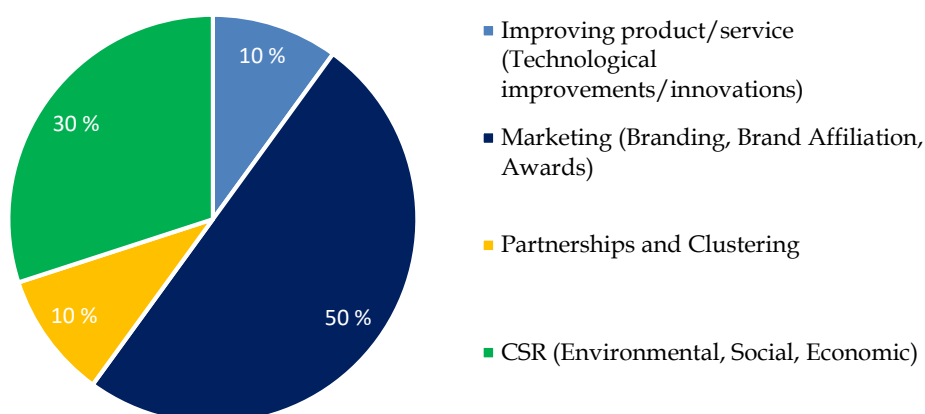


FIGURE 11 - Hotel Company 6 – Competitive Action Profile

### 5.3 Second Phase: Interviews – Competitive Actions

The aggregated dimensions that built the competitive action profiles were used as the base for the semi-structured interviews. The 2<sup>nd</sup> order themes were not forgotten and the interview questions included those themes as well. Time was given for respondents to freely discuss about themes that were not directly asked about. The aggregated dimensions from the secondary data collection, shown in TABLE 2, were re-evaluated based on the respondents' answers, and another data structure was created which incorporates the data from the interviews. The new aggregate dimensions, discussed below, are:

- New Product, New Service, and Product Improvements → Digitalization
- Corporate Social Responsibility (CSR),
- Branding,
- Awards,
- Collaboration, Networking and Locality,
- Revenue Management and Pricing Strategies,
- Service Quality,
- Barriers of Entry,
- Market Entry and Market Expansion,
- Foreign Market Entry,
- Employee Engagement,
- Sales, and
- Business Model and Strategy.

Hotel companies implement competitive actions which they consider to be most beneficial in the competitive landscape to reach their objectives. As a result, the interviews revealed several different competitive strategies. The final question of the interviews asked respondents to choose the most important competitive actions for their business. Different actions are used in different times by different operators, and the mainly used competitive actions are related to organic growth and network growth. No competitive action alone will provide success, but a range of actions should be adopted and continuous improvement must be central in strategizing. As one respondent said: *"We will continue to take action on core business processes, then sales, marketing, digital development, customer relationship management, customer service, differentiation, hotel positioning. We are always determined to develop them. We need to think about how we can be better next year. The word renovation is ugly, but hotel development is important."* (Company 1, SVP). The competitive profiles discussed in chapter 5.2 reveal that these hotel companies had differing strategies. The interviews provided further evidence that the hotel companies considered different competitive actions to be important. To illustrate this, a new data structure was created.

The interview answers were analysed according to the process described in chapter 4. The full results of this analysis can be found in *Appendix 3: Data structure based on Primary data*. The resulting data structure showed differences

from the original data structure, as illustrated by TABLE 2. New aggregated dimensions were found and some dimensions found to be essential in the secondary data – new product/service and CSR – were not mentioned in this stage.

Aggregated Dimensions - 1 <sup>st</sup> Data Structure	Aggregated Dimensions – 2 <sup>nd</sup> Data Structure
New product/service	Improving product/service (Technological improvements/innovations)
Improving product/service (Technological improvements / innovations)	Clustering, Networking and Locality
Clustering	Revenue management/pricing strategies
Revenue management/pricing strategies	Market expansion/market entry.
CSR (Environmental, Social, Economic)	Branding /Brand Affiliation/ Marketing/ Awards
Market expansion/market entry.	Sales
Branding /Brand Affiliation/ Marketing/ Awards	Business Model & Strategy
	Customer Service, Service Quality, Customer Relationship Management
	Employee Satisfaction, Employee Engagement

TABLE 3 - *Aggregated Dimensions Comparison – Developed according to the Gioia Methodology approach*

### **New Product, New Service, and Product Improvements → Digitalization**

In the hotel industry, the competitive action of “New Product”, “New Service”, or “Product Improvement” appears in different ways than, for example, in retail. These actions can be witnessed in the form of new hotels being opened, rooms being renovated, and the service level changed. Most respondents said that room renovations and hotel upgrades have a growing impact on the business.

*Hotel renovations are also nowadays aimed at refining the identity and identity of the hotel; not just exchanging wallpapers and paints, but making a story there. The hotel has its own story and this will be brought forward with the hotel renovation. Room renovations also birth interesting content that interests our customers and is communicated to them which gets them to visit. (Company 1, GM)*

Companies typically seek growth by creating new products, new services and product improvements, but it does not always apply in the hotel business. Hotels are properties. Thus, renovations are mandatory for maintaining the quality of buildings. Renovation is always expensive and often forces a hotel operator to increase the average room price, thus it is not certain that renovation will always bring more use. The impact of repairing/renovating one's premises depends a lot on the competitive situation. Sometimes room renovations should be done for building technical reasons, for example, if property is older and needs a plumbing repair, then it is very natural to do a bathroom renovation at the same time.

*When hotel investments are made, they seek growth, but sometimes there may be a compelling investment in place that does not directly seek growth. Much depends on baseline; the condition of the rooms and the position of the hotel in the market and the age and condition of these hotel rooms in the market, as well as the facilities and services. Once the renovation has taken place, it is reflected in customer satisfaction, which is also reflected in the public channels where customers rate us. (Company 1, DD 2)*

Technological improvements that are visible to customers have led to improved customer satisfaction and commitment. *“Technological improvements have also created opportunities for improving the quality of service. However, we should still be able to make greater use of digitalization” (Company 2, CEO).*

The views of technological improvements received different responses. The concern is that digitalisation takes away the human touch and customers who do not want to rely solely on technical innovation may not view the improvements positively. Yet, most respondents see digitalization and technological improvements as a great benefit with possibilities in improving customer satisfaction:

*We currently offer digital check-in where guests can book a specific room on a certain floor when booking. That is, according to the floor plan, choose a room. Soon the digital key becomes available. Also, at some point in the room, everything works digitally, so that you can control the lights and the TV with your own phone. I believe that people want easiness and no queuing. If you have already selected your room and you can just go with digital key to the room as soon as possible. That's where this is going and this is the competitive factor. However, this does not eliminate interactions between people, because this is about dealing with people. For many travellers, it is important for the team to make them feel at home with the "home-away-from-home"-feeling and digital innovations does not take it away. Instead this leaves more time to talk with the customers. Anyhow, this is people's business. (Company 2, GM 1)*

Other industries and innovations have shown the possibilities that digitalisation can create: *“Airbnb and Über have shown how technology is used for marketing and sales. The following possibilities may be, for example, how we can use AI (artificial intelligence) to develop our services” (Company 3, GM).*

### Corporate Social Responsibility (CSR)

CSR activities have a reputation aspect and, at the same time, a statement internally and externally that one works within the responsible values. *“I see that responsibility where the environment is one part; is a wave in society. That wave is amplified through deeds, individual acts may not solve much, but deeds altogether generate effectiveness”* (Company 6, CEO). CSR practices are very often profitable in business. Environmentally-friendly choices are almost always economically smart. Choices about energy efficiency, saving water, avoiding individually packaged products, etc. can always be seen on the bottom line. *“The choices are almost always made primarily on a financial/commercial basis. The wonderful part about this is that the choices are very often also ecological. In the 21st century, it is self-evident that the role of every self-respecting company is to strive for the resources to be used efficiently”* (Company 3, GM). Customers are also increasingly asking questions and demanding for proof of CSR-actions and certifications. Also, social responsibility is seen as a duty: *“The industry very often struggles with labour supply problems. We feel that by being active on that side; we can influence the well-being of our society. Any business must strive to give back to the society and environment in which it operates”* (Company 3, GM).

Previously, the Swan ecolabel system (Joutsenmerkki järjestelmä) came into being but in the hotel environment it shifted itself away from business goals. Thus, the Green Key fits better. Green Key is a global CSR certification. Green Key itself is an easy to understand approach and a certification system. *“Green Key is also good because it is not a purely quality system but rather a system of development and communication where things are brought forward and brought up all the time”* (Company 6, CEO). As a respondent said, *“The company must be an exemplary corporate citizen, i.e. bear responsibility for its actions and act responsibly”* (Company 1, GM 2). Being socially responsible is important. It is already the default that a hotel has the Green Key certification in Finland, though not all the hotels have it. *“It doesn't bring a market advantage, but if a hotel doesn't have the certification you wonder why”* (Company 3, GM). As a substitute, some hotels have other certifications. Regardless of the certification, all respondents answered that they have some responsibility/sustainability certification.

Today, CSR is one of the basic prerequisites for doing business. This tells about the company's values and links them to the customer value world. This also creates a competitive advantage and makes it more attractive for customers when the customer feels that the values of the company and his/her own values match. One respondent pointed out that communicating about the sustainability work can also look questionable, thus they do not communicate much about it their many activities: *“We do a lot of sustainable actions and help socially, but we don't talk much about them. If we talk about these acts, it seems a bit wrong”* (Company 2, GM 2).

### Branding

When evaluating the importance of branding as a competitive action for hotel companies, it was clear that branding is important when considering all stakeholders, not only how the customers experience the brand, but also employees



and partners. One respondent brought forward the important connection between branding and pricing:

*Branding and pricing mirror each other; the excess price you can get for a basic product is based on brand value. If you have built a good brand, you can increase your pricing. You have to have a good sense of what's going on in the market. (Company 3, DOO)*

The importance of operating under a known brand becomes evident when you analyse how foreign customers choose the hotel they want to stay at. One respondent said that the brand awareness in the customers' source market is important. Recognizing a brand that is globally known or having partnerships with a globally known brand, with a wider distribution outside Finland, is important for marketing: *"We don't always look at the market only, but also the source market. E.g. Chinese consumers travel when they know the brand back home. It is important for them to recognize the brands"* (Company 8, VPD).

Branding is often linked to customers, but one respondent pointed out the importance and effect their branding has had internally:

*We were most affected internally by branding; the way I think about things and the degrees of freedom we got. In some ways, we have been the first to make physical and mental changes to our hotels. It has been a kind of kick-start for us, for example in the development of guest satisfaction. We've made the most of re-branding locally. We have been among the first to do different things within the chain. That is, we have been early adopters. The biggest thing has been what happened to us and I feel the biggest change has happened to us. (Company 1, DD 2)*

One of the hotel companies had a re-branding project over 5 years ago and this re-branding has affected the customer base as a longer phenomenon.

*Today, customers are aware that there are different sub-brands and they have formed their own images of those. The attractiveness of the hotels has increased when identity supporting products and services are built and created in the hotel, also in the form of improved physical environment. This increased attractiveness has also affected increasingly to the number of customers and revenue. (Company 1, GM 1)*

## **Awards**

The respondents had different viewpoints about the awards and public recognitions, and whether those can be used as a competitive action and as leverage in the market. Awards and public recognitions in the hotel industry vary from TripAdvisor's "Best hotel in Finland" to World Luxury Hotel Awards.

One respondent said awards and public recognitions are important for building a reputation, for employees, and for customer service:

*Commercially important. It is important to build a reputation, because for many, especially small players, getting a voice is important and these awards are a stepping stone. It is also important for the staff that there is something that shows where we do well. In addition, TripAdvisor is a good example because there the*

*feedback comes from customers instantly, so it is also a mirror of our doing. In addition, e.g. TripAdvisor is also a customer service tool; so it also helps you improve your operations and focus on what you do, and it also identifies your strengths. The awards are above all a recognition, which have a reputation value and an intrinsic value. (Company 6, CEO)*

Getting certain rewards and being among the top 10 on TripAdvisor is important. *“Within the industry, we know that some of the awards in the industry have been “bought” and some are truly earned. The question of how well a consumer knows which prize has the right value is a different matter. Eight out of ten prizes / awards are irrelevant because they have nothing to do with the right things, but instead are bought. In some markets, they matter, but customers are not able to look deeper than the surface, while the industry knows. There is no official star rating in Finland, which is both good and bad, because everything is based on public ratings” (Company 3, GM).*

All in all, public recognitions are important, but most important is to collect direct feedback from your customers and communicate that. *“Being recognized by receiving awards, has not been a competitive action” (Company 5, AM).*

### **Collaboration, Networking and Locality**

Local cooperation and local stakeholders are important: *“without them I don't think it makes sense to run a hotel” (Company 4, AM).* Collaboration can happen in many ways, for example:

*We receive a lot of collaboration inquiries, for example to have other trademarks visible in our premises, but no other trademarks can be found inside our hotel because we value our own trademark. We have created individual profiles for each hotel according to the psychological profile, and we look for partners based on how their brand fits with our profile. This facilitates the selection of partners. This also influences who we hire. (Company 3, GM)*

Depending on the size of the hotel, different hotels create their own local partnerships. The bigger the hotel company, the more centralized the partnership creation is: *“Our hotel company negotiates all contracts and partners come through it. The partners are negotiated by the hotel company's support functions. This is a good and efficient way” (Company 2, GM 1).*

Collaboration is important also for developing the local tourism. Regionally, hotels are involved in tourism development. The smaller the size of the city, the more the individual hotel is connected to the community, unlike a larger city with more hotels. The role of the hotel changes as the city becomes smaller. That is, a single hotel in a smaller city plays a big role in the development of tourism throughout the city.

*The hotel's primary goal is to develop its own business, but it also plays a very strong role in developing tourism for the entire region. For example, compared to Helsinki, where a single hotel does not play a major role in tourism development, in smaller cities, this role is emphasized. It is important that in small cities, tourism companies work together to achieve common goals. They have a good sense of community because everyone has a common concern about getting more tourists,*

*be they tourists or conference tourists. Everyone thinks it's important to get big deals in the area because everyone benefits. When it comes to business growth, it is not always self-produced, it can be produced by someone else. (Company 1, DD 2)*

### **Revenue Management and Pricing Strategies**

Every interviewee said that revenue management has a very important role in the hotel business: *"Pricing is important and cost management is crucial because efficiency is at the core of this entire business"* (Company 2, GM 2). Thinking about the history in Finland, the number of hotels began to increase after the 1980s; shortcomings in profitability were remedied by increasing the price. *"It was not a pricing-strategic move, it was then a "one price - one product" type. During the 1990s, Sokos Hotels, Restel and Arctia Hotels adopted a strategy, similar to each other, of pushing down the price of accommodation. The same went for the restaurant industry, which also focused more on efficiency"* (Company 6, CEO). That was when the power of the price began to be accentuated over what the price would include.

Most of the respondents said that they use revenue management only in room pricing, though pricing in general is always in the centre. In other words, the results showed that revenue management is a central competitive action when pricing rooms. Only a few of the respondents declared that it is also used in the meeting and events pricing, but they also said that it is usually more in the form of case-by-case customization of the price. None of the respondents said that revenue management is currently in active use in the Food and Beverage operations, though they do recognize the special events' special pricing such as creating a special day's menu (e.g. Mother's Day menu) that gets customers to pay a higher price, since they demand service anyway on those particular days.

*We have a long and good operating culture in revenue management regionally and locally. Which makes it easier for us to face different situations and our people understand what to do differently in a changing situation. All the data that revenue management provides us, supports our decision-making: market analyses and our positioning in the market. Continuous analysis of our operations, as well as ongoing communication between Operational Business, Sales and Revenue Management, is of utmost importance to the entire business. Revenue Management and pricing is at the heart of our business. However, the prices are completely transparent and move on a daily level. We also need to be active in our revenue operations and this is also affected by the distribution channels. How you manage the distribution of your business and what choices you make about its distribution; these have significant business implications. Exporting Revenue Management to the F&B side is also still under consideration. However, the revenue management's thinking has been brought along with campaigns. For example, Valentine's Day naturally brings a lot of reservations, and then you shouldn't campaign for "two steaks for the price of one. (Company 1, DD 2)*

The 21st century has begun to open up people's awareness of what kind of consumers they are. Also, the value production is more central. Thus, the future may see revenue management covering all of the hotels' functions:

*Pricing is not just about setting a price, it involves the whole revenue management function, which is very important. I believe that as time goes by, revenue management will be spread to other services in our industry, such as the restaurant industry. The customer not only buys the raw materials on the plate, but buys all the infrastructure, the experience, the time and where it goes, so pricing is definitely one way to influence it. (Company 6, CEO)*

Important part of revenue management is managing costs. The fixed costs in hotels are big and sometimes the spaces are only used for one purpose in revenue creation. *"Flexible spaces create the possibility of selling the space better."* (Company 8, VPD)

One respondent noted that instead of only using revenue management in the hotel room pricing, they measure the total spending of one guest:

*Revenue management is very important. Our revenue manager sits on the management team and is responsible for total profits. Revenue management is not only important for room pricing. Pricing is also important for meetings and events, and in restaurant and bar. We do not measure the RevPAR, instead the TRevPAR, meaning Total revenue per hotel guest. In other words, we measure how much money one person brings to us. It is good to follow in the Nordic countries level. (Company 4, AM)*

If hotels are just a grey mass without stories or unique experiences, then it easily slips to price competition. *"In the case of price competition, only the customer wins"* (Company 7, E). Pricing one's own products and services should focus on their own doing because *"there is no point in making hasty reactions to competitors' price drops"* (Company 2, GM 2). Hotel company's pricing strategy can also prevent competitors from acting because pricing directly affects profitability (Company 4, AM).

One respondent explained how the pricing of hotels' products and services is build: *"If we think about the core of the industry, where the price comes from, the abstract share of the product we sell is really big. Rationally, it makes no sense for anyone to stay at an expensive hotel, the only justification being the image/association that comes with it"* (Company 6, CEO). When the abstractness grows, so does the importance of pricing. Examples of this abstractness can include status of the customers associated in a hotel, or the historical and political importance of the premises. Pricing is based on how an operator builds a segment base and a distribution strategy. When it comes to profitability and the prerequisites for profitable business, pricing is critical. *"The most fatal mistakes in hotel business are also done with pricing, and when those mistakes are made, it is impossible to operatively run the losses back"* (Company 6, CEO).

