

## **Challenging Customer Service Situations in Small Tourism Businesses in Northern Finland**

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<p><b>The title of the thesis</b> Challenging Customer Service Situations in Small Tourism Businesses in Northern Finland</p>	<p><b>Number of pages and appendices</b> 54 + 13</p>
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<p>Good customer service is vital for small tourism businesses. Customer service should aim at providing customers satisfying experiences, as satisfied customers are likely to associate with the company in the future; they are the foundation of all business. Small tourism businesses have a benefit over the large ones, as it is easier for smaller companies to respond to the individual clients' and varying customer groups' wishes and demands than it is for larger companies.</p> <p>Challenging customer service situations are met in all industries. There is some general guidance on how to deal with these situations; listening, asking defining questions and showing concern towards the customer. The use of body language and reading the silent messages that the customer is giving out are also important. Good customer service person will already have excellent social skills, but these skills can also be learned or gained through work or training. No customer should leave the business dissatisfied; even if the customer is acting threateningly or is wrong.</p> <p>The assignment for the thesis was set by the Tourism Team group, which operates under the Rural Police Committee. Eight small tourism businesses in Oulu area took part in the study that was conducted by themed interviews. The study findings mostly agree with the theory; this was not surprising as challenging customer service situations are a fairly widely studied topic in customer service literature.</p> <p>As a result of the study, 10 cases of challenging customer service situations in small tourism businesses were produced; they will be used at the Service with a heart – trainings, which are run by the Tourism Theme group.</p>	
<p><b>Key words</b> customer service, challenges, small tourism businesses</p>	

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<p>Hyvä asiakaspalvelu on pienten matkailuyritysten elinehto. Hyvän asiakaspalvelun myötä asiakkaille voidaan taata tyydyttäviä matkailuelämyksiä. Tyytyväiset asiakkaat usein palaavat yritykseen ja sitä kautta muodostavat perustan matkailuyritystoiminnalle. Pienten matkailuyritysten etu on, että he voivat vastata vaivattomammin yksilöllisten asiakkaiden ja asiakasryhmien toiveisiin ja tarpeisiin kuin suuret yritykset.</p> <p>Haastavia asiakaspalvelutilanteita tavataan joka toimialalla. Asiakaspalveluhenkilöstöä neuvotaan yleisesti kuuntelemaan asiakasta, kysymään tarkentavia kysymyksiä tapahtuneen taustoista ja osoittamaan myötätuntoa asiakasta kohtaan haastavissa tilanteissa. Myös kehonkielen tulkitseminen ja asiakkaan hiljaisten viestien kuunteleminen ovat tärkeitä näissä tilanteissa. Ylipäätään haastavissa asiakaspalvelutilanteissa tulisi toimia samoin kuin kohdatessa haastavia tilanteita jokapäiväisessä kommunikoinnissa. Hyvällä asiakaspalvelijalla on erinomaiset sosiaaliset taidot, mutta taitoja voi myös oppia työkokemuksen ja kouluttautumisen kautta. Asiakaspalveluhenkilökunnan tulisi myös huolehtia, ettei asiakas missään tapauksessa lähde tyytymättömänä yrityksestä, vaikka asiakas olisi tilanteessa väärässä tai hänen käytöksensä olisi uhkaavaa.</p> <p>Työn toimeksiantaja on Matkailun teemaryhmä, jonka on asettanut Maaseutupolitiikan yhteistyöryhmä. Työn tutkimus tehtiin haastattelemalla kahdeksaa pienmatkailuyritystä Oulun alueella. Suurin osa kyselyn tuloksista myötäilee alan teoriaa, mikä on ymmärrettävää, sillä haastavia asiakaspalvelutilanteista on kirjoitettu laajasti asiakaspalvelukirjallisuudessa.</p> <p>Tutkimustulosten pohjalta tuotettiin kymmenen caseä haastavista asiakaspalvelutilanteista Matkailun teemaryhmän Palvelua sydämellä –asiakaspalvelukoulutukseen.</p>	
<p><b>Key words</b> asiakaspalvelu, haastava, pienet matkailuyritykset</p>	