### Service Quality

This competitive action has been researched in literature but was not found as an aggregated dimension in the data structure based on the secondary data. However, all respondents identified service quality as an important differentiator. One respondent argued that the most important competitive action and factor is the development of the service: *"Improving service and product quality is crucial"* (Company 1, DD 1). Hotels need to be both mentally and physically fit, and this is the most important competitive action when it comes to staying at the forefront of guest satisfaction. Mentally and physically fit means the staff can constantly provide outstanding service while the premises are also in excellent shape. As a respondent said:

*The expectation is that there is a knowledgeable and professional staff that understand their importance, who offer customer-oriented service. One can come to a hotel or a restaurant once, if they have read about it and it seems interesting. But if one is not served properly and is being treated badly, the customer will not come again. This is the hard core of all the competitive actions. The staff is truly and sincerely doing great things for our customers. Today's activities are transparent, and hotel operations are being re-evaluated every day, and there is nothing else to do except keep things working. If this is not the case then it is pointless to start pushing a big marketing campaign forward, because then it is not credible and real. (Company 1, GM 2)*

There are many ways to increase efforts in service quality. One respondent explained how they have analysed the customers journey when using their products and services:

*There are many ways to compete with the customer experience: marketing, sales, reservation/booking, marketing and communication, productization, pricing, opening hours, the milieu itself (how it feels and the mood), the physical condition of the premises, the cleanliness. We have thought about these through the customer path. What is the "customer path" of a staying client that starts when he / she starts thinking about visiting the city and ends when he / she checks-out and goes home. In between, there are different touchpoints where the customer is dealing with us and each of them should be better than the competitors. Encountering staff during this path are those crucial moments. That is, if the product or service does not work locally, then the other actions are irrelevant. Meaning, there may be any kind of website, pictures and promises, but if the product itself does not work on the premises, then the other factors are irrelevant. (Company 1, GM 2)*

The interviews have made clear that one needs to improve all the time to succeed in the competition. The most important thing in competition are the people and the team:

*How well employees are doing in their daily lives and how they meet guests is crucial compared to the condition of the setting. The condition of the premises is not as important as how the guest is encountered. Of course, things must also work physically and technically. So, a good service will not help if the sewer is*

*flooded, but a perfect setting will not help if the service fails. (Company 2, GM 2)*

### **Barriers of Entry**

It became clear in every interview that barriers of entry are not used as a competitive action in the hotel industry. The idea that keeping competitors out by building more hotels to meet the demand was frequently rejected. Several respondents acknowledged that barriers of entry are used as a competitive action in other industries but said that a wide and versatile offering attracts new and more customers. As one respondent put it succinctly, *“the more players and differentiation, the better”* (Company 5, AM).

One respondent pointed out that differentiating and challenging competitors is good, and might scare potential competitors, but the constant challenge for improvement and differentiation also makes the companies sharpen their products and services. This keeps the customers coming:

*Challenging the competitors has been very successful in our own way. But I don't think opening ten hotels tomorrow would keep competitors out. Of course, if you can offer hotel rooms for each segment in your portfolio, from the cheaper price category to the luxury segment, it may scare off competitors. (Company 4, AM)*

In the Finnish hotel industry, employing a barrier of entry is akin to trying to block entry. It's different from the typical kind of barrier, where there is no space in the market because it is saturated, causing fierce competition. Instead, there is a barrier to entry in the Finnish hotel landscape because the threshold for entering the industry is high: high investment, limited business locations, tight permit processes, etc. Thus, some of the big players have been able to dictate how the industry has taken shape. One respondent pointed out that, for them, the market leadership is important, but keeping competitors completely out is not wise:

*If we wanted to, we could theoretically buy the hotel capacity for the whole city, but that doesn't make sense. We are happy to be the market leader, especially when we have a heterogeneous portfolio. There are always certain advantages to being a market leader, but market leadership is the most important goal in business. This is where we get to play most with the price and customer negotiation. It is enough for us to have, for example, 40% of the city's room capacity. Other players are needed to enrich the city and bring enough supply. (Company 1, DD 1)*

The same respondent continued to say that becoming a market leader by having a certain coverage of the market is desired, but a monopoly is not:

*Monopoly is not wanted because it is not healthy competition. If there is a position where there is no healthy / fair competition, then the consumer loses. The consumer loses because in monopoly the price is bad, and the product is bad. Such a situation is not desirable for the market in the hotel industry. (Company 1, DD 1)*

Another respondent managing hotels in smaller cities noted that, in smaller cities, barriers of entry can occur naturally due to smaller demand, even though nowadays it is rare:

*The smaller the size of the city, the surely such situations will occur, with barriers of entry. The smaller the size of the city and the market, the more the supply will be. As smaller cities go and a hotel project comes along, an actor can try to be involved in the projects to maximize their returns in the future. But today, even small towns cannot manage the situation on their own. Changes are happening all the time and projects are here and there. Not all projects can be dealt with by a single hotel company, nor is it economically viable. (Company 1, DD 2)*

### **Market Entry and Market Expansion**

Market expansion is important for business reasons. When a company has grown to a certain point that the importance of capitalization grows, the market expansion is a natural way for seeking for growth. *“Value is created through growth and market share growth, this way a company remains as an attractive investment target. From the point of view of a business, expanding the market is important”* (Company 6, CEO).

In Finland, *Scandic* acquired *Restel* and used this competitive action to expand its market and get the market leader's position, as well as get better coverage. Coverage, in this context, refers to the ability to offer accommodation services across Finland. Meaning, whether a customer enjoys his holiday in Helsinki or in Rovaniemi, a hotel company with good coverage has hotels all around Finland. *“The acquisition was an investment and an investment in the future, such as expanding the coverage of the hotel chain. In the past, there were gaps, now there are no more”* (Company 2, GM 2). In other words, this hotel can now offer hotel services everywhere in Finland. In some cases, a hotel company is able to obtain business contracts easier when they are able to offer a comprehensive coverage. Meaning, companies are willing to make a business contracts with hotel companies that can offer hotel services all around Finland.

The acquisition created some challenges, e.g. *“merging two corporate cultures after the acquisition into one was challenging, since Restel's corporate culture was very different from Scandic's”* (Company 2, GM 2). The acquisition also had other benefits: *“Many customers transferred under Scandic, for example, more corporate customers. As expected, also a big amount of staff came along”* (Company 2, GM 2). The acquisition was known by most Finnish customers, but as there are several brands that belong to the *Scandic Hotels*, most customers don't know all hotels. Thus, their behaviour did not change towards the other brands: *“80% of our customer are foreign customers and their behaviour has not been affected by the acquisition”* (Company 2, GM 1).

### **Foreign Market Entry**

One of the interviewed hotel companies had entered the Finnish market only a few years ago. They had acknowledged the challenges but as a new competitor, they had been very pleased with the launch. For example, they already have several loyal customers. Their launch received a very positive response both in the

cities and on the customer side. After a successful opening of their first hotels, they are also looking for meaningful, big projects in the Helsinki Metropolitan area and elsewhere in Finland. One success factor has been the local knowledge of laws and regulations. This was achieved because the Finnish hotels' management is local, marketing is done locally, etc. An additional benefit of having local knowledge is that there are also many differences between countries in terms of construction and fire safety.

There are different ways to enter a foreign market and acquisition is one. Acquisitions as a foreign market entry are a smart competitive action where they make sense. *"One must be realistic and opportunistic. It is not easy to enter Finland, and acquisitions should make sense, so we always consider if acquisition would be a smart action"* (Company 8, VPD) Whatever one acquires it must be integrated into the existing business. *"Some companies own only part of the purchased hotel company. If you do not own 100%, it's very hard to integrate change. Company culture is also a big challenge to integrate."* (Company 8, VPD)

### **Employee Engagement**

The first subject discussed by several respondents that did not directly fall into any of the distilled aggregate dimensions based on the secondary data was "Employee engagement," as coined by this paper. This competitive action includes the ideology that a company's employees and their engagement can be used as a competitive action. The satisfaction of the guests and the staff was at the heart of one company's mission: *"Our most important competitive venture is to continue to evolve and further develop our good culture further and deeper"* (Company 1, DD 2). An important discovery was that the wellbeing of the staff and their engagement was directly linked to customer satisfaction. As one respondent said:

*First comes employees' experience/satisfaction at work. After employee experience/satisfaction comes customer experiences/satisfaction. Customer experience/satisfaction is followed by reputation and this leads to profitable growth. --- Business know-how is the backbone, but the focus is on making the work experience of the staff the number one priority. Then on the customer experience, which becomes a reputation that becomes profitability."* (Company 6, CEO)

One respondent stated that they have been looking for growth through excellence in customer relationships and with this they aimed at creating a lasting competitive advantage over the competitors. They decided to change the way of working and the company's culture. They started to emphasize on the quality and level of customer encounters and training managers:

*Executives do not meet the customers, so we decided to do it through and with the people, meaning employees. This was the beginning of the journey of cultural change. People also often come to work in the hospitality industry because they desire to be and work with people. Thus, we gave people the ability to influence their level of daily work. We defined the roles of the managers and supervisors, and invested in leadership, both the leadership training and leadership quality. Also, the historical structure of managing from the centre, when only few individuals keep the power and information in hands, was changed. These points have*



*been an important part of their employee-wellbeing strategy, but above all these points have been important for their business strategy. All these changes take time and patience, but now can be witnessed in the employee satisfaction results that are nationally on a top level. In 2017, we had superior profitability, highest customer satisfaction, job satisfaction, lowest sick leave, and lowest change of employees; throughout the hotel group" (Company 2, CEO)*

## **Sales**

Sales is usually seen as the cornerstone of business and is not discussed as a competitive action in literature, but several respondents listed sales as an important competitive action. Good sales are seen as a part of good customer service, when the *"effectiveness and relevance of pricing and sales"* is understood (Company 1, DD 2). One must understand and be part of the operating environment and market and build its sales accordingly: *"It is important that each hotel has its own sales manager and its own sales service. The service starts with the idea that 'service is from you to me'. So it's not generic service but people and personas are in the house"* (Company 5, AM). Thus, focussing on creating *"high quality sales and sales organization"* is important (Company 2, GM 2).

## **Business Model and Strategy**

*"Business Model and Strategy"* is another term not directly given as a competitive action in the academic research, but was cited as important factor in the interviews. Several respondents said that one must be on the map of competitors' actions, meaning they should know what the competitors are doing, further stating that a company's competitive actions should not be designed according to others'. This means that competitors should be observed but whether one should respond to competitors' competitive behaviour is a different matter. One respondent highlighted and emphasized the importance of one's own business model and following that model:

*You have to find your own place and your own natural competitive advantage, and once that competitive advantage has been found, you have to be able to make it a business model. By reinforcing this, you can survive in the competition through various activities. In a fragmenting, diversifying, mega-trend image, it is hardly any longer that everything follows the same trends. But more now; at the same time, you can find your place in the market and build on that. But it is essential not to forget the business model. Because if one forgets it, it's easy to run out of money and lose investor loyalty. Unfortunately, our industry is full of such examples. It is extremely important to keep the business model at the centre.* (Company 6, CEO)

The part that must be considered and looked out for is that no one is getting a market-superiority position. Bigger companies operate geographically in larger areas and must invest in more monitoring and make decisions based on the competitors' actions:

*Competitors' competitive actions need to be monitored, and to some actions one must react to. For example, pricing must be monitored. One should regard the market position as a dictating matter for which competitors to follow; the competitors offering their products/services in the same segment must be followed. (Company 5, AM)*

Monitoring the market for others' actions is important also because one might benefit, for example, from knowledge spill overs and other human resource related situations: *"For example, one must always look at how acquisitions shake the market: Is it possible to recruit good people?" (Company 3, GM).* Another benefit that was recognized was the increased accommodation capacity that improves the city's or area's attractiveness in hosting big events. One respondent analysed Marriott hotel's opening in Tampere:

*Marriott is perceived as a competitor. It remains to be seen what their product and service looks like. Their pricing is still a question mark also. The arrival of Marriott in Tampere will increase Tampere's ability to host bigger events due to more accommodation capacity. Big events that may not have been in Tampere before might now come to Tampere because the accommodation capacity is bigger. The hotel itself and its opening to the proximity does not bring in new customers, but indirectly brings increased accommodation capacity. (Company 1, GM 2)*

One of the respondents talked about the competition that occurred 20-15 years ago, when the biggest players were very similar in terms of their business and actions. The big hotel companies operating in Finland used to look alike. The respondent continued to say how good it is that the new entrants are currently shaking the market:

*The market situation was funny for years when the three biggest hotel companies were in the same mix and did not differ from each other but competed with pricing. For customers, this may have been a good thing, but an extremely bad thing for the business. When new players come to the market with bolder business ideas and bold pricing, everything works out better. Nowadays, there are more chain portfolios and thus we are more interesting destination for both business and leisure travellers. (Company 5, AM)*

The operators inspect each other's business models and replicate certain components. As identified above, the level of service is a central component of the hotel business. Thus, when a certain service concept works, it is easily copied by others. One interviewee pointed out that occasionally one can see how a competitor has implemented a similar service in their hotel:

*"It's been great to see how, after our own renovation, we made the breakfast so that our customers were happy. We noticed that afterwards many competitors began to have a similar breakfast concept. This in turn made us think about how to develop and improve our own activities." (Company 2, GM 2)*

Responding to competitors' actions requires an understanding of what's going on, and there must be scenarios for what might happen next. In several cities, for

example, the acquisition of *Restel* by *Scandic* has changed the competitive landscape. Hotel companies need to understand what is going on and brighten their strategy. In doing so, the different possible scenarios will be clear.

*We need to understand which segment the competitor is focusing on and what their business focus is to be able to prepare for our strategy, pricing strategy and business. It is no longer today that one hotel is trying to reach and serve the world. The clear segment should be in the operator's mind for whom this hotel is the number one choice. Not everything works for everyone. You need to be able to adjust in different seasons, but basically the time for embracing the world is over. You can no longer do the so called "everything for everyone" -thinking. Profiling is extremely important. One should understand one's own strengths and emphasize those in one's own business. (Company 1, DD 2)*

In sum, one must be genuine in their own story for their business model to be successful. They must believe in what one has created. It is vital to have a clear, distinctive, and a natural marketplace for the business. Simultaneously, one should have the ability, skills, and insight to develop a business model around this: *"There is no one-size-fits-all solution, but consistency should be kept in mind, while emphasizing the importance of a business model; it brings continuity and prerequisites for action"* (Company 6, CEO).

## 5.4 Second Phase: Interviews – Competitiveness

Next, the four main findings about how the companies view competition in the Finnish hotel industry are presented. First, the various management structures employed by hotel companies in Finland are compared. Next, the respondents' view of existing competitors is presented. Then, the respondent's attitude toward international competitors is given. Finally, views of how the Finnish hotel industry has changed overtime and how they may change in the future are offered.

### Ownership and Management Structure

The interviewees were also asked to explain the ownership and management structures of their company. This was asked for understanding whether the different structures and stakeholders impacted the strategizing, or if the competitive actions were linked to these variables. The two biggest hotel companies in Finland have very different ownership structures. The biggest operator is a publicly listed company whereas the second biggest is a network of regional cooperatives and a corporation owned by the cooperatives. Regardless of the ownership structure, several interviewees said that the owners, such as shareholders or co-op members, are viewed as an important stakeholder group that directly affects their decision making. Whether the management structure was called localised or central, the companies highlighted the strengths of their structure. For example, one hotel company has clearly centralised supportive functions (e.g. sales, revenue

management, marketing) and the respondents said that efficiency is a clear benefit of this. The hotel company that has more localised supportive functions pointed out the benefits of local knowledge and how it supports the local operations.

### **Competitors**

All accommodation is considered competition, but the degree of competition depends very much on the type of accommodation a competitor offers: *“When a hotel is positioned differently than us, that is, if the price is different and the product is something else, then it is not a direct competitor”* (Company 2, GM 1). Foreign market entries are not seen as a threat as they can help to increase the prices: *“When hotel operators come here, that are profiled clearly as more expensive, they will help the whole industry to improve its price structure. For the first time in 2017, average room prices were at the same level as in 2007. It took 10 years to restore prices as high as before”* (Company 2, CEO). It is essential that the network is heterogeneous in the city in terms of price, quality and products, so that consumers can find what they need.

*For the accommodation business, Airbnb, Forenom, and even the cousin's couch, are competitors. The more offering is available the more demand it creates. So, it's just a better thing to have more competitors. If you specialize and position yourself with your differentiated profile, you will succeed.* (Company 5, AM)

Other hotel companies are not seen only as competitors, but also as collaborators: *“We see other hotel sizes and types as competitors, but at the same time we see them as colleagues who help with marketing the destination”* (Company 3, GM). In other words, not all competition is viewed negatively: *“We believe that the so-called ‘high-end’ hotels can push up the pricing; meaning they are important for the industry”* (Company 2, CEO). *“Competitors are keeping our business awake, so we must strive to be a little better tomorrow than yesterday. Without competition, basic business could drop its quality. For us, increased competition has led to even better performance”* (Company 1, DD 2).

The competitive marketplace does not include only hotels. Establishments offering restaurant and bar services without accommodation are also competitors: *“Other restaurants and bars in the area are also competitors for us. The meeting & events department has also other competitors and not only other hotel operators”* (Company 3, GM). Moreover, when a hotel company has a portfolio of various hotel brands, the competition is different for each brand: *“Casual hotels in our hotel portfolio have different competitors than the more luxury type of brands”* (Company 3, GM).

The market is fragmented, but some segments are more appealing than others. *“When new supply comes in, a new competitor will take a certain percentage of the market, which we can already estimate. We need to identify the target audience it is taking from and the impact it has on our business”* (Company 1, DD 2). Today, hotels are not the only competitors in accommodation services, as companies like Airbnb and Forenom are competing for the same customers. *“Sure, the overall accommodation market is small, but the growth is relatively higher than in the traditional hotel business. The annual value of Airbnb in Helsinki, for example, is over 30 million euros.*

*In Rovaniemi, over 15 million euros a year"* (Company 1, DD 2). The differing regulations and laws concerning operators in the hospitality industry is causing irritation:

*"The bad thing is that operators in the same industry have different laws and obligations, like Airbnb, since regulators have not been able to keep up with their type of business. For example, in Rovaniemi there is one whole apartment building full of apartments that are all Airbnb apartments, and in our terms that would be called a hotel. But no one can do anything for this. The building is in the residential plan not listed as a hotel. How are the safety issues considered? What if there was a fire?"* (Company 5, AM)

Furthermore, considering conference travel, the biggest distortion of competition is with cruise ships, which attract a lot of meeting and conference business:

*We are unarmed in price comparisons with the cruise ships, as we start with different cost structures. Cruise ships activities/costs are subsidized and they do not have to pay all taxes. The day-conferences are good business, but day cruise ships take offer these at a lot cheaper prices. This is possible because shipping companies receive about 200 million euros a year in state subsidies.* (Company 1, DD 1)

### **New international competitors in the market**

As with competitors in general, international competitors are also seen mostly in a good light: *"The more players and differentiation, the better"* (Company 5, AM). International hotel chains bring new visibility to international markets. *"It is good that new players / brands are entering the market; the price variance is widening, cities and Finland are becoming more interesting"* (Company 1, DD 1). The entry of international hotel companies affects the market positively. *"Even though the new entrants will take a part of the market; they will also attract new customer groups. The quality will possibly also improve."* (Company 8, VPD)

Some tourists rely on familiar brands, so Helsinki and Finland will become more attractive to them when hotel brands they know are present. *"New hotel companies bring in groups of travellers who wouldn't even have come to Finland before. New international competitors put us on our toes to see what they do differently. International players have a great deal of know-how. I'm not too worried about how it affects our customer mix"* (Company 3, GM). Some units may be more affected than others. It depends on what kind of concept they are coming to Finland with. When a new competitor enters the market, it usually has some impact on the local hotel operators, especially the staff:

*When you work with the best people, they are also the ones that the competitors want to recruit and this causes operational destruction. It is up to you to think about your own continuity as the new competitor opens a new hotel with 300 rooms and they will recruit x number of your staff: What is your plan for your own business to continue. The novelty always beckons to see if the grass is greener in the new one when the new hotel comes very close to us physically or conceptually.* (Company 3, GM)

Foreign operators are very welcome to the market. For example, in the respondents' view, Marriott's entrance to the Finnish hotel market is not seen as a bad thing: *"On the contrary, it forces us, the already locally operating players to gear up our*

*own processes and performance” (Company 2, CEO). Marriott has a huge distribution network and, if nothing else, Finland will gain visibility: “Also, we have easier access to international congresses and events thanks to the globally known hotel brands” (Company 5, AM). In the past, the strategy of international hotel companies was to expand by operating locally in new countries. Nowadays the global brands are rarely operated by the branded company. For example, Marriott uses franchising and management contracts with various partners in the countries. But, some hotel operators also expand to new markets. “For the Tampere’s Marriott hotel; the actually new hotel company is Odyssey Hotel Group that starts to operate the hotel, and this is their first hotel operation in Finland” (Company 2, CEO). In other words, the Marriott brand will be used but the operations will be managed by Odyssey Hotel Group. It must be mentioned that coming to Finland for a foreign hotel company is not easy. The language alone is a hurdle, and the legislation and supply are challenging. “Just to take an example, the need for hygiene passports for employees working in the restaurants. The fact that we are in the EU helps, but the key figures and our location are not attractive for foreign operators” (Company 5, AM).*

### **Hotel industry in Finland**

The hotel industry in Finland has a positive future, if Finnish operators are willing to differentiate between their products and hotels so that competition is not just about price. Previously, hotel companies offered indistinguishable rooms, but now they are differentiating and profiling. This also brings productivity up. Competitiveness in the industry is strong, although it depends on what it is compared to. *“The development of the hotel operators has been good, but why the rooms are still being built with the same 1 bed, 1 armchair and 1 toilet / shower method” (Company 7, E). Even 10-15 years ago, the situation used to be that a hotel company offers a standard hotel, for a standard customer, on a standard price. But in present times, the customer wants a different style hotel for different situations. Outside of Helsinki and Lapland, the Finnish hotel market is not as interesting for tourists as other destinations are. This shows room for improvement: “We are still in the early stages of the development wave in Finland. Mediocre operations may also be the cause of the current situation. There are only a few bigger players in Finland and half are small” (Company 1, DD 1). The productivity in the hotel industry has been inadequate for years. Key figures, such as RevPAR, have been also unsatisfactory:*

*Great products have been sold too cheaply and at the same time operators have been unable to increase the demand. Now we are finally getting to the area that someone might be interested in Helsinki and in investing here. A sign of this is that we are getting international players here, but we need more.” (Company 5, AM)*

Finland is a safe and clean country. *“The strengths and interesting factors of the Finnish hotel industry are; it is included in the Euro-zone, it is a stable country, and it is an interesting investment location. Previously Finland was seen as too “exotic”, but now it is recognized as a country where it is easy to do business.”(Company 8, VPD) The possibilities of the country could be explored much more when marketing to tourists. “From the point of view of the tourism industry, this is an absolutely insane*

competitive asset that we have not yet realized. Lapland has done very well, but 1000km down from Rovaniemi is completely unexploited" (Company 2, CEO). There should be hotels and concepts that tell a local story:

*We take the organic growth of the hotel industry that Finland or Helsinki has. We also need to be helping the market to grow. If we open a hotel with 153 rooms in the upper sector (luxury hotel), the market will not grow there overnight, but the market must be created by telling our customers that such a destination exists and the reasons why they should travel to Helsinki. (Company 3, GM)*

Finland's dilemma is that tourism is concentrated in Helsinki and Lapland. Lapland has succeeded better in profiling itself than Helsinki:

*We must find the arguments of Helsinki. Which speaks to Helsinki. Unlike Stockholm, Copenhagen, Tallinn or St. Petersburg. We have a unique place. Helsinki's identity must be strengthened. The archipelago is still untapped, we are too modest with it. For example, the restaurant scene in Helsinki has grown and we should be grateful for it. (Company 3, GM)*

Interest towards Finland should be created. "The commercialization of 'summer' is in its baby steps. We have long talked about how wonderful the archipelago is, but it has not been commercialized" (Company 5, AM). A lot of work has been done in Lapland, but the rest of Finland completely absent. The number of foreigners that visit Finland in total can be compared to other countries to reveal opportunities for attracting visitors. For example, in Norway, they have been able to commercialize their nature and their stories. Nobody will come to Finland just because of the hotels; there must be compelling reasons to come. Competitiveness must be built.

*Iceland, for example, has succeeded in commercializing its story. Although the location of Iceland is no easier than Finland, they have made stop-over work. We have a huge number of Asians being pushed to Europe through Helsinki, but we have not made stop-over work. Huge potential is lost, but more than hotels are needed here. We need Finnair and Visit Finland, for together building and developing Finland's desirability. So, the so-called 'big picture' is missing. (Company 5, AM)*

A similar sentiment was mentioned by another interviewee:

*We have a big opportunity thanks to the location of Helsinki Airport. We are accessible and we have a unique position for air connections between Asia, Europe and North America; one comes from anywhere US to Finland in under 12h, as will from the big hubs of Asia. This created tremendous opportunities, for example stop-over Tourism. Currently the Helsinki airport is used only for a plane change to the next destination. Now we need cooperation between Finnavia, Finnair and Visit Finland so that people realize that they can stay here a day or two. We need to put efforts in this. Government investments through Visit Finland to develop this are ridiculous. For example, comparing to Iceland, where the state spends 38 million a year and Finland only 10 million. (Company 2, CEO)*

## 5.5 Second Phase: Interviews – Threats, Risks, and Opportunities

This chapter presents the key challenges facing the hotel industry. These are human resources, overcapacity, natural disasters, regulations and policymaking, online travel agencies, and consumer trends. These insights provide valuable information about how the competitive nature of the hotel industry may develop.

### Human Resources

Recruiting and retaining competent staff is a challenge. Skilled staff is a constant need *“One day in the kitchen, one in the dining room, and one day on the accommodation side. This is a big challenge and a threat in general”* (Company 3, GM). Even in Helsinki, the work force cannot meet the demand: *“There are currently hundreds of open chefs and waiters’ positions and even more cleaners”* (Company 5, AM). Labour availability is a significant factor: *“There are times when big players in Helsinki leave the restaurant closed for a day when enough employees are unavailable”* (Company 2, CEO). There are many challenges in recruiting staff. *“It looks like the industry is not interesting or desired by employees.”* (Company 2, GM 2), and *“compared to other countries, labour costs are really high and costs are rising”* (Company 3, DOO). If a hotel cannot meet its recruitment needs, it cannot be successful, and consequently, cannot stay competitive. It is important to highlight this challenge:

*For example, simply put: hotel rooms need cleaning. There must be people who clean and they must be onboarded and trained for it. When performance is poor, it requires tremendous amount of day-to-day management. This can be a big challenge even for better-positioned operators, because there are few shift managers; everyone wants to become a big leade..* (Company 5, AM)

Developing a competitive and knowledgeable staff has a major impact on the success of hotels: *“It has been a challenge for some time now and it seems to be a challenge in the future”* (Company 1, GM 2).

### Overcapacity

Another threat to competition is overcapacity. A large number of hotel projects are being undertaken and new properties are being offered in Helsinki, causing an overabundance of hotel accommodations: *“This industry in Finland has often had a practice to build over the demand and then suffer. For example, to Tampere, which has 3,000 rooms, has 900 new rooms appearing in one year. Everyone can calculate that the demand will not immediately increase to meet the supply”* (Company 2, CEO).

### Natural Disasters and External Factors

The political and economic situation in the world poses a threat to the hotel industry. Natural disasters were mentioned by several respondents as a risk that had the potential to affect hotels negatively by influencing how, why, and where people travel. The hotel business can be affected by natural disasters, global accidents and big changes in the economy, as these all affect the way people travel. *“If international travel disappears due to global disasters, then the negative impacts can*



*happen quickly.*" (Company 1, GM 2) Hotels are at the bottom of the funnel in the tourism value chain. As a result, this industry will be affected by any global crisis: *"One ash cloud or terrorist attack in the city creates big challenges"* (Company 2, CEO). According to one respondent threats come mainly from outside; *"Brexit, natural disasters, political factors. As they shape the situation of our guests' country of origin."* (Company 3, DOO). Naturally, the respondents could not foresee a global pandemic like COVID-19, which created a crisis for the hotel industry. But based on their views on the natural disasters, the respondents must have plans in place to mitigate major threats.

### **Regulations and Political Decision Making**

The unpredictable nature of policymaking is another challenge for the hotel industry. Alcohol policies play a surprisingly large role in regulatory challenges for the hotel industry: *"For example, sometimes we know about the coming tax increases 1-2 weeks in advance. So far, tax increases have worked against the interests of our industry"* (Company 2, CEO).

Because they operate under different regulations than traditional hotel establishments, accommodation services like *Airbnb* are a potential threat to the hotel industry: *"Every day, Airbnb has available rooms with the volume of 3 to 4 mid-sized hotels in Helsinki. All competition is welcome, but unfair competition is a threat when there are completely different regulations"* (Company 2, CEO). The hotel industry is subject to strict regulation, but today's sharing economy representatives, such as *Uber* and *Airbnb*, are welcomed without having the regulations up to date. In the sharing economy, the tax benefits go elsewhere, be it the platform or the accommodation hosts, which means the tax benefits do not stay in Finland: *"A couple of years ago this was not mentioned at all, but the tax authority is slowly waking up to the fact that tax revenue is not staying here"* (Company 2, CEO).

### **Online Travel Agencies (OTA's)**

Online Travel Agencies, often referred to as OTA channels, create big risks for hotel companies, as pointed out by most of the respondents:

*OTA channels are not a toxic phenomenon, but they become toxic when they begin to dictate the rules themselves. They are taking advantage of their own dominant position. They dictate in practice how the hotels work, thus exposing the hotel environment to becoming a helper for a third party. In Finland, the competition authority (Finnish Competition and Consumer Authority) seems to protect the OTA channels. OTA channels are seen as abstract and perceived as a small gambler; and hotels with real estate mass are perceived to be big. This showcases the unfamiliarity of the industry, not seeing who is ultimately big and who is small; or who should be protected.* (Company 6, CEO)

Many local, small and medium-sized players struggle with OTA channels, but the larger players have managed to keep OTA channels under control in their distribution: *"The biggest challenges are third parties and OTA channels. As a big player, we have been able to fight them a bit. As a big player, we can develop our own*

*booking system, but smaller players have a harder time” (Company 2, GM 2). Moreover, larger players can choose to remove OTA channels altogether: “In the early 2000s, big chains like Hilton, Marriott, etc. terminated all contracts on the OTA channels at once and put them down. Similar players in Finland are for example Scandic and Sokos Hotels, which have a larger distribution on their own websites” (Company 6, CEO). OTA channels prevent hotel companies from competing with them. While OTA channels are valuable for consumers, they also damage hotel companies because they weaken the competitiveness of hotel companies. In Finland, there is no single operator that is strong enough to influence the behaviour of OTA channels.*

*We need to come through legislation or consolidate the situation through really big players. In Sweden and Germany, for example, OTA channels are not allowed to restrict hotel companies. But it's not yet banned in Finland because the competition authority has felt it necessary to protect booking.com, expedia, etc. here. (Company 6, CEO)*

OTAs are a threat to the hotel industry because of the share they take from the accommodations they sell. *“They always get their share. For us operators, it is unnecessary to pay out in principle, as we could do the same through our own channels. We do not need any external intermediary” (Company 1, GM 2). It must be mentioned, that even though the bigger hotel companies do not need OTAs, the smaller individual hotels do benefit of the visibility.*

### **New trends**

Consumer behaviour can also impact the hotel industry, particularly as it relates to new trends. Customer behaviour can create both opportunities and risks. Hotel companies must plan how they will adapt to changing trends: *“How adaptable we are to the new trends and demands that today's and tomorrow's travellers want?. If you get too lulled into history, the train can pass by quickly” (Company 3, GM). One new trend has been the addition of platforms like Airbnb to the hospitality industry: “We must consider how we can meet that need. New trends and competition is also an opportunity because it makes us think in a new way” (Company 3, GM).*

Global development also affects hotel trends, because the hotel companies want to attract their customers. Additionally, if global travel decreases, this will directly impact hotels' operations as well as related industries with decreased usage. Businesses in the tourism sector are dependent on each other and influenced by the way people use their services: *“We are also dependent on airlines” (Company 5, AM).*

## 6 DISCUSSION AND LIMITATIONS

This thesis had a broad objective to understand how hotel companies in Finland use competitive actions and how international hotel companies entering the market affect the competition in the industry. The aim was to find out how the competitive landscape is viewed by hotel managers and which competitive actions and reactions are recognized to be important for their company. Additionally, the aim was to uncover how new entrants are perceived and what benefits and disadvantages they create in the market. More specifically this thesis concentrated on answering these research questions:

1. What competitive strategies do successful hotel companies in Finland employ and why?
2. How do hotel companies react to new market entries?

The hotel companies studied in this thesis are the biggest hotel companies in Finland and the results show which competitive actions they employ and why. First, the competitive action profiles showcased which competitive actions are used and communicated about. Second, the interviews gave an in-depth look on how and why the actions are used; how the different hotel companies view the competitive landscape and which competitive actions they see as the most important for them. The competitive action profiles give a glance on some of the actions used, but not all. This is because not all competitive actions used by a hotel company can be studied from the outside.

With the objective to assess not just some, but all competitive actions undertaken by the hotel companies, conducting in-depth interviews with hotel representatives was imperative to this thesis. This led to a deeper understanding of the strategizing and planning behind both promoted and silent competitive actions. The strength of this research lies in its dualistic assessment; first, the competitive image that companies convey in the form of announcements; second, the internal view that is reported in the interviews. Chapter 6.1 presents the competitive actions found after analysing both the publications and the interviews. Similarities and differences to existing literature are discussed, pointing out a necessary distinction between the hotel industry and other industries. Chapter 6.2 discusses the perception of incumbent hotel companies of new market entrants and the implications this perception has on related strategizing.

The managerial implications of these findings are given in chapter 6.3. Finally, limitations of this thesis and recommendations for further research are addressed in chapter 6.4.

## 6.1 Competitive Strategies Employed by Hotel Companies

While the results of the quantitative data mostly confirmed findings of existing literature, the interviews shed light onto topics that seem novel. The following list shows the competitive actions employed by Finnish hotel companies, distilled from first the quantitative data and second from the qualitative data. Their meanings are discussed below.

1. Improving product/service (Technological improvements/innovations);
2. Clustering, Networking and Locality;
3. Revenue management/pricing strategies;
4. Market expansion/market entry;
5. Branding /Brand Affiliation/Marketing/Awards;
6. Sales;
7. Business Model & Strategy;
8. Customer Service, Service Quality, Customer Relationship Management;
9. Employee Satisfaction, Employee Engagement.

Actions 1-3 were identified and described in the data in ways that reflect the literature. Their reported importance aligns with the literature as well (Sandvik et al. 2011; Chen & Miller, 2012; Hutzschenreuter & Israel, 2010; Chen & Miller 2012; Vinod, 2004). Actions 4-6 have to be viewed with significant distinctions, as discussed further below. Finally, actions 7-9 have to be redefined when used in the context of the hotel industry, as shall be described in detail further below.

Boyd and Bresser (2008) and Smith et al. (1991) categorize competitive actions into 'strategic' and 'tactical' actions. In this definition, strategic actions, e.g. market expansion, require more resources and time than tactical actions, e.g. 5) branding and CSR activities. When looking at the quantitative data, it is notable that 1) Improving product/service, was the action communicated most to the public. In detail; 35% of all found announcements were categorized as improving product/service, and all but one hotel company use it as a competitive action based on the announcements. Renovating and expanding an existing hotel was the topic in 16 of the "Improving product/service" actions. As one interviewee (Company 1, SVP) remarked; renovation as a word is ugly, but hotel development is important in general. This entails that improving the business in general is essential for successful hotel business, which is in line with the literature.

In the interviews, when asking about the most important competitive actions, strategic actions were always mentioned first. This finding makes sense when considering that strategic actions take more time and have much bigger impacts on the companies and on the industry in general, such as 4) Market expansion. An example for this is *Restel's* acquisition by *Scandic* in 2017; suddenly, one company became dominant in the market by purchasing a competitor. After the purchase, *Scandic* had the highest number of hotels, the most extensive coverage, and the most number of employees. In addition, a transfer of customers

could be witnessed, meaning they gained a wider base of loyal customers from the acquisition.

Another finding in line with existing literature is the high importance of 3) revenue management, which can be either strategic or tactical. There are differences between publically visible competitive actions and internal 'high importance' competitive actions. As an example of this is Revenue management, which is one of the competitive actions that is handled differently in reality than is communicated to the public in the form of announcements: It can be observed by the public only in the form of lowered pricing campaigns, since hotel companies hardly ever publish about increasing prices. Yet, as in every industry, increasing prices is the crucial part of revenue management, a competitive action regarded by the interviewees and the literature alike as of high importance: It was reflected by the respondents as the automatic competitive action that everyone must use (e.g. respondents Company 2, GM 2; Company 6, CEO; and Company 1, DD 2). This aligns with the academic literature, where revenue management is a prominently studied competitive action (for example by Vinod, 2004; El Haddad, 2015; and Abrate & Viglia, 2016), confirming its reported importance in the interviews. However, due to the above described nature of revenue management, it is not surprising to have found little representation of related actions in the secondary data (public announcements). It shall also be mentioned that online pricing campaigns were not included in the secondary data collection because they were not viewed as public announcements but as marketing. Also, it was considered that those could have distorted the view on revenue management. Apart from this, it could be confirmed that the revenue management has been changed from utilizing RevPAR to TRevPAR, as was mentioned in chapter 3, due to its strategic advantage (Company 4, AM).

Alongside these findings that align with existing literature, the following new findings are reported: differing meaning of the classically described actions of introducing a new product/new service, sales and business model as competitive action and employee management as competitive action.

Introducing new products and services, regarded by the literature as a strategic action (Boyd & Bresser, 2008; Sandvik et al. 2011), is one of the actions found to be of high importance for the researched hotels. In the quantitative data, it became apparent that opening new hotels serves as a way to introduce new products, but also as a way to expand the market, and in this way increase the coverage that the hotel company has. However, during the interviews, the introduction of new products and services in the form of hotel openings was mostly explained as a method to expand the market and coverage. Thus, the opening of new hotels was in the end characterized as 4) 'market expansion' instead of 1) 'improving product/service'. Similarly, the introduction of digitalized services was explained as a 1) service improvement, not as a new service. Hence, introduction of digitalized services such as "online check-in"-service was not seen as a cannibalizing offering but a way to improve the customer experience and the customer satisfaction in general. Even the possibility of incorporating AI was dis-

cussed by a respondent (Company 3, GM). In short, the classical competitive action of new product/new service should be viewed differently in the hotel industry than in classical literature.

6) Sales and 7) business model are common topics in business studies, but little is discussed about how these can be used as competitive actions. One respondent said that high-quality sales and having a sales organization is an important competitive action (Company 1, GM 2). The topic that was discussed by five respondents was strategy and more precisely business model. As one respondent explained, having a distinctive business model and following the chosen direction is an important activity in the core of one's business (Company 6, CEO). Another respondent said, "You can no longer do the so called "everything for everyone" -thinking" (Company 1, DD 2), meaning the strategy must be distinctive. All of the respondents had a similar view of the topic of having a unique or different offering compared to the competitors.

Almost all interviewees declared that recruiting and keeping skilled employees was a challenge. The importance of 9) employee satisfaction and engagement as forms of competitive actions in the hotel industry became apparent. Hence, not only are these "components" that keep the business running, as employees in all industries do, but they can also serve as the differentiator when compared with competitors. The hotel industry, concentrating on offering services, is labour intensive, and, as Lado-Sestayo et al. (2017) wrote, "the quality of service leans on labour". The employees welcoming and serving the guests are the indication of the level of service. This was acknowledged by the respondents, and one respondent (Company 6, CEO) even stated; "employee satisfaction comes first and then customer satisfaction". It is self-evident that a frustrated employee, when interacting with a customer, will lead to a frustrated customer. Thus, several interviewees declared that they invest in improving employee satisfaction and employee engagement, with the objective of it improving the 8) service quality, customer satisfaction and overall business as well. While the high importance of employees was a prominent finding from the interviews, neither the literature nor the quantitative data gave competitive actions pertaining to employee satisfaction/engagement notable importance. Similarly, the literature offers no recommendations on improving the employees' engagement at work and thus offer higher quality service. It is therefore concluded that further research on competitive actions relating to employees is needed, e.g. how employee satisfaction and engagement can be maximized most efficiently.

## 6.2 Hotel Companies Reactions on New Market Entries

Some competitive actions found in the literature review were not visible in the quantitative data, i.e. public announcements. Yet, those actions were still asked in the interviews. This was done because some of the competitive actions might be in use, but not communicated to the public. One example of this is the creation of barriers of entry. Enz et al. (2014) and Conlin and Kadiyali's (2006) articles

describe how hotel companies can create barriers of entry by increasing their capacity. Interestingly, even though the respondents did recognize the theoretical background of this action, they did not see it as a viable nor beneficial competitive action for the Finnish hotel industry. In fact, when answering the question how hotel companies view the industry's competition or the new entrants, the respondents unanimously stated that competition is not a threat for them but rather an opportunity to develop their own operations. This can be perceived as counter-intuitive and contradictory to existing literature: McCann and Vroom (2010) found that new ventures are usually seen as a threat by incumbents, as they take away a part of the customers and thus reduce the incumbents' income. But the respondents repeatedly mentioned the importance of competitors and stated that there is no gain in trying to keep new entrants out of the market. None of the interviewees saw new entrants as a threat; instead, they saw the potential of increased demand and increased pricing, which would allow incumbent firms to price their offerings higher as well. According to the interviews, competition is a beneficial element in developing not only everyone's own operations, but the industry's offering in general. As explained by one respondent: New entrants force already locally operating players to gear up their own operations (Company 2, CEO). In addition to this, the AM from Company 5 pointed out that having access to bigger events, such as big conferences, is easier when globally known hotel brands are in Finland, and the big events enable better occupancy rates for everyone.

Competitors, whether new or incumbent, are seen as "sparring" operators that keep the own hotel company "sharp with business". The reason for this finding possibly lies in the Finnish hotel industry's history. Several respondents explained that the hotel industry used to be run by only three operators, i.e. they had the majority of the market, and they offered very similar products and services. Eventually they started to compete on pricing. The price competition led to low room prices. Given the high operating costs of the hotel industry, such as labour costs, competing on price was not good for any operator, least for the small operators. Nowadays, the "sparring" partners drive the industry to offer not cheaper, but higher quality and more diverse products and services. Thusly they attract a more diverse and higher amount of customers and force the incumbents to take opportunities to set oneself apart from the competitors. It would be interesting to find out if this circumstance holds true for other countries, which do not share Finland's history, as well.

As found in the literature; cooperation and collaboration is an important part of competitive dynamics (Chen & Miller, 2012; Hutzschenreuter & Israel, 2010). In the interviews, the respondents explained the different ways in which collaboration and cooperation are present in the hotel industry; mostly as partnerships, but also indirectly: When a player develops tourism in a given destination individually, it affects the attractiveness of the location as a whole. As explained by one respondent, the other players in a destination help creating awareness for it as they market the destination (Company 3, GM). For example, if a city in Finland could attract tourists to an event, then all tourism related companies would benefit of the increased demand; hotels, restaurants, and airlines

alike. One example of this can be witnessed in Lapland, where the region has been able to attract increasing amounts of tourists and all tourism related companies benefit of this. The need for more cooperation among all tourism operators, including *Visit Finland*<sup>1</sup> and *Finnair*<sup>2</sup>, was mentioned by the respondents. Thus, executives and managers of all tourism related operators should feel encouraged to increase the dialogue on how to make Finland a more attractive location for tourists.

It must be noted that the respondents mentioned the threatening competition coming from differently regulated operators, such as OTA channels, *Airbnb*, and cruise ships. The OTA channels have both beneficial and disadvantageous effects for hotels, as small hotels can gain better visibility towards their potential customers, but simultaneously they are limited to operate in the ways the OTA channels order (Company 6, CEO). *Airbnb* is viewed as a competitor, and simultaneously mentioned to have an unfair competitive position. For example, if a whole apartment building has many *Airbnb* apartments, it enables hotel-like operation without the same responsibilities or regulations. Correspondingly, cruise ships were declared to have unfair position in competition, since cruise ships can offer identical services to hotels; accommodation, restaurant services, conference services etc. but with less costs compared to hotels. As one interviewee said: "*Cruise ships activities/costs are subsidized and they do not have to pay all taxes*" (Company 1, DD 1). All of the above mentioned operators and examples should be assessed by the Finnish competition authority to ensure fair regulations and further a healthy competition.

### 6.3 Managerial Implications

This study produced answers to the research questions about competitive strategies harnessed by successful hotel companies and how the hotel companies view new entrants. This thesis also generated managerial implications that both hotel companies' executives and tourism operators in general can utilize.

One recommendation, uncovered from the action profiles, while being in line with competitive dynamics literature, is the use of a range of competitive actions. Based on the public announcements; it can be reasoned that a "portfolio" of competitive actions is used by successful hotel companies. This means that using a variety of competitive actions is good for hotel companies who aim to keep or grow their market share. This means that managers and decision makers can benefit of using a wide set of competitive actions. Principally, in order to grow the business and market share, one must invest in continuous and further development of the hotel company.

The employee satisfaction/engagement as a competitive action has been previously underestimated by the literature. The interview findings encourage

---

<sup>1</sup> government organization developing and marketing Finland's travel image

<sup>2</sup> airline operating in and from Finland



managers to put emphasis on employee satisfaction and engagement, as it affects the company culture, and the quality of service. A good company culture and quality of service ultimately affect the success of the company. A concrete example of this is to engage employees by giving people the ability to influence their level of daily work. This potentially leads to superior profitability, high customer satisfaction, high job satisfaction, low sick leave rate, and low change of employees.

The most important recommendation in this thesis for all tourism related operators is the encouragement to increase dialogue among each other. Decision makers, such as executives and managers, from all tourism related operators should work together to develop Finland's attractiveness as a destination for tourists. Furthermore, building on the findings, engagement in partnerships and collaborations with local tourist attractions is recommended. For example, hotel operators could consider investing in local attractions, developing package deals with tour guide operators or rental agencies, or collaborating with all of the above to make the city build better infrastructure between the hotel and the wilderness, e.g. the lakeside or seaside.

## **6.4 Limitations and Recommendations for Further Research**

Several measures were taken to ensure reliability, validity, and generalizability of this study. Those measures were discussed in detail in chapter 4 alongside the methods. This chapter discusses the limitations of this study and the recommendations for further research are given.

To ensure reliability, neutral time and place for studying the subjects was chosen, anonymity was ensured for the interviewees, and the interview schedule was structured. In this research, the means for ensuring validity used were thick and rich data, debriefing and clarifying research bias.

The thick and rich data are ensured through the sample size and appropriateness of the data. The sample size in this research has to represent the 29 currently operating hotel companies in Finland. It does so appropriately by including 7 companies, equalling about 24% of the hotel company population. Each of these seven companies was represented by between one and five decision makers, e.g. CEOs, general managers, and division directors, equalling a total of 15 industry experts. This enabled reproducibility among respondents of the same company, whose different position and thus different point of view could lead to complementing answers.

The regional responsibility of the 15 respondents covered all areas of Finland with strongly developed tourism, making the research generalizable across Finland. One limitation of this, however, is the sample representing only such hotel companies operating five or more hotels. Accordingly, some observations might differ in the context of smaller operators. For example; market expansion might not carry the same weight of importance for small operators. Yet, other

observations likely still hold true, like improving products/services; and developing the business in general. In the context of generalization, this thesis found it necessary to distinguish between the hotel industry and other industries, as competitive dynamics and terms relating to competitive actions are found to differ. Thus, findings stemming from research about other industries, like manufacturing or the retail industry, have to be carefully examined for their transferability to the hotel industry and vice versa.

Debriefing was used to prevent the author's bias, meaning a colleague, in this case the thesis supervisor, examined the transcripts, the methodology and the final thesis, and gave feedback. The author had worked in the field for several years and had some knowledge of how the industry operates. Taking this into consideration, it is apparent that the author had an impression of the competitive landscape. This could be used to ask questions that the related literature does not account for. During the interviews, the vocabulary used by the respondents was also used by the interviewer to get as close to the respondents as possible. This created the challenge of the interviewer becoming too "native" in the data collection. To counteract this, an outsider was asked to read this thesis and pinpoint any naïve or biased interpretations. Nevertheless, this is a limitation that must be taken into account.

Hotel Company 1 operates two independent hotel brands and was accordingly allocated two competitive action profiles. Comparing these two profiles revealed significant differences, suggesting that the strategies used by hotel companies depend on the hotel brand, not on the operating company. However, this thesis only investigated one company's multiple brands, therefore the generalizability of this observation remains uncertain and could provide the basis for further studies.

There is a discrepancy between the barriers of entry literature and the qualitative data of this thesis. Conlin and Kadiyali (2006) wrote that companies with considerable market share can benefit of increasing capacity to the level of idle capacity as it can deter new ventures of entering the market. However, hotel experts interviewed in this thesis said that new entrants are not to be blocked. Collaboration, clustering, and partnerships also have high relevance in the hotel industry. This discrepancy is explained through a lack of healthy competition in the history of Finland's hotel industry and the desire to prevent its reoccurrence on the one hand, and shared benefits of an attractive destination among all local competitors on the other hand.

More research should be done on how the online travel agencies (OTAs), sharing platforms (e.g. *Airbnb*), and cruise ships are regulated in Finland. The interviewees explained their frustration with competition regulation perceived as unfair. It would be valuable to understand how the Competition Authority and Government justifies its decisions, regulations and legislation on these operators. Currently, industry experts (hotel industry decision makers) feel that the situation is unfair and unjust, since companies offering similar products and services still operate under different regulations. This perception might be biased and caused by the interviewed industry experts conflict of interest, thusly more research on hearing all sides/perspectives on this matter is needed.

It is notable that the Finnish hotel industry operates differently compared to the industries related to the previous literature. Researchers in the competitive dynamics field should keep in mind the distinctiveness of the Finnish hotel industry. Hence, one implication is to check if this perception of the hotel industry's competition can be reproduced in other countries that don't have the same history as in Finland.

We know now that the Coronavirus has put the continuum of hotel and tourism business at risk. Thus, research on how hotel companies prepare for and survive during a global pandemic should be conducted. Meaning, how the use of competitive actions is different and how competition is experienced during a global crisis, should be studied.

## 7 CONCLUSION

The aim of this thesis was to study the competitive dynamics of the hotel industry in Finland. Two main research questions directed this thesis: Firstly, which competitive actions do successful hotel companies in Finland use and why? Secondly, how do market entries of international hotel companies affect the competition in the industry in general and what challenges and opportunities arise from market entries specifically? Both questions were investigated within a two-phased, inductive mixed-methods approach.

The literature review started by explaining the findings from highly cited competitive dynamics papers, before describing the competitive actions. The research approach used in this thesis followed the Gioia methodology, an inductive research method, that facilitate qualitative rigor. The research was conducted using a mixed-methods approach: both quantitative and qualitative data was collected. The data was analysed and visualised in two data structures. For reliability and validity purposes, quantitative data was first collected to find out the publically visible competitive actions in use and whether the hotel companies had differing competitive actions in use. The quantitative data, consisting of public announcements of the hotel companies, was used to allocate competitive action profiles to each of the studied companies. In the second phase, based on these profiles, interviews were conducted with hotel industry experts. The efforts in designing the research method and data collection result in this thesis that is credible regarding its reliability and validity, while its generalisability remains debatable.

First, quantitative data in the form of publicly available publications about the respective hotels' competitive actions was collected, to allocate competitive action profiles to each of the studied companies. In the second phase, hotel industry experts were interviewed based on their respective company's profile to learn about the reasons behind their competitive actions as well as to learn about unpublished actions. This way, the following competitive actions used by the Finnish hotel companies were identified:

1. Improving product/service (Technological improvements/innovations);
2. Clustering, Networking and Locality;
3. Revenue management/pricing strategies;
4. Market expansion/market entry;
5. Branding /Brand Affiliation/Marketing/Awards;
6. Sales;
7. Business Model & Strategy;
8. Customer Service, Service Quality, Customer Relationship Management;
9. Employee Satisfaction, Employee Engagement.

“Business Model & Strategy”, and “Employee Satisfaction, Employee Engagement” were the two unpublished actions. These two identified competitive actions were not directly linked to the previous literature, nor were those found

during the quantitative data collection, meaning the public announcements, either.

The qualitative data from the interviews showed that hotel companies welcomed new entrants to the industry, as 13 of the 15 interviewed supported the claim that new entrants are an opportunity and not a threat. Moreover, barriers of entry was answered to be an unnecessary competitive action. This discrepancy between literature and this thesis' findings is the difference in perception of competition. It is also the reason for why collaboration, clustering, and partnerships might be of higher relevance in the hotel industry than in other industries. This claim should be investigated in further research. New entrants were expected to improve the industry since they could create opportunities such as increased RevPAR. This surprising finding can be explained as follows: The demand for accommodation and hospitality related products and services keeps on growing as global population and travelling increase. The growing demand attracts operators, incumbent and new ventures, to increase the supply and offering. The growing supply, especially with globally known brands, increases the visibility and attractiveness of the location. The growing supply also attracts organizing big events, such as international conferences, which again increases the demand for hotels. Thus, competition and new entrants are a valuable benefit, for the country's attractiveness as location for tourism (business and leisure) and for the industry to develop and grow as a whole.

The competition that is not seen to improve the industry by the interviewees, is coming from entrants and companies that are able to operate in a similar manner as hotels but have different regulations. This type of operators are cruise ships, and *Airbnb*'s that own whole apartment buildings. For this the interviewees were asking government to get involved. This is also in the topics that call for further research; "the uneven balance of competition with operators working in the same market, caused by regulations".

At the same time, managerial implications are found for the industry experts on how the industry can develop and the market can become more competitive. The respondents called for the collective understanding that all the different operators improve the tourism industry and the attractiveness of the location. Also, not repeating the mistakes from the past, such as competing with price, is a takeaway for managers.

This thesis contributes to the competitive dynamics literature, by harnessing in-depth knowledge on how hotel companies strategize and compete in Finland. This thesis adds the Finnish hotel industry's perspective on competitive dynamics, pointing out fundamental differences regarding competitive situations and in turn behaviour.

## REFERENCES

- Abrate, G., & Viglia, G. (2016). Strategic and tactical price decisions in hotel revenue management. *Tourism Management*, 55, 123-132.
- Aluehallintovirastot (2020). Aluehallintovirastot määräävät oppilaitokset suljettavaksi ja kieltävät yli 10 hengen yleisötilaisuudet. Tiedotteet 2020. Retrieved from: <https://www.avi.fi/web/avi/-/aluehallintovirastot-maaraavat-oppilaitokset-suljettavaksi-ja-kieltavat-yli-10-hengen-yleisotilaisuudet> . Accessed: 4.4.2020
- Andrevski, G., Brass, D. J., & Ferrier, W. J. (2016). Alliance portfolio configurations and competitive action frequency. *Journal of Management*, 42(4), 811-837
- Ansoff, I. (1957). Strategies for diversification. *Harvard Business Review*, 35(5), 113-124.
- Arendt, S., & Brettel, M. (2010). Understanding the influence of corporate social responsibility on corporate identity, image, and firm performance. *Management Decision*, 48(10), 1469-1492.
- Arturs, K., & Wilbur, C. (2004). Resource-seeking agglomeration: A study of market entry in the lodging industry. *Strategic Management Journal*, 25(7)
- Assaf, A. G., Josiassen, A., & Oh, H. (2016). Internationalization and hotel performance: The missing pieces. *Tourism Economics*, 22(3), 572-592
- Barratt, M., Choi, T. Y., & Li, M. (2011). Qualitative case studies in operations management: Trends, research outcomes, and future research implications. *Journal of Operations Management*, 29(4), 329-342.
- Blomstermo, A., Deo Sharma, D., & Sallis, J. (2006). Choice of foreign market entry mode in service firms. *International Marketing Review*, 23(2), 211-229
- Boyd, J. L., & Bresser, R. K. F. (2008). Performance implications of delayed competitive responses: Evidence from the U.S. retail industry. *Strategic Management Journal*, 29(10), 1077-1096
- Bulow, J., Geanakoplos, J., & Klemperer, P. (1985). Holding idle capacity to deter entry. *The Economic Journal*, 95, 178-182.

- Carvell, S. A., Canina, L., & Sturman, M. C. (2016). A comparison of the performance of brand-affiliated and unaffiliated hotel properties. *Cornell Hospitality Quarterly*, 57(2), 193-201.
- Chen, H., Griffith, D. A., & Hu, M. Y. (2006). The influence of liability of foreignness on market entry strategies. *International Marketing Review*, 23(6), 636-649
- Chen, M. (2009). Competitive dynamics research: An insider's odyssey. *Asia Pacific Journal of Management*, 26(1), 5.
- Chen, M., & Miller, D. (2012). Competitive dynamics: Themes, trends, and a prospective research platform. *The Academy of Management Annals*, 6(1), 135-210.
- Conlin, M., & Kadiyali, V. (2006). Entry-Deterring capacity in the texas lodging industry. *Journal of Economics & Management Strategy*, 15(1), 167-185.
- Contractor, F. J., & Kundu, S. K. (1998). Modal choice in a world of alliances. *Journal of International Business Studies*, 29(2), 325-357
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (Fourth edition, international student edition ed.). Los Angeles ; London ; New Delhi ; Singapore ; Washington DC: SAGE.
- Cross, R. G. (1997). Launching the revenue rocket. *Cornell Hotel and Restaurant Administration Quarterly*, 38(2), 32-43.
- Dev, C. S., Brown, J. R., & Zhou, K. Z. (2007). Global brand expansion. *Cornell Hotel and Restaurant Administration Quarterly*, 48(1), 13-27
- Dev, C. S., & Klein, S. (1993). Strategic alliances in the hotel industry. *Cornell Hotel and Restaurant Administration Quarterly*, 34(1), 42-45
- Dev, C. S., Thomas, J. H., Buschman, J., & Anderson, E. (2010). Brand rights and hotel management agreements. *Cornell Hospitality Quarterly*, 51(2), 215-230.
- El Haddad, R. (2015). Exploration of revenue management practices - case of an upscale budget hotel chain. *International Journal of Contemporary Hospitality Management*, 27(8), 1791-1813.

- Enz, C. A., Canina, L., & Liu, Z. (2008). Competitive dynamics and pricing behavior in US hotels: The role of co-location. *Scandinavian Journal of Hospitality and Tourism*, 8(3), 230-250
- Enz, C. A., Peiró-Signes, Á, & Segarra-Oña, M. (2014). How fast do new hotels ramp up performance? *Cornell Hospitality Quarterly*, 55(2), 141-151.
- Endo, K. (2006). Foreign direct investment in tourism – flows and volumes. *Tourism Management*, 27(4), 600-614.
- Erramilli, M. K., Agarwal, S., & Dev, C. S. (2002). Choice between non-equity entry modes: An organizational capability perspective. *Journal of International Business Studies*, 33(2), 223-242.
- Ferrier, W. J., Smith, K. G., & Grimm, C. M. (1999). The role of competitive action in market share erosion and industry dethronement: A study of industry leaders and challengers. *Academy of Management Journal*, 42(4), 372.
- Franco, M., & Pereira, C. (2013). Exploring the reasons and factors influencing the formation and development of alliances in the hospitality industry. *Baltic Journal of Management*, 8(4), 438-462.
- Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: notes on the gioia methodology. *Organizational Research Methods*, 16(1), 15-31
- Gnyawali, D. R., & Charleton, T. R. (2018). Nuances in the interplay of competition and cooperation: Towards a theory of coopetition. *Journal of Management*, 44(7), 2511-2534.
- Guetterman, T. C., Babchuk, W. A., Howell Smith, M. C., & Stevens, J. (2019). Contemporary approaches to mixed Methods–Grounded theory research: A field-based analysis. *Journal of Mixed Methods Research*, 13(2), 179-195.
- Hemsley-Brown, J., & Alnawas, I. (2016). Service quality and brand loyalty: The mediation effect of brand passion, brand affection and self-brand connection. *International Journal of Contemporary Hospitality Management*, 28(12), 2771-2794.
- Hitsch, G. J. (2006). An empirical model of optimal dynamic product launch and exit under demand uncertainty. *Marketing Science*, 25(1), 25-50.



- Hutzschenreuter, T., & Israel, S. (2010). A review of empirical research on dynamic competitive strategy. *International Journal of Management Reviews*, 11(4), 421-461.
- Jaakkola, E. & Alexander, M. (2014) The Role of Customer Engagement Behavior in Value Co- Creation: A Service System Perspective, *Journal of Service Research*, Vol. 17, No. 3, 247-261.
- Joshi, K. D., Chi, L., Datta, A., & Han, S. (2010). Changing the competitive landscape: Continuous innovation through IT-enabled knowledge capabilities. *Information Systems Research*, 21(3), 472-495.
- Joppe, M. (2012). Migrant workers: Challenges and opportunities in addressing tourism labour shortages. *Tourism Management*, 33(3), 662-671.
- Jänkälä, S. (2019). *Matkailun toimialaraportti*. Työ- ja elinkeinoministeriö. Retrieved from <http://julkaisut.valtioneuvosto.fi/handle/10024/161292> . Accessed: 15.4.2020
- Ketchen, D. J., Snow, C. C., & Hoover, V. L. (2004). Research on competitive dynamics: Recent accomplishments and future challenges. *Journal of Management*, 30(6), 779-804.
- Kilpailulaki (12.8.2011/948) 5-7 §: "Elinkeinoharjoittajien väliset kielletyt kilpailunrajoitukset", "Poikkeus kiellosta", "Määrävän markkina-aseman väärinkäyttö". Accessed: 25.06.2019 Retrieved from: <https://www.finlex.fi/fi/laki/ajantasa/2011/20110948> .
- Kimes, S. E., (2011). The future of hotel revenue management, *Journal Of Revenue & Pricing Management*, 10, 1, pp. 62-72
- KKV. (25.4.2019) FCCA Responsibilities, Accessed: 25.06.2019 Retrieved from: <https://www.kkv.fi/en/about-us/tasks/>
- Krider, R. E., & Weinberg, C. B. (1998). Competitive dynamics and the introduction of new products: The motion picture timing game. *Journal of Marketing Research*, 35(1)
- Kruesi, M. A., & Záborský, P. (2016). The non-equity entry mode choices of international hotel organizations in new zealand. *International Journal of Hospitality & Tourism Administration*, 17(3), 316-346.

- Kocak, O., & Ozcan, S. (2013). How does rivals' presence affect firms' decision to enter new markets? economic and sociological explanations. *Management Science*, 59(11), 2586-2603
- Kylänen, M., & Rusko, R. (2011). Unintentional coepetition in the service industries: The case of Pyhä-Luosto tourism destination in the Finnish Lapland. *European Management Journal*, 29(3), 193-205
- Lado-Sestayo, R., Vivel-Búa, M., & Otero-González, L. (2017). Drivers and barriers to entry for new hotel start-ups. *Tourism Management Perspectives*, 23, 87-96.
- Liao, P., Ye, F., & Wu, X. (2017). A comparison of the merchant and agency models in the hotel industry. *International Transactions in Operational Research*, 1-22.
- Liu, M. T., Wong, I. A., Shi, G., Chu, R., & Brock, J. L. (2014). The impact of corporate social responsibility (CSR) performance and perceived brand quality on customer-based brand preference. *Journal of Services Marketing*, 28(3), 181-194.
- Livengood, R. S., & Reger, R. K. (2010). That's our turf! identity domains and competitive dynamics. *Academy of Management Review*, 35(1), 48-66
- Luoma, J., Ruutu, S., King, A. W., & Tikkanen, H. (2017). Time delays, competitive interdependence, and firm performance. *Strategic Management Journal*, 38(3), 506-525
- Martin, P. Y., & Turner, B. A. (1986). Grounded theory and organizational research. *The Journal of Applied Behavioral Science*, 22(2), 141-157.
- McCann, B. T., & Vroom, G. (2010). Pricing response to entry and agglomeration effects. *Strategic Management Journal*, 31(3), 284-305.
- McGinley, S. P., Hanks, L., & Line, N. D. (2017). Constraints to attracting new hotel workers: A study on industrial recruitment. *International Journal of Hospitality Management*, 60, 114-122.
- Min, H., & Min, H. (1996). Competitive benchmarking of korean luxury hotels using the analytic hierarchy process and competitive gap analysis. *Journal of Services Marketing*, 10(3), 58-72
- Morse, J. M. (2015). Critical analysis of strategies for determining rigor in qualitative inquiry. *Qualitative Health Research*, 25(9), 1212-1222

- Nasir, M. A., Wu, J., & Guerrero, J. C. (2015). Economic growth, exchange rate and constrained competitiveness of the tourism sector in andalucía. *International Journal of Management and Economics*, 48(1), 84-100.
- Nieminen, I. (2017). Scandic ostaa restelin hotellit ja nousee alan suurimmaksi – cumulumukset muuttuvat Scandiceiksi Scandic ostaa restelin hotellit ja nousee alan suurimmaksi – cumulumukset muuttuvat scandiceiksi. *Helsingin Sanomat* Retrieved from <https://www.hs.fi/talous/art-2000005263156.html> Accessed: 15.4.2020
- Official Statistics of Finland (OSF), (2019): Nights spent by foreign tourists in Finland increased by 12 per cent in October 2019; Accommodation statistics ISSN=1799-6325. October 2019. Helsinki: Statistics Finland. Retrieved from: [http://www.stat.fi/til/matk/2019/10/matk\\_2019\\_10\\_2019-11-28\\_tie\\_001\\_en.html](http://www.stat.fi/til/matk/2019/10/matk_2019_10_2019-11-28_tie_001_en.html) , Accessed: 3.1.2019
- Palacios-Florencio, B., García del Junco, J., Castellanos-Verdugo, M., & Rosa-Díaz, I. M. (2018). Trust as mediator of corporate social responsibility, image and loyalty in the hotel sector. *Journal of Sustainable Tourism*, 26(7), 1273-1289.
- Pla-Barber, J., Villar, C., & León-Darder, F. (2014). Augmenting versus exploiting entry modes in soft services. *International Marketing Review*, 31(6), 621-636.
- Quer, D., Claver, E., & Andreu, R. (2007). Foreign market entry mode in the hotel industry: The impact of country- and firm-specific factors. *International Business Review*, 16(3), 362-376.
- Raeste, J-P. (2017) Helsingissä on jo meneillään hotellibuumi. *Helsingin Sanomat*, published, (57) 26-27
- Rodríguez-Victoria, O. E., Puig, F., & González-Loureiro, M. (2017). Clustering, innovation and hotel competitiveness: Evidence from the colombia destination. *International Journal of Contemporary Hospitality Management*, 29(11), 2785-2806.
- Sainaghi, R., Phillips, P., & Zavarrone, E. (2017). Performance measurement in tourism firms: A content analytical meta-approach. *Tourism Management*, 59, 36-56.
- Sandvik, I. L., Arnett, D. B., & Sandvik, K. (2011). The effects of new product development proficiency on product advantage and tourism business performance: evidence from the Norwegian hotel industry. *Journal of Travel Research*, 50(6), 641-653.

- Sandvik, I. L., Duhan, D. F., & Sandvik, K. (2014). Innovativeness and profitability: an Empirical Investigation in the Norwegian Hotel Industry. *Cornell Hospitality Quarterly*, 55(2), 165-185.
- Santos, M., Brochado, A., & Esperança, J. (2016). Foreign direct investment patterns of global hotel chains. *Journal of Business Research*, 69(11), 5235-5240.
- Scandic (2020). Scandic on päättänyt koko henkilöstön lomautuksia koskevat yhteistoimintaneuvottelut. Lehdistöiedote Maalis 17, 2020 20:11 EET. Retrieved from: [http://www.mynewsdesk.com/fi/scandic\\_hotels/pressreleases/scandic-on-paeaettaenytkokohenkiloestoenlomautuksia-koskevat-yhteistoimintaneuvottelut-2982907](http://www.mynewsdesk.com/fi/scandic_hotels/pressreleases/scandic-on-paeaettaenytkokohenkiloestoenlomautuksia-koskevat-yhteistoimintaneuvottelut-2982907) . Accessed: 4.4.2020
- Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students* (Fifth edition ed.). Pearson Education Limited, Harlow
- Serra-Cantalops, A., Peña-Miranda, D. D., Ramón-Cardona, J., & Martorell-Cunill, O. (2018). Progress in research on CSR and the hotel industry (2006-2015). *Cornell Hospitality Quarterly*, 59(1), 15-38.
- Singal, M. (2015). How is the hospitality and tourism industry different? An empirical test of some structural characteristics. *International Journal of Hospitality Management*, 47, 116-119.
- Singal, M. (2014). The business case for diversity management in the hospitality industry. *International Journal of Hospitality Management*, 40, 10-19
- Slattery, P. (2009). The otus theory of hotel demand and supply. *International Journal of Hospitality Management*, 28(1), 113-120
- Smith, K. G., Ferrier, W. J., & Ndofor, H. (2001). Competitive dynamics research: Critique and future directions. *Handbook of Strategic Management*, , 315-361.
- Smith, K. G., Grimm, C. M., Gannon, M. J., & Chen, M. (1991). Organizational information processing, competitive responses, and performance in the U.S. domestic airline industry. *The Academy of Management Journal*, 34(1), 60-85.
- Sokos Hotels (2020). Group Hotels Continue To Offer Accommodation, Temporary Layoffs Introduced. Media release March 19, 2020. Retrieved from: [https://www.sokoshotels.fi/en/news/news/group-hotels-continue-to-offer/015399059\\_419607](https://www.sokoshotels.fi/en/news/news/group-hotels-continue-to-offer/015399059_419607) . Accessed: 4.4.2020

- Stremia Oy (2017, November 10). Press conference: 10.11.2017 maailman suurin hotelliketju marriott international saapuu suomeen. Stremia Oy (Director). [Video file] Retrieved from: <https://www.youtube.com/watch?v=gvO4Xh4NhsM&feature=youtu.be>
- Suomen virallinen tilasto (SVT) (2020): Majoitustilasto [online publication]. ISSN=1799-6309. Maaliskuu 2020. Helsinki: Tilastokeskus. Retrieved from: [http://www.stat.fi/til/matk/2020/03/matk\\_2020\\_03\\_2020-04-09\\_tie\\_001\\_fi.html](http://www.stat.fi/til/matk/2020/03/matk_2020_03_2020-04-09_tie_001_fi.html) . Accessed: 15.4.2020
- Talouselämä (2017). Paljonko yhteen maahan mahtuu hotelleja? Suomessa on nyt hotellibuumi, Matkailu. Retrieved from: <https://www.talouselama.fi/uutiset/paljonko-yhteen-maahan-mahtuu-hotelleja-suomessa-on-nyt-hotellibuumi/5baca06a-5999-3630-a843-c9c704bc3db6> . Accessed: 19.9.2018
- Tamminen, M. (2019, Aug 15.). "Kämp on aarre" - norjalaismiljardööri hehkuttaa hankkimaansa suomalaista luksushotelliketjua. Kauppalehti Retrieved from <https://www.kauppalehti.fi/uutiset/kamp-on-aarre-norjalaismiljar-doori-hehkuttaa-hankkimaansa-suomalaista-luksushotelliket-ju/057bd374-255a-42f8-966b-a0eea27d9905> Accessed: 15.4.2020
- Teece, D. (2007). Explicating dynamic capabilities: The nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.
- Valtioneuvoston viestintäosasto (2020). Ravitsemisliikkeiden toimintaa rajoitetaan ja valmiuslain mukaisia toimivaltuuksia jatketaan, Opetus- ja kulttuuriministeriö, Sosiaali- ja terveystieteiden ministeriö, Työ- ja elinkeinoministeriö, Valtioneuvoston viestintäosasto, Tiedote: 201/2020, Published: 31.3.2020 Retrieved from: [https://valtioneuvosto.fi/artikkeli/-/asset\\_publisher/10616/ravitsemisliikkeiden-toimintaa-rajoitetaan-ja-valmiuslain-mukaisia-toimivaltuuksia-jatketaan](https://valtioneuvosto.fi/artikkeli/-/asset_publisher/10616/ravitsemisliikkeiden-toimintaa-rajoitetaan-ja-valmiuslain-mukaisia-toimivaltuuksia-jatketaan) . Accessed: 4.4.2020
- Veal, A. J.; (2011). *Research Methods for Leisure & Tourism a Practical Guide*, Fourth Edition, Pearson Education Limited, England
- Vinod, B. (2004). Unlocking the value of revenue management in the hotel industry. *Journal of Revenue and Pricing Management*, 3(2), 178-190.
- Voytko, L (2020). Coronavirus Layoffs: Sephora Latest To Dismiss Workers Amid Pandemic. *Forbes*, Online Article, Published: Apr 1, 2020,04:20pm EDT, Retrieved from: <https://www.forbes.com/sites/lisettevoytko/>

2020/04/01/coronavirus-layoffs-sephora-latest-to-dismiss-workers-amid-pandemic/#2ccd739a1aae . Accessed: 4.4.2020

Williams, S. D. (2007). Gaining and losing market share and returns: A competitive dynamics model. *Journal of Strategic Marketing*, 15(2-3), 139-148.

World Health Organization, (2020). Coronavirus disease 2019 (COVID-19) Situation Report - 51. Published: 11<sup>th</sup> March 2020 Retrieved from: [https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200311-sitrep-51-covid-19.pdf?sfvrsn=1ba62e57\\_10](https://www.who.int/docs/default-source/coronaviruse/situation-reports/20200311-sitrep-51-covid-19.pdf?sfvrsn=1ba62e57_10) . Accessed: 4.4.2020

Yang, K., & Buschman, J. (2017). A dyadic perspective on determinants of entry choices in the global hospitality industry. *International Journal of Management and Economics*, 53(4), 77-92

Yang, Q., Ye, F., & Yan, F. (2011). An empirical analysis of influential factors in international tourism income in sichuan province. *Asian Social Science*, 7(3)

Zachary, M. A., Gianiodis, P. T., Payne, G. T., & Markman, G. D. (2015). *Entry timing: Enduring lessons and future directions*. Los Angeles, CA: SAGE Publications.

Zopiatis, A., Constanti, P., & Theocharous, A. L. (2014). Migrant labor in hospitality: The cyprus experience. *International Journal of Hospitality Management*, 37, 111-120

Zhou, N., & Guillen, M. F. (2016). Categorizing the liability of foreignness: Ownership, location, and internalization-specific dimensions. *Global Strategy Journal*, 6(4), 309-329.

## APPENDIX 1: INTERVIEWEES

<b>Interviewee Identifier</b>	<b>Company</b>	<b>Date</b>	<b>Length</b>	<b>Position</b>
Company 1, GM 1	COMPANY 1	19.11.2018	47 minutes	General Manager
Company 1, SVP		12.12.2018	57 minutes	Senior Vice President
Company 1, GM 2		14.05.2019	56 minutes	General Manager
Company 1, DD 1		25.06.2019	57 minutes	Division Director
Company 1, DD 2		18.05.2019	72 minutes	Division Director
Company 2, CEO	COMPANY 2	07.01.2019	48 minutes	CEO
Company 2, GM 1		20.05.2019	58 minutes	General Manager
Company 2, GM 2		25.7.2019	60 minutes	General Manager
Company 3, GM	COMPANY 3	20.11.2018	50 minutes	General Manager
Company 3, DOO		14.12.2018	60 minutes	Director of Operations
Company 4, AM	COMPANY 4	03.01.2019	51 minutes	Area Manager
Company 5, AM	COMPANY 5	29.11.2018	36 minutes	Area Manager
Company 6, CEO	COMPANY 6	26.03.2019	62 minutes	CEO
Company 7, E	COMPANY 7 / Expert	12.12.2018	Phone call ~20minutes	Partner
Company 8, VPD	COMPANY 8	14.05.2019	Phone call ~20minutes	Vice President of Development

## APPENDIX 2: DATA STRUCTURE BASED ON SECONDARY DATA

1st Order Concepts	2nd Order Themes	Aggregated Dimensions	
Acquiring some hotels from a competitor	Acquisitions	Market expansion/ market entry.	
Acquiring a competitor			
Transforming hotel brands	Bigger portfolio -Reaching a wider customer base		
Opening a hotel in a new location			
Entering the Finnish market	Entering a new market		
Launching a new concept of a hotel room	Offering new hotel experiences	New product/service	
Building a new hotel			
Creating a new brand under the chain			
Launching a new hotel chain			
Changing to a new name	Improving and clarifying offering	Marketing (Branding, Brand Affiliation, Awards)	
Offering different hotels under same company			
Loyalty programme	Improving customer loyalty		
Brand affiliation	Branding		
Launching a new brand concept			
Marketing Campaigns	Marketing		
Winning hotel awards	Awards		
Rated on top on TripAdvisor			
Partnering with a global alliance	Partnerships and clustering		Partnerships and Clustering
Partnering with event organizers			
Partnering with Online travel agencies			
Partnering with local organizations			
Green Key certified hotel			



Receiving awards for being sustainable	CSR (Environmental, Social, Economic)	CSR (Environmental, Social, Economic)	
Stop using plastic straws			
Enabling guests to participate in donating to social causes			
Reducing environmental impact			
Challenging competitors to be more sustainable			
Transferring to more ecological products			
Taking part in socially responsible events			
Improving online booking possibilities	Technological improvements and innovations	Improving product/service (Technological improvements/innovations)	
Introducing online check-out service			
Introducing online check-in service			
Developing applications			
Launching a new digital platform			
Digital development			
Launching a new webpage			
Conducting hotel guest surveys	Improving products and services		
Updating breakfast offering			
Focusing on accessibility in their product planning			
Renovating hotels			
Improving profits	Revenue management and pricing strategies		Financial Decisions (Revenue management/pricing strategies)
Announcing listing on stock exchange	Financial activity		

### APPENDIX 3: DATA STRUCTURE BASED ON PRIMARY DATA

1st Order Concepts	2nd Order Themes	Aggregated Dimensions
The promise via marketing and other communication must be strong, and we must bring it to reality	Trustworthy marketing	Branding / Brand Affiliation/Marketing/Awards
You have to be genuine to your story in order for it to last.	Authenticity and consistency in Marketing	
Take action on marketing	Marketing	
Telling stories. We bring our stories out strongly and show to our customers how we enrich their experiences.	Storytelling	
Revenue management plays a very important role. Branding and Pricing mirror each other	Branding	
The most important competition for our company is brand management.	Branding	
Acquisitions are a smart competitive action where they make sense. It is not easy to enter Finland, but we always consider if acquisition would be a smart action.	Acquisitions	Market expansion/ market entry.
Extension options can always be explored from the positioning perspective.	Expansion	
Market expansion options can always be explored from the positioning perspective.	Market expansion	
The most important competitive action and factor is the development of the service. Improving service and product quality.	Development of services and products	Improving product/service (Technological improvements/innovations)
Digi development will be invested in the future.	Digital Development	

Maintenance and refurbishment of business premises.	Product Development and maintenance	
Products; you have to be innovative, evolve, and keep up with the times. Products must be of interest to people.	Product development	
Micro revenue management and cost management are important.	Revenue management	Revenue management/pricing strategies
Pricing is important and cost management is crucial because efficiency is at the core of this entire business.	Revenue management	
Pricing plays a big role	Revenue management	
The effectiveness and relevance of pricing and sales.	Revenue management	
We monitor the numbers, customer satisfaction and job satisfaction very much	Revenue management	
Revenue management plays a very important role. Branding and Pricing mirror each other	Revenue Management	
Significant investments will be made in further developing and expanding the network.	Networking	Clustering, Networking and Locality
Local operation sets us apart from other big players.	Locality in operations	
High quality sales and sales organization.	Sales	Sales
Take action on sales	Sales	
It is important that each hotel has its own sales manager and its own sales service.	Sales	
Take action on core business processes,	Business Processes	Business Model & Strategy
Emphasizing the importance of a business model; it brings continuity and prerequisites for action	Importance of a good Business Model	
Take into account the loyal customers	Valuing loyal customers	

There are many ways to compete with the customer experience: Marketing, Sales, Reservation, Communication and Communication, Own Communication, Productization, Pricing, Opening Hours, the milieu itself (how it feels and the mood), the physical condition of the premises, the cleanliness. We have thought about these through the customer path.	Customer Path	Customer Service, Service Quality, Customer Relationship Management
Customer relationship management	Customer Relationship Management	
Customer service development.	Customer Service	
Good customer service is the hard core of all the competitive factors out there.	Customer Service	
Satisfaction of the guests and the staff is at the heart	Guest satisfaction	
People-centeredness. We monitor the numbers, customer satisfaction and job satisfaction very much	Customer satisfaction	
Continuing to invest in service, that is, the team's good work and good feeling about coming to work.	Employees	Employee satisfaction, Employee Engagement
Our most important competitive venture is to continue to evolve and further develop our good culture further and deeper	Employee satisfaction	
Employee experience is important	Employees	
Hotel business with a commercial perspective and people-centeredness. We monitor the numbers, customer satisfaction and job satisfaction "	Job satisfaction	
Satisfaction of the guests and the staff is at the heart	Staff satisfaction	

## APPENDIX 4: INTERVIEW QUESTIONS

### THESIS INTERVIEW QUESTIONS

This interview is part of my Master's thesis. The main objective of this thesis is to find out how the hotel companies in Finland use competitive actions and how the market entry of international hotel chains affect the competition in the industry.

During the interview, you can answer more than you are directly asked. Meaning, please feel free to add any ideas/opinions that come to your mind during the interview. All your answers will be used anonymously.

#### 1. BACKGROUND INFORMATION (Person):

- a. The hotel company / operator?:
- b. Your position at the company:
- c. How long have you been working here:

#### 2. BACKGROUND INFORMATION (Company):

- a. Explain briefly the objectives of the hotel company:
- b. How many hotels are under the same hotel company?
- c. In how many countries do you operate in?
- d. What is the ownership structure of the hotel company?
- e. What is the management structure of the company?
- f. Who are the most important stakeholders for your company and why?
- g. Do you consider all hotel types/sizes as competitors?
- h. Do you have many partnerships / alliances with local companies?

#### 3. INDIVIDUAL QUESTIONS

These questions are based on the company profile that I have created about your company based on the official announcements and archives available for the public since 2013. Please feel free to correct me in case the information I have is incorrect or gives a false picture of your company.

#### Hotel Company XX

1. Other than increasing the offering and reaching other locations how has the opening of new hotels affected XX?
  - a. Customer base?
  - b. New resources?
  - c. New alliances with suppliers etc.?
  - d. Other stakeholders?

2. Why the CSR-practices, such as acquiring the Green Key certificate, are important?
  - a. What other sustainable actions have you taken?
    - i. Social, economic or environmental?
3. What do you see as the biggest threat/opportunity to XX business in Finland?
  - a. New entrants?
  - b. Competitors?
  - c. Other stakeholders?
  - d. Something else?

### **Hotel Company XX**

1. How have the technological improvements affected the business?
2. Other than increasing the offering, how has the acquisition of Restel Hotels affected XX?
  - a. Customer base?
  - b. New resources?
  - c. New alliances with suppliers etc.?
  - d. Other stakeholders
3. Why the CSR-practices, such as acquiring the Green Key certificate, are important?
  - a. What other sustainable actions have you taken?
    - i. Social, economic or environmental?
4. What do you see as the biggest threat/opportunity to XX business in Finland?
  - a. New entrants?
  - b. Competitors?
  - c. Other stakeholders?
  - d. Something else?

### **Hotel Company XX**

1. How do the room renovations/updates affect the business? Is there a clear increase in demand after the renovations are done?
2. How has the rebranding in 2012-2013 affected the business?
  - a. Customer base?
  - b. Creating alliances e.g. with suppliers?
  - c. Other stakeholders?
3. Why the CSR-practices, such as acquiring the Green Key certificate, are important for business?
  - a. What other sustainable actions have you taken?
    - i. Social, economic or environmental?
4. What do you see as the biggest threat/opportunity to XX business in Finland?
  - a. New entrants?
  - b. Competitors?

- c. Other stakeholders?
- d. Something else?

### **Hotel Company XX**

How important do you think it is for hotels to participate in awards? E.g. World Luxury Hotel Awards.

1. How do the room renovations/updates affect the business? Is there a clear increase in demand after the renovations are done?
2. How does the well-known brand affect the business?
  - a. Customer base?
  - b. Creating alliances e.g. with suppliers?
  - c. Other stakeholders?
3. Why the CSR-practices, such as acquiring the Green Key certificate, are important for business?
  - a. What other sustainable actions have you taken?
    - i. Social, economic or environmental?
4. What do you see as the biggest threat/opportunity to XX business in Finland?
  - a. New entrants?
  - b. Competitors?
  - c. Other stakeholders?
  - d. Something else?

### **Hotel Company XX**

How important are the public recognitions, such as “Best hotel in Finland” according to TripAdvisor?

- a. How important do you think it is for hotels to participate in awards?
2. How does the offering first-class hotels brand affect the business?
  - a. Customer base?
  - b. Creating alliances e.g. with suppliers?
  - c. Other stakeholders?
3. Why the CSR-practices, such as acquiring the Green Key certificate, are important for business?
  - a. What other sustainable actions have you taken?
    - i. Social, economic or environmental?
4. XX hotels has taken actions to expand the markets, why is it important?
  - a. Do you have plans to open hotels in other locations in Finland?
5. What do you see as the biggest threat/opportunity to XX business in Finland?
  - a. New entrants?
  - b. Competitors?
  - c. Other stakeholders?
  - d. Something else?

## Hotel Company XX

How has the years in Finland been for XX?

- a. Challenges?
- b. Advantages?
- c. Customer base?
- d. Creating alliances e.g. with suppliers?
2. Why the CSR-practices, such as taking part in the Pride movement, are important for business?
  - a. What other sustainable actions have you taken?
    - i. Social, economic or environmental?
3. A big customer survey was conducted in the summer. Why is it important to include customers in the product/service development?
  - a. What are the most important product/service developments implemented?
4. XX has taken actions to expand the markets, why is it important?
  - a. Do you have plans to open hotels in other locations in Finland?
5. What do you see as the biggest threat/opportunity to XX business in Finland?
  - a. New entrants?
  - b. Competitors?
  - c. Other stakeholders?
  - d. Something else?

## Hotel Company XX

How important are public awards, such as TripAdvisor's Best Hotel in Finland?

- a. How important do you consider hotels to participate in prize assessments?
2. Why CSR practices, such as participation in the Green Key Certificate, are important for businesses?
  - a. What other responsible actions has XX made?
  - b. Social, economic or environmental?
3. XX has taken steps to expand the market, why is it important?
  - a. According to information collected from the network, at least three new hotels are planned
4. What do you think of XX biggest threats / opportunities in Finland?
  - a. New competitors?
  - b. Existing competitors?
  - c. Other stakeholders?
  - d. Something else?

## 4. HOTEL INDUSTRY IN FINLAND:

- a. What is your opinion about the current state of the hotel industry in Finland?
- b. Competitive landscape?



- c. Biggest challenges?
- d. Biggest opportunities?
- e. How does the entry of international hotel companies affect the competitive landscape?
  - i. How has it changed before?
  - ii. How do you see it changing in the future?
- f. Which (competitive) actions are smart when new competitors enter the market?
  - i. Have you used some?
  - ii. (Barriers of entry?)
  - iii. How fast should hotels react to competitors actions? OR should they?
- g. How important role does the pricing/revenue management play?
- h. Which competitive actions do you consider as the most important for your hotel?

## APPENDIX 5: QUANTITATIVE DATA FOR COMPETITIVE ACTION PROFILES

ACTIVITY / EVENT	TIME	NOTES	SOURCE
"Scandic Hotels improved profits 2012"	2012-2013	Scandic Hotels increased revenues and improved profits in 2012. It now has 156 hotels in 8 countries	<a href="http://www.scandichotelsgroup.com/en/scandic-hotels-improved-profits-2012-2/">http://www.scandichotelsgroup.com/en/scandic-hotels-improved-profits-2012-2/</a>
Launch Solo Sokos Hotels Concept	2012-2013		<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-lanseeraa-break-ja/01624086_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-lanseeraa-break-ja/01624086_419607</a>
Launch Original and Break Sokos Hotels Concepts	Spring 2013		<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-lanseeraa-break-ja/01624086_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-lanseeraa-break-ja/01624086_419607</a>
"Scandic Hotels joins forces with TripAdvisor"	28/01/2013	Now customers can see on Scandic Hotels page what is the particular hotel's rating on TripAdvisor	<a href="http://www.scandichotelsgroup.com/en/scandic-hotels-joins-forces-with-tripadvisor-2/">http://www.scandichotelsgroup.com/en/scandic-hotels-joins-forces-with-tripadvisor-2/</a>
"Scandic challenges the industry to be more sustainable"	20/03/2013	The CEO of Scandic challenges the nordic hotel industry to be more sustainable; by changing all old light bulbs to low-energy bulbs or LED bulbs.	<a href="http://www.scandichotelsgroup.com/en/scandic-challenges-the-industry-to-be-more-sustainable-2/">http://www.scandichotelsgroup.com/en/scandic-challenges-the-industry-to-be-more-sustainable-2/</a>
"Scandic receives gold medal for its environmental work"	23/05/2013	Scandic receives (as the first European hotel) the Gold Medal* by the Global Business Travel Association (GBTA), for its environmental work	<a href="http://www.scandichotelsgroup.com/en/scandic-receives-gold-medal-for-its-environmental-work-2/">http://www.scandichotelsgroup.com/en/scandic-receives-gold-medal-for-its-environmental-work-2/</a>
"Scandic Hotels first to offer guests check-out by mobile phone at all hotels"	13/06/2013	Scandic Hotels is the first hotel chain in the Nordic region to offer online check-out service.	<a href="http://www.scandichotelsgroup.com/en/scandic-hotels-first-to-offer-guests-check-out-by-mobile-phone-at-all-hotels/">http://www.scandichotelsgroup.com/en/scandic-hotels-first-to-offer-guests-check-out-by-mobile-phone-at-all-hotels/</a>

"Scandic Hotels reduces its environmental impact"	02/09/2013	During the spring 2013 Scandic has introduced several of improvements that affect the impact on the climate and environment	<a href="http://www.scandichotelsgroup.com/en/scandic-hotels-reduces-its-environmental-impact/">http://www.scandichotelsgroup.com/en/scandic-hotels-reduces-its-environmental-impact/</a>
Radisson Blu Plaza won the Finland's Leading Business Hotel award in World Travel Awards	05/09/2013		<a href="https://www.s-kanava.fi/web/s-ryhma/uutinen/radisson-blu-plaza-valittiin-suomen-parhaaksi-liikematkahotelliksi/798508_25704">https://www.s-kanava.fi/web/s-ryhma/uutinen/radisson-blu-plaza-valittiin-suomen-parhaaksi-liikematkahotelliksi/798508_25704</a>
Scandic Hotels continue their partnership with worldknown chef Jamie Oliver.	11/09/2013	Now they launch a meeting menu created by Jamie Oliver.	<a href="http://www.scandichotelsgroup.com/en/jamie-oliver-spices-up-meetings-at-scandic-2/">http://www.scandichotelsgroup.com/en/jamie-oliver-spices-up-meetings-at-scandic-2/</a>
"Scandic launches new hotel chain -- HTL"	18/09/2013	The first hotels are planned to be opened in Stockholm	<a href="http://www.scandichotelsgroup.com/en/scandic-launches-new-hotel-chain-%C2%AD%C2%AD%C2%AD-htl/">http://www.scandichotelsgroup.com/en/scandic-launches-new-hotel-chain-%C2%AD%C2%AD%C2%AD-htl/</a>
"Scandic first in the world to offer everyone interactive web training on disabilities"	02/12/2013	Scandic Hotels work in order to make their hotel accessible for all, and now they offer free training for everyone about disabilities.	<a href="http://www.scandichotelsgroup.com/en/scandic-first-in-the-world-to-offer-everyone-interactive-web-training-on-disabilities-2/">http://www.scandichotelsgroup.com/en/scandic-first-in-the-world-to-offer-everyone-interactive-web-training-on-disabilities-2/</a>
Was granted the Allergy Label of the Allergy and Asthma Federation	10/12/2013	Sokos Hotels is the first accommodation company in Finland to be granted the right to use the Allergy label	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotelleille-allergiatunnus/01939368_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotelleille-allergiatunnus/01939368_419607</a>
New S-mobiili application launched	23/01/2014	Sokos Hotels benefits can be found in the application	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/s-mobiili-tuo-sokos-hotellien-edut/011004874_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/s-mobiili-tuo-sokos-hotellien-edut/011004874_419607</a>
New Solo Sokos Hotel Estoria opened in Tallinn	04/02/2014	The 93-room Solo Sokos Hotel Estoria opened in the annex added to Hotel Viru in 2004	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/uusi-tarinahotelli-solo-sokos-hotel/011025410_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/uusi-tarinahotelli-solo-sokos-hotel/011025410_419607</a>
"Scandic Hotels wins prize for its online check-out solution"	06/02/2014	HSMAI Hospitality Sales & Marketing Association International awarded Scandic Hotels as "The Digital Winner" for the check-out solution	<a href="http://www.scandichotelsgroup.com/en/hsm-ai-european-awards-2013-scandic-hotels-wins-prize-for-its-online-check-out-solution/">http://www.scandichotelsgroup.com/en/hsm-ai-european-awards-2013-scandic-hotels-wins-prize-for-its-online-check-out-solution/</a>

"Scandic launches mobile hotel rooms available anywhere"	17/06/2014	Scandic Hotels launch the "Scandic To Go" mobile hotel rooms.	<a href="http://www.scandichotelsgroup.com/en/scandic-launches-mobile-hotel-rooms-available-anywhere/">http://www.scandichotelsgroup.com/en/scandic-launches-mobile-hotel-rooms-available-anywhere/</a>
Sokos Hotels received the Most trusted Finnish hotel chain -award from Valitut Palat	27/08/2014	Sokos Hotels received the award of Most trusted brand	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-palkittiin-suomen/011972816_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-palkittiin-suomen/011972816_419607</a>
All Radisson Blu hotels have Green Key certificates now	18/03/2015		<a href="https://www.s-kanava.fi/web/s-ryhma/uutinen/ymparistoministeri-sanni-grahn-laasonen-luovutti-ensimmaiset-green-key-sertifikaatit-radisson-blu-hotelleille/1706400_25704">https://www.s-kanava.fi/web/s-ryhma/uutinen/ymparistoministeri-sanni-grahn-laasonen-luovutti-ensimmaiset-green-key-sertifikaatit-radisson-blu-hotelleille/1706400_25704</a>
"Scandic's industry-leading loyalty program sets a new record with 1.5 million members"	07/05/2015	"The Scandic Friends loyalty program, which Scandic launched in 2008, was already the biggest loyalty program in the Nordic hotel industry." Now there are over 1,5million members	<a href="http://www.scandichotelsgroup.com/en/scandics-industry-leading-loyalty-program-sets-a-new-record-with-1-5-million-members/">http://www.scandichotelsgroup.com/en/scandics-industry-leading-loyalty-program-sets-a-new-record-with-1-5-million-members/</a>
Radisson Blu Royal Hotel become Original Sokos Hotel Royal in Vaasa	15/05/2015	S group operates both Sokos Hotels and Radisson Blu Hotels in Finland, this change increased the amount of Sokos Hotels to 54	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/royal-hotel-vaasa-siirtyy-sokos/011749979_419563">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/royal-hotel-vaasa-siirtyy-sokos/011749979_419563</a>
Kämp Group Buys 3 hotels from Royal Ravintolat in Helsinki	18/05/2015	Kämp Group buys Haven, Fabian and Lilla Roberts from Royal Ravintolat	<a href="https://www.kauppalehti.fi/uutiset/kamp-group-ostaa-havenin--fabianin-ja-lilla-robertsin/kbX2Pp4Z">https://www.kauppalehti.fi/uutiset/kamp-group-ostaa-havenin--fabianin-ja-lilla-robertsin/kbX2Pp4Z</a>
Two Solo Sokos Hotels are transferred to under the Radisson Blu brand	07/09/2015	In the beginning of the year 2016 Solo Sokos Hotel Tammer from Tampere and Solo Sokos Hotel Aleksanteri from Helsinki will be transferred to under the Radisson Blu brand	<a href="https://www.s-kanava.fi/web/s-ryhma/uutinen/kaksi-uutta-hotelliamenestyksekkäaseen-radisson-blu-hotelliketjuun/1973516_384136">https://www.s-kanava.fi/web/s-ryhma/uutinen/kaksi-uutta-hotelliamenestyksekkäaseen-radisson-blu-hotelliketjuun/1973516_384136</a>
Lapland Hotels open their first hotel outside the arctic circle in Tampere	29/09/2015	Lapland Hotels first city hotel was opened in Tampere in September 2015	<a href="https://www.laplandhotels.com/FI/lapland-hotels-oy/tiedotteet.html">https://www.laplandhotels.com/FI/lapland-hotels-oy/tiedotteet.html</a>

"Scandic Business School wins EuroCHRIE prize"	19/10/2015	"Scandic received the Euro-CHRIE's International Industry Award for its training programs at Scandic Business School. The prize is awarded to an outstanding participant that shows great commitment to the tourism industry and a focus on employees and their development."	<a href="http://www.scandichotelsgroup.com/en/scandic-business-school-wins-eurochrie-prize/">http://www.scandichotelsgroup.com/en/scandic-business-school-wins-eurochrie-prize/</a>
World Luxury Hotel Awards to two Sokos Hotels	26/10/2015	Solo Sokos Hotel Seurahuone and Solo Sokos Hotel Paviljonki received World Luxury Hotel Awards	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/world-luxury-hotel-awards-tunnustuksia/012092402_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/world-luxury-hotel-awards-tunnustuksia/012092402_419607</a>
Lapland Hotels open a city hotel in Oulu	29/10/2015	Lapland Hotels open a hotel in Oulu that is following their new concept that wants to bring experiencefulness to the hotel	<a href="https://www.laplandhotels.com/media/tiedotteet/lapland-hotels-avaa-oulussa-elamyksellisen-kaupunkihotellin.pdf">https://www.laplandhotels.com/media/tiedotteet/lapland-hotels-avaa-oulussa-elamyksellisen-kaupunkihotellin.pdf</a>
Radisson Blu Hotels renew their hotels' breakfasts globally	30/10/2015	Radisson Blu Hotels renew their hotels' breakfasts globally. The new breakfast will give attention to all senses and the breakfast is providing nutrition to all senses.	<a href="https://www.s-kanava.fi/web/s-ryhma/uutinen/radisson-blu-hotellit-uudistivat-maailmanlaajuisesti-hotelliaamiaisensa/2101410_25704">https://www.s-kanava.fi/web/s-ryhma/uutinen/radisson-blu-hotellit-uudistivat-maailmanlaajuisesti-hotelliaamiaisensa/2101410_25704</a>
Scandic Hotels awarded with "Best accommodation for disability access" at the World Responsible Tourism Awards	04/11/2015	Scandic Hotels work on accessibility. "everyone should be offered the same high Scandic standard, regardless of ability"	<a href="http://www.scandichotelsgroup.com/en/scandic-hotels-the-worlds-best-hotel-chain-when-it-comes-to-accessibility/">http://www.scandichotelsgroup.com/en/scandic-hotels-the-worlds-best-hotel-chain-when-it-comes-to-accessibility/</a>
"Scandic announces its intention to list on Nasdaq Stockholm"	04/11/2015		<a href="http://www.scandichotelsgroup.com/en/scandic-announces-its-intention-to-list-on-nasdaq-stockholm-2/">http://www.scandichotelsgroup.com/en/scandic-announces-its-intention-to-list-on-nasdaq-stockholm-2/</a>

"Tampere Hall and Lapland Hotel Tampere will start cooperation in the beginning of 2016"	17/11/2015		<a href="https://www.laplandhotels.com/media/tiedotteet/tampere-talo-ja-lapland-hotel-tampere-aloittavat-yhteistyon-vuodenvaihteessa.pdf">https://www.laplandhotels.com/media/tiedotteet/tampere-talo-ja-lapland-hotel-tampere-aloittavat-yhteistyon-vuodenvaihteessa.pdf</a>
Lapland Hotels have added a snow hotel to their portfolio	01/12/2015	Lapland Hotels have added Snow Village to its portfolio. The Snow village is located in Lainio (near Ylläs and Levi)	<a href="https://www.laplandhotels.com/media/tiedotteet/lapland-hotels-ketjuun-kuuluu-nyt-myos-lumihotelli_1.12.2015.pdf">https://www.laplandhotels.com/media/tiedotteet/lapland-hotels-ketjuun-kuuluu-nyt-myos-lumihotelli_1.12.2015.pdf</a>
"Scandic continues to focus on accessibility with new breakfast offering"	03/12/2015	"The existing buffet will include a new section aimed at vegans and people with allergies, but will be open to everyone. "	<a href="http://www.scandichotelsgroup.com/en/scandic-continues-to-focus-on-accessibility-with-new-breakfast-offering-offers-28-different-products-for-people-with-gluten-and-lactose-allergies/">http://www.scandichotelsgroup.com/en/scandic-continues-to-focus-on-accessibility-with-new-breakfast-offering-offers-28-different-products-for-people-with-gluten-and-lactose-allergies/</a>
Lapland Hotels have purchased Chalet Hotel Rovaniemi	13/01/2016	This hotel is the 5th new lapland hotel within one year	<a href="https://www.laplandhotels.com/media/tiedotteet/lapland-hotelsille-5-uusi-hotelli-vuoden-sisalla.pdf">https://www.laplandhotels.com/media/tiedotteet/lapland-hotelsille-5-uusi-hotelli-vuoden-sisalla.pdf</a>
Certified Sauna Experience	18/01/2016	Original Sokos Hotels concept hotels will be audited for the certification	<a href="https://www.sokoshotels.fi/en/news/news/sokos-hotels-to-certify-their-sauna/013034999_419607">https://www.sokoshotels.fi/en/news/news/sokos-hotels-to-certify-their-sauna/013034999_419607</a>
Kämp Group changes its name to Kämp Collection Hotels	25/01/2016		<a href="https://www.kauppalehti.fi/uutiset/kamp-group-vaihtaa-nimeaan-jatkossa-kamp-collection-hotels/2fQ27hWU">https://www.kauppalehti.fi/uutiset/kamp-group-vaihtaa-nimeaan-jatkossa-kamp-collection-hotels/2fQ27hWU</a>
Legendary Radisson Blu Seaside Hotel in Helsinki gets a complete renovation	26/01/2016	Radisson Blu Seaside Hotel in Helsinki gets a complete renovation, including rooms, restaurant, meeting premises etc. The first part of the renovation is planned to be ready mid June 2016	<a href="https://www.s-kanava.fi/web/s-ryhma/uutinen/legendaarinen-radisson-blu-seaside-hotel-uudistuu/2361600_384136">https://www.s-kanava.fi/web/s-ryhma/uutinen/legendaarinen-radisson-blu-seaside-hotel-uudistuu/2361600_384136</a>
New identity for hotel Katajanokka in 2016	08/02/2016	Became an independent hotel from Best western hotels. While separating from Best western they also renovate the place: "In 2016, the	<a href="https://www.hotelkatajanokka.fi/en/new-identity-hotel-katajanokka-2016/">https://www.hotelkatajanokka.fi/en/new-identity-hotel-katajanokka-2016/</a>

		hotel will undergo a light refurbishment and an extensive interior decoration."	
Announcement was made that all Fransmanni restaurants concept will change to Frans & Les Femmes	26/02/2016	Fransmanni restaurants are familiarly attached to hotels and will now go through a "makeover" to become Frans & Les Femmes restaurants	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/fransmanni-ravintolat-paivittyvat/012458074_25710">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/fransmanni-ravintolat-paivittyvat/012458074_25710</a>
Hotel Kämp from Kämp Collection Hotels joins the The Leading Hotels of the World -chain	01/03/2016	Hotel Kämp joins the international Leading Hotels of the World chain that is known for its international luxury hotels.	<a href="https://www.kampcollectionhotels.com/uutiset/hotel-kamp-liittyy-osaksi-the-leading-hotels-of-the-world-ketjua">https://www.kampcollectionhotels.com/uutiset/hotel-kamp-liittyy-osaksi-the-leading-hotels-of-the-world-ketjua</a>
All Kämp Collection Hotels are Green Key certified	21/03/2016	All 9 Kämp Collection Hotels are now Green Key certified	<a href="https://www.kampcollectionhotels.com/uutiset/kaikki-kamp-collection-hotellit-nyt-green-key-ymparistosertifioituja">https://www.kampcollectionhotels.com/uutiset/kaikki-kamp-collection-hotellit-nyt-green-key-ymparistosertifioituja</a>
Scandic announced Scandic Marski to be one of its signature hotels	12/04/2016	"The rebranding of the existing Scandic Marski is expected to be completed by the spring 2018"	<a href="http://www.scandichotelsgroup.com/en/scandic-to-launch-two-more-signature-hotels-in-the-nordic-region/">http://www.scandichotelsgroup.com/en/scandic-to-launch-two-more-signature-hotels-in-the-nordic-region/</a>
"Scandic to open hotel in Vaasa, Finland"	26/04/2016	First the hotel will have 68rooms but after the expansion 140 rooms and conference and congress facilities	<a href="http://www.scandichotelsgroup.com/en/scandic-to-open-hotel-in-vaasa-finland/">http://www.scandichotelsgroup.com/en/scandic-to-open-hotel-in-vaasa-finland/</a>
Scandic launches a new digital platform	26/04/2016	"The platform will improve the customer experience and service level as well as further increase the site's conversion rate. The launch of a new commercial website will be in seven languages"	<a href="http://www.scandichotelsgroup.com/en/scandic-strengthens-customer-dialog-through-new-digital-platform/">http://www.scandichotelsgroup.com/en/scandic-strengthens-customer-dialog-through-new-digital-platform/</a>
Original Sokos Hotel Presidentti gets completely renewed	28/04/2016	The renovation lasts 2,5 years during which corridors, lobby and meeting facilities, the auditorium	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/original-sokos-hotel-presidentti/012642128_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/original-sokos-hotel-presidentti/012642128_419607</a>

		and restaurant will be modernised, in addition to all of the 494 hotel rooms	
Original Sokos Hotel Puijonsarvi renews 38 rooms	30/05/2016	Responsibility is closely talked about with this renovation, since many old materials were donated	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/vastuullisuus-puijonsarven-uudistuksessa/013739290_392875">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/vastuullisuus-puijonsarven-uudistuksessa/013739290_392875</a>
"Scandic Hotels to enter strategic partnership with MCI Nordics"	26/06/2016	"MCI Nordics is one of the leading event and meeting management companies in the world"	<a href="http://www.scandichotelsgroup.com/en/scandic-hotels-to-enter-strategic-partnership-with-mci-nordics/">http://www.scandichotelsgroup.com/en/scandic-hotels-to-enter-strategic-partnership-with-mci-nordics/</a>
"Scandic continuing digital development with online check-in and mobile room keys"	27/09/2016	These digital developments are planned to be in use in the hotels in big cities during 2017	<a href="http://www.scandichotelsgroup.com/en/scandic-continuing-digital-development-with-online-check-in-and-mobile-room-keys/">http://www.scandichotelsgroup.com/en/scandic-continuing-digital-development-with-online-check-in-and-mobile-room-keys/</a>
Break Sokos Hotel Flamingo expansion	12/10/2016	Sokotel announced Break Sokos Hotel Flamingo's hotel expansion. Varma will construct and rent the building for Sokotel Oy. The expansion includes 230 rooms	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/break-sokos-hotel-flamingo-laajenee/013093173_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/break-sokos-hotel-flamingo-laajenee/013093173_419607</a>
"Scandic one of the highest-scoring Nordic companies in the CDP Climate Change Report 2016"	28/10/2016	Scandic Hotels was ranked B in CDP's Climate Change Report 2016, (The CDP ranking confirms that Scandic's environmental work is contributing to a decrease in CO2emissions, which is a requirement for a B ranking.)	<a href="http://www.scandichotelsgroup.com/en/scandic-one-of-the-highest-scoring-nordic-companies-in-the-cdp-climate-change-report-2016/">http://www.scandichotelsgroup.com/en/scandic-one-of-the-highest-scoring-nordic-companies-in-the-cdp-climate-change-report-2016/</a>
Hotel Katajanokka won Luxury Design Hotel prize	31/10/2016	The prize was awarded at the World Luxury Hotel Awards in Doha, Qatar 29th October.	<a href="https://www.hotelkatajanokka.fi/en/we-have-won/">https://www.hotelkatajanokka.fi/en/we-have-won/</a>



Radisson Blu Aleksanter Hotel Received the title "Luxury New Hotel" in World Luxury Hotel Awards	09/11/2016		<a href="https://www.s-kanava.fi/web/s-ryhma/uutinen/suomen-uusin-radisson-blu-hotelli-voitokas-kansainvalisessa-world-luxury-hotel-awards-2016-kilpailussa/3174162_25704">https://www.s-kanava.fi/web/s-ryhma/uutinen/suomen-uusin-radisson-blu-hotelli-voitokas-kansainvalisessa-world-luxury-hotel-awards-2016-kilpailussa/3174162_25704</a>
Nordic Choice Hotels opened two hotels in Finland in October 2016.	11/11/2016	Nordic Choice Hotels opened two hotels in Finland in October 2016. Clarion Hotel Helsinki and Clarion Hotel Helsinki Airport	<a href="https://nordic-choice-hotels-se.mynewsdesk.com/pressreleases/stordalen-invigde-helsingforshotell-med-halsbrytande-stunt-1642280">https://nordic-choice-hotels-se.mynewsdesk.com/pressreleases/stordalen-invigde-helsingforshotell-med-halsbrytande-stunt-1642280</a>
The webpage raflaamo.fi got renewed	23/11/2016	Raflaamo.fi (the webpage that combines all s-group restaurants) got renewed to be responsive to all devices.	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/uudistunut-raflaamofi-tarjoaa/013218297_25710">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/uudistunut-raflaamofi-tarjoaa/013218297_25710</a>
Sokos Hotels started to develop online check-in procedures.	30/11/2016	The pilot of online check-in started in 2 hotels and expanded to other hotels in 2017	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-kehittaa-sahkoista/013248942_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-kehittaa-sahkoista/013248942_419607</a>
Over half of all Sokos Hotels have Green Key certificates	01/12/2016	Green Key (the sustainability certificate) is a way for Sokos Hotels to communicate their CSR practices	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/s-ryhman-hotelleista-jo-yli-puolet/013251753_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/s-ryhman-hotelleista-jo-yli-puolet/013251753_419607</a>
"Scandic to offer digital newspapers and magazines to all hotel guests and visitors"	12/01/2017	"all guests at Scandic hotels will be able to enjoy complimentary unlimited access to more than 5,000 national and international newspapers and magazines on their mobile devices through the PressReader app"	<a href="http://www.scandichotelsgroup.com/en/scandic-to-offer-digital-newspapers-and-magazines-to-all-hotel-guests-and-visitors/">http://www.scandichotelsgroup.com/en/scandic-to-offer-digital-newspapers-and-magazines-to-all-hotel-guests-and-visitors/</a>
New hotel chain Cumulus City & Resort starts its operations	17/01/2017	Cumulus and Rantasipi hotel chains get united and become Cumulus City & Resort -Hotel chain. Rantasipi hotels become Cumulus	<a href="https://www.sttinfo.fi/embedded/release/uusi-hotelliketju-cumulus-city-resort-aloittaa-toimintansa-tanaan?publisherId=52299073&amp;releaseId=55917287">https://www.sttinfo.fi/embedded/release/uusi-hotelliketju-cumulus-city-resort-aloittaa-toimintansa-tanaan?publisherId=52299073&amp;releaseId=55917287</a>

		Resort hotels and Cumulus hotels become Cumulus City hotels.	
Creative meeting rooms in several Sokos Hotels	18/01/2017	Creative meeting rooms are answering to customers feedback.	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotellien-luovat-huoneet/013393737_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotellien-luovat-huoneet/013393737_419607</a>
Scandic Opens a new hotel at Helsinki Airport	19/01/2017	"Work to complete the Scandic Helsinki Airport hotel will start in January 2017, with the opening scheduled for the first half of 2018. The hotel will have 148 rooms"	<a href="http://www.scandichotelsgroup.com/en/scandic-to-open-new-hotel-at-helsinki-airport-will-be-the-closest-freestanding-hotel-for-air-travelers/">http://www.scandichotelsgroup.com/en/scandic-to-open-new-hotel-at-helsinki-airport-will-be-the-closest-freestanding-hotel-for-air-travelers/</a>
Hotel Katajanokka received the TripAdvisor Travellers choice 2017 award	02/02/2017		<a href="https://www.hotelkatajanokka.fi/en/hotel-katajanokka-2017-travellers-choice-award-winner/">https://www.hotelkatajanokka.fi/en/hotel-katajanokka-2017-travellers-choice-award-winner/</a>
Holiday Inn -hotels new restaurant menus offer more vegetarian options	08/03/2017	Holiday Inn -hotel chains restaurants new menu will offer the chains signature dishes and local delicacies.	<a href="https://www.sttinfo.fi/embedded/release/holiday-inn-hotellien-uusi-ruokalista-tarjoaa-enemman-kasvisannoksia-ja-trendikasta-harkista?publisherId=52299073&amp;releaseId=57644007">https://www.sttinfo.fi/embedded/release/holiday-inn-hotellien-uusi-ruokalista-tarjoaa-enemman-kasvisannoksia-ja-trendikasta-harkista?publisherId=52299073&amp;releaseId=57644007</a>
Holiday Inn Helsinki City Centre's new meeting rooms are ready	21/03/2017	Holiday Inn Helsinki City Centre's new meeting rooms are located in the heart of Helsinki. The rooms welcomes even 100peoples meetings.	<a href="https://www.sttinfo.fi/embedded/release/holiday-inn-helsinki-city-centren-uudet-kokoustilat-valmiina---alle-100-vieraan-kokoustilojen-ky-synta-on-kasvussa?publisherId=52299073&amp;releaseId=58182916">https://www.sttinfo.fi/embedded/release/holiday-inn-helsinki-city-centren-uudet-kokoustilat-valmiina---alle-100-vieraan-kokoustilojen-ky-synta-on-kasvussa?publisherId=52299073&amp;releaseId=58182916</a>
Sokos Hotels introduces online check-in service in all Sokos Hotels	24/04/2017	All S-card holders can check in via a mobile device. Next up is said to be developed the online check-out service	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-ottaa-kayttoon-sahkoisen/013725386_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-ottaa-kayttoon-sahkoisen/013725386_419607</a>

Restel's all hotel operations are transferred to under Scandic	21/06/2017	After the transaction, Restel will continue to operate as a restaurant company.	<a href="https://www.sttinfo.fi/embedded/release/restelin-hotellitoiminta-sirtyy-scandicille?publisherId=52299073&amp;releaseId=62117427">https://www.sttinfo.fi/embedded/release/restelin-hotellitoiminta-sirtyy-scandicille?publisherId=52299073&amp;releaseId=62117427</a>
"Scandic to acquire Restel's hotel portfolio and become the leading hotel operator in Finland"	21/06/2017	"Today, Scandic has 230 hotels in operation and under development, 28 of which are in Finland. Restel's portfolio includes 43 hotels in Finland. Following the acquisition, Scandic will have a nationwide hotel coverage in Finland."	<a href="http://www.scandichotelsgroup.com/en/scandic-to-acquire-restels-hotel-portfolio-and-become-the-leading-hotel-operator-in-finland/">http://www.scandichotelsgroup.com/en/scandic-to-acquire-restels-hotel-portfolio-and-become-the-leading-hotel-operator-in-finland/</a>
"Scandic to open hotel in the classic Helsinki central railway station"	30/06/2017	The hotel is planned to open in 2020 with 500 rooms, conference facilities and a restaurant	<a href="http://www.scandichotelsgroup.com/en/scandic-to-open-hotel-in-the-classic-helsinki-central-railway-station/">http://www.scandichotelsgroup.com/en/scandic-to-open-hotel-in-the-classic-helsinki-central-railway-station/</a>
Break Sokos Hotel Bomba's spa opened completely renewed	29/08/2017	The Cooperative Society PKO opened Break Sokos Hotel Bomba's spa 30th of August	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/break-sokos-hotel-bomban-kylypyla/014014353_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/break-sokos-hotel-bomban-kylypyla/014014353_419607</a>
Original Sokos Hotel Vaakuna Seinäjoki renews itself completely	30/08/2017	57 renewed rooms were opened in May 2017 and the rest 90 rooms are under renovation. The renovation should be ready by May 2018.	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/seinajoen-vaakuna-uudistuu/013326621_392820">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/seinajoen-vaakuna-uudistuu/013326621_392820</a>
Original Sokos Hotel Seurahuone in Turku started a complete renovation	07/09/2017	Original Sokos Hotel Seurahuone Turku will be completely renovated and the only lasting thing will be the roof and the frame. The renewed hotel is planned to open in the beginning of 2019	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/turun-seurahuoneen-uudistus-kayntiin/014189113_419558">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/turun-seurahuoneen-uudistus-kayntiin/014189113_419558</a>
Radisson Blu Plaza won the Finland's Leading Business Hotel award in World Travel Awards	02/10/2017		<a href="http://news.cision.com/fi/sok/r/kansainvaliset-matkailualan-ammattilaiset-valitsivat-radisson-blu-plaza-hotelin-suomen-johtavaksi-li,c2358258">http://news.cision.com/fi/sok/r/kansainvaliset-matkailualan-ammattilaiset-valitsivat-radisson-blu-plaza-hotelin-suomen-johtavaksi-li,c2358258</a>

"Scandic Hotels signs agreement with Local-Tapiola to operate hotel in iconic Hamburger Börs in Turku"	18/10/2017	"The current contract ends in June 2019 after which the hotel will be fully renovated and expanded over two years. Scandic expects to gain access to the building beginning of 2021."	<a href="http://www.scandichotelsgroup.com/en/scandic-hotels-signs-agreement-with-localtapiola-to-operate-hotel-in-iconic-hamburger-bors-in-turku/">http://www.scandichotelsgroup.com/en/scandic-hotels-signs-agreement-with-localtapiola-to-operate-hotel-in-iconic-hamburger-bors-in-turku/</a>
Solo Sokos Hotel Paviljonki announces that the hotel will get an extension.	30/10/2017	Solo Sokos Hotel Paviljonki Jyväskylä announced that they will add 50 more rooms and a winter terrace to the hotel's restaurant	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/jyvaskylan-solo-sokos-hotel-paviljongin/014141744_392836">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/jyvaskylan-solo-sokos-hotel-paviljongin/014141744_392836</a>
S-identification enabled in sokoshotels.fi	02/11/2017	All co-op members can log in to sokoshotels.fi with their S-username	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/s-tunnistuskayttoon-sokoshotelsfi/014149805_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/s-tunnistuskayttoon-sokoshotelsfi/014149805_419607</a>
Sokos Hotels introduces online check-out service in all Sokos Hotels	14/11/2017	All S-card holders can now also check out via a mobile device.	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-ottaa-kayttoon-sahkoisen/014044185_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotels-ottaa-kayttoon-sahkoisen/014044185_419607</a>
Original Sokos Hotel Valjus gets a renovation	18/12/2017	Original Sokos Hotel Valjus in Kajaani will renew its rooms and the reception	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/original-sokos-hotel-valjus-uudistuu/014239834_392858">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/original-sokos-hotel-valjus-uudistuu/014239834_392858</a>
"Scandic completes acquisition of Restel"	29/12/2017		<a href="http://www.scandichotelsgroup.com/en/scandic-completes-acquisition-of-restel/">http://www.scandichotelsgroup.com/en/scandic-completes-acquisition-of-restel/</a>
Hotel St. George, the tenth hotel added to Kämp Collection Hotels portfolio	05/01/2018	The Hotel St. George will include 148 rooms + 5 suites.	<a href="https://www.kampcollectionhotels.com/uutiset/st-george">https://www.kampcollectionhotels.com/uutiset/st-george</a>
Kämp Collection Hotels teamed up with local museums to offer guests discounts on museum tickets	08/01/2018	Kämp Collection Hotels offers You Are Here Art Card that gives its holder a 25% discount off the price of museum tickets.	<a href="https://www.kampcollectionhotels.com/en/news/art-card-offers-cultural-treats-museums-customers-kamp-collection-hotels-2">https://www.kampcollectionhotels.com/en/news/art-card-offers-cultural-treats-museums-customers-kamp-collection-hotels-2</a>

Original Sokos Hotel Seurahuone Turku changes to Solo Sokos Hotel Seurahuone Turku	11/01/2018	During the big renovation the hotel will also go through the renovation of its business model, when the hotel changes from Original hotel to a Solo hotel	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/saammekoesitella-solo-sokos-hotel/014284375_419558">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/saammekoesitella-solo-sokos-hotel/014284375_419558</a>
Sokos Hotels update their breakfast with options for different diets	16/01/2018	From now on you can find more options that are gluten free, vegan, egg-free, and dairy-free	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotellien-uusittu-aamiainen/014290046_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/sokos-hotellien-uusittu-aamiainen/014290046_419607</a>
"Scandic guests can now donate loyalty points to Save the Children"	19/01/2018	"Through a new agreement between Scandic Hotels and Save the Children, Scandic employees, guests and members of the Scandic Friends loyalty program can help Save the Children in their important initiatives to promote integration and inclusion - including donating loyalty points that will be converted into money. This new initiative starts at the end of January and will be carried out across all Scandic markets."	<a href="http://www.scandichotelsgroup.com/en/scandic-guests-can-now-donate-loyalty-points-to-save-the-children/">http://www.scandichotelsgroup.com/en/scandic-guests-can-now-donate-loyalty-points-to-save-the-children/</a>
Original Sokos Hotel Royal Vaasa gets a renovation	22/01/2018	Original Sokos Hotel Royal in Vaasa will renew the Royal buildings rooms	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/original-sokos-hotel-royal-vaasaa/014299568_419563">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/original-sokos-hotel-royal-vaasaa/014299568_419563</a>
Original Sokos Hotel Vaakuna Pori's renovation	24/01/2018	Original Sokos Hotel Vaakuna in Pori renews its rooms and all rooms should be ready in June 2018	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/porin-original-sokos-hotel-vaakuna/013408813_392887">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/porin-original-sokos-hotel-vaakuna/013408813_392887</a>
Nordic Choice Hotels has succeeded in developing an app that customers can use to open	25/01/2018	"on January 19, 2000, guests were able to use mobile keys at the Nordic Choice Hotels Stockholm hotel"	<a href="https://nordic-choice-hotels-se.mynewsdesk.com/pressreleases/vaerldsrekord-daa-app-laaste-upp-oever-2000-hotelldoerrar-2390724">https://nordic-choice-hotels-se.mynewsdesk.com/pressreleases/vaerldsrekord-daa-app-laaste-upp-oever-2000-hotelldoerrar-2390724</a>

and lock their hotel room with			
"Unique partnerships and new app when Scandic launches new loyalty program"	30/01/2018	"A brand new app, better benefits, exciting new partnerships, more ways of spending accrued loyalty points – a lot of things are new when Scandic Hotels re-launches the Nordic region's largest loyalty program in the hotel industry."	<a href="http://www.scandichotelsgroup.com/en/unique-partnerships-and-new-app-when-scandic-launches-new-loyalty-program/">http://www.scandichotelsgroup.com/en/unique-partnerships-and-new-app-when-scandic-launches-new-loyalty-program/</a>
Scandic Marski is getting an extension and renovation	31/01/2018	Scandic Marski is renovated completely in the center of Helsinki	<a href="https://yle.fi/uutiset/3-10049735">https://yle.fi/uutiset/3-10049735</a>
Sokos Hotel launches a "onnellistaminen" -service concept	19/02/2018	In the year 2011 Sokos Hotels started to invest in improving its service culture and it has shown results. Now the concept has a name: onnellistaminen	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/onnellistaminen-valtaa-sokos-hotellit/014354234_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/onnellistaminen-valtaa-sokos-hotellit/014354234_419607</a>
All Finnish Radisson Blu Hotels will stop using plastic straws, and use straws made out of paper and corn	01/03/2018		<a href="https://www.s-kanava.fi/uutinen/suomen-radisson-blu-hotellit-ottavat-askeleen-muovittoman-maailman-puolesta/4376372_25704">https://www.s-kanava.fi/uutinen/suomen-radisson-blu-hotellit-ottavat-askeleen-muovittoman-maailman-puolesta/4376372_25704</a>
Radisson Blu Marina Palace Hotel in Turku renovated its meeting and conference premises	09/03/2018		<a href="https://www.s-kanava.fi/web/s-ryhma/uutinen/radisson-blu-marina-palacen-kokous-ja-juhlakerros-uudistui-entista-upeammat-puitteet-aurajoen-varrella-turussa/4278442_625006">https://www.s-kanava.fi/web/s-ryhma/uutinen/radisson-blu-marina-palacen-kokous-ja-juhlakerros-uudistui-entista-upeammat-puitteet-aurajoen-varrella-turussa/4278442_625006</a>
Hotel Fabian chosen as the best hotel in Finland in 2018	16/03/2018	According to TripAdvisor "Travelers have chosen Hotel Fabian, located in the Helsinki city centre, as	<a href="https://www.kampcollectionhotels.com/en/news/hotel-fabian-best-in-finland">https://www.kampcollectionhotels.com/en/news/hotel-fabian-best-in-finland</a>

		the best hotel in Finland already for the third time."	
"Nordic Choice Hotels wins big in Helsinki" in the Nordic Business Travel Awards	16/03/2018	"Clarion Hotel was awarded Best Hotel Chain in the Nordics, and Nordic Choice Hotels won the prize for Best Sales Organization."	<a href="https://www.nordicchoicehotels.se/pressrum/#/pressreleases/nordic-choice-hotels-wins-big-in-helsinki-2450002">https://www.nordicchoicehotels.se/pressrum/#/pressreleases/nordic-choice-hotels-wins-big-in-helsinki-2450002</a>
Original Sokos Hotel Vaakuna Helsinki gets a renovation	20/03/2018	The renovation starts on the 2nd of April 2018. Sokotel Oy is in charge of the renovation and they have several other renovations on as well: Sokos Hotel Flamingo's extension, Original Sokos Hotel Presidentti's renovation and a completely new hotel Tripla that is being build in Pasila, Helsinki	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/funkkisklassikko-original-sokos/014406559_419607">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/funkkisklassikko-original-sokos/014406559_419607</a>
Break Sokos Hotel Koli starts its room renovation in April 2018	27/03/2018	Break Sokos Hotel Koli's renovates its 73rooms and its should last until the end of June 2018	<a href="https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/break-sokos-hotel-kolin-huoneuudistus/011185988_392883">https://www.sokoshotels.fi/fi/ajankohtaista/uutinen/break-sokos-hotel-kolin-huoneuudistus/011185988_392883</a>
Lapland Hotels have announced that they will open a hotel in Helsinki in the Autumn	13/04/2018	"The Lapland Hotels Bulevardi brings northern lifestyle and adventure services to Helsinki"	<a href="https://www.laplandhotels.com/media/tiedotteet/lapland-hotels-bulevardi-tuo-helsinkiin-pohjoisen-ela-cc-88ma-cc-88ntyylin-ja-ela-cc-88myspalvelut.pdf">https://www.laplandhotels.com/media/tiedotteet/lapland-hotels-bulevardi-tuo-helsinkiin-pohjoisen-ela-cc-88ma-cc-88ntyylin-ja-ela-cc-88myspalvelut.pdf</a>
Hotel Sveitsi won Evento Awards	19/04/2018		<a href="https://www.hotelsveitsi.fi/evento-awards-voitto/">https://www.hotelsveitsi.fi/evento-awards-voitto/</a>
Kämp Collection Hotels started cooperation with Helsingin Juhlaviikot	25/04/2018		<a href="https://www.kampcollectionhotels.com/uutiset/helsingin-juhlaviikot">https://www.kampcollectionhotels.com/uutiset/helsingin-juhlaviikot</a>

Glo Hotel's get 10 design rooms that are designed with Marimekko	27/04/2018	GLO Hotel Art, GLO Hotel Sello, GLO Hotel Kluuvi and GLO Hotel Airport will have 10 Marimekko design rooms between 26.4-31.12.2018	<a href="https://www.kampcollectionhotels.com/uutiset/glo-marimekko">https://www.kampcollectionhotels.com/uutiset/glo-marimekko</a>
Pride-partner Nordic Choice Hotels: "We have room for all"	08/06/2018	Over 600 employees participate in parades in different Nordic cities and various arrangements will be made at the hotels in the Clarion Hotel, Comfort Hotel and Quality Hotel chains during the Pride weeks.	<a href="https://www.nordicchoicehotels.se/pressrum/#/pressreleases/pride-partnern-nordic-choice-hotels-vi-har-rum-foer-alla-2534333">https://www.nordicchoicehotels.se/pressrum/#/pressreleases/pride-partnern-nordic-choice-hotels-vi-har-rum-foer-alla-2534333</a>
Nordic Choice Hotels conducts the Nordic region's largest hotel guest survey	12/06/2018	In two weeks (4-15.06.2018), deep interviews with 100,000 hotel guests are conducted on their views on how the hotel industry can develop in the future.	<a href="https://www.nordicchoicehotels.se/pressrum/#/pressreleases/nordic-choice-hotels-genomfoer-nordens-stoersta-hotellgaestundersoekning-2536728">https://www.nordicchoicehotels.se/pressrum/#/pressreleases/nordic-choice-hotels-genomfoer-nordens-stoersta-hotellgaestundersoekning-2536728</a>
Hotel Katajanokka is Finland's leading boutique hotel	03/07/2018	"Hotel Katajanokka got the award for Finland's Leading Boutique Hotel last weekend at the international World Travel Awards in Athens."	<a href="https://www.hotelkatajanokka.fi/en/news/">https://www.hotelkatajanokka.fi/en/news/</a>
Kippis/Keep Peace marketing campaign during President Trumps and President Putins meeting in Helsinki	11/07/2018	"The Finnish version of the toast "cheers" (or "nazdorovie") is "kip-pis". The are various legends on the origins of the word. " KCH created a campaign around this	<a href="https://www.kampcollectionhotels.com/en/news/kippis">https://www.kampcollectionhotels.com/en/news/kippis</a>
Hotel Katajanokka joins the Tribute portfolio by Marriott	04/10/2018	By joining the Tribute portfolio the hotel is able to offer its customers e.g. To redeem Marriott Rewards points	<a href="https://www.hotelkatajanokka.fi/en/hotel-katajanokka-to-join-tribute-portfolio-by-marriott/">https://www.hotelkatajanokka.fi/en/hotel-katajanokka-to-join-tribute-portfolio-by-marriott/</a>



Hotel Rantapuisto gets Green Key certification	04/10/2018	Hotel Rantapuisto motto is "Designed by Nature", which dates back to the hotel being located in the nature near the sea, thus environmental issues are important for them	<a href="https://www.rantapuisto.fi/hotelli/ajankohtaista/">https://www.rantapuisto.fi/hotelli/ajankohtaista/</a>
Meeting rooms can now be booked online	09/10/2018	Kämp Collection Hotels meeting rooms can be booked online and its connected to the meeting room reservation system	<a href="https://www.kampcollectionhotels.com/uutiset/kokoustilat">https://www.kampcollectionhotels.com/uutiset/kokoustilat</a>
Hotel Oscar gets Green Key certification	05/01/2019	Hotel Oscars operations have been environmentally friendly already before, but now they have a certificate to prove it.	<a href="https://www.hoteloscar.fi/ajankohtaista/">https://www.hoteloscar.fi/ajankohtaista/</a>
Hotel Katajanokka received the TripAdvisor Travellers choice 2019 award	29/01/2019	For the 9th time in row they were awarded the TripAdvisor Travellers choice award (3rd place)	<a href="https://www.hotelkatajanokka.fi/en/tripadvisor-travellers-choice-2019/">https://www.hotelkatajanokka.fi/en/tripadvisor-travellers-choice-2019/</a>
Hotel Sveitsi gets Green Key certification	13/02/2019		<a href="https://www.hotelsveitsi.fi/green-key/">https://www.hotelsveitsi.fi/green-key/</a>