## Table of Contents

1	Introduction.....	1
1.1	Focus on rural tourism .....	1
1.2	Structure of the paper.....	2
2	Good customer service – necessity for small tour businesses?.....	3
2.1	Satisfied long-term customers achieved by quality service.....	3
2.2	Customer management responds to the increased demand.....	5
2.3	The importance of first impression and social skills .....	6
2.4	Responding to the differing needs of heterogeneous customer groups .....	7
3	Challenging customer service situations .....	10
3.1	Varying challenges in service .....	10
3.2	Negative customer feedback – A key to develop .....	12
3.3	How to handle a staff mistake? .....	14
3.4	Listen, ask, show compassion.....	15
3.5	Dealing with challenging customers .....	18
3.6	The company’s reputation in mind.....	21
4	From theory to research.....	23
4.1	Research method.....	24
4.2	Reliability .....	26
4.3	Criticism of the method used .....	27
5	Results of the study.....	29
5.1	Defining good customer service .....	30
5.2	The differing needs of customer groups in small tourism businesses .....	31
5.3	Easy customer service situations.....	32
5.4	The visitors’ attitude and the venues physical environment .....	33
5.5	Challenging customer service situations.....	34
5.6	How to handle challenging customer service situations.....	38
6	Discussion .....	41
6.1	Good customer service to match the differing needs of customers .....	42
6.2	From easy to challenging customer service situations .....	45
6.3	Stay calm even when the customer is wrong.....	51

6.4 Recommendations for future study and development.....	52
6.5 Analysing of the thesis process .....	53
Appendices.....	59
Appendix 1. Research participants .....	59

# 1 Introduction

Customer service plays an important role in all business (Kendall 2006, 3); the best result of any customer service situation is a satisfied customer (Jokinen *et al* 2000, 235). Sales people need to be able to handle a wide range of challenging situations in their work (Lepola *et al* 1998, 10). When facing a challenging situation both the company's and the service person's abilities to cope with it play important roles in solving the situation. Customer service personnel need to be able to understand different people in varying situations, be flexible and take the most suitable role for each specific event. The better interaction and co-operative skills the customer service person has the less so-called difficult customers they will face. Skilled customer service people do not tend to think that there are difficult customers but a varying group of customers who all need to be treated differently – with a professional touch. (Jokinen *et al* 2000, 264.)

## 1.1 Focus on rural tourism

The assignment for the thesis was set by the Tourism Theme Group. The study focuses on investigating challenging customer service situations in small tourism businesses. As a result of the study, the aim is to produce 5 to 10 cases of challenging customer service situations in small tourism businesses. These cases will be used at the Service with a heart -trainings. The Service with a heart -training program is targeted at small tourism businesses that have chosen customer focus as their strategic option. The program specifically focuses on rural tourism needs; it aims at improving rural tourism businesses' customer knowledge, customer service skills and customer satisfaction; therefore it helps the businesses to gain competitive advantage. The Tourism Theme Group, appointed by the Rural Policy Committee, developed the Service with a heart -training in 2000. (Maaseutumatkailu.fi 2010.) The Service with a heart –training and other Tourism Theme Groups' projects are partly funded by the Ministry of Agriculture and Forestry and partly by other public or private sources (Rural policy.fi 2010).

The Finnish Tourism Board (2006, 7) is predicting as high increase as 50 per cent in the numbers of rural tourism visits to Finland from year 2006 to 2020. As the Finnish Tourism and Restaurant Industries Federation (2009, 17) states tourism businesses

work on maintaining the viability of residential areas. This is especially important in the rural areas where tourism is often the main or one of the main industries. Staff training is one way of improving the quality of service (Butcher *et al* 2009, 389); therefore the importance of customer service training should be recognised at small tourism businesses in the rural areas.

## **1.2 Structure of the paper**

The materials produced for this paper are precisely focused on customer service situations that small tourism companies' owners and employees face in their everyday work. Eight businesses were interviewed in the survey. Seven of the businesses that took part in the study are located in Oulu and its' surrounding areas. In addition, one business owner from Muonio participated in the study. There are four main themes according to which the report is structured. These include:

1. Defining good customer service
2. The differing needs of customer groups in small tourism companies
3. Challenging customer service situations
4. Handling with challenging customer service situations.

The four themes are first introduced in the detail in the literature review after which the research methods and results are introduced. The results are analysed and divided according to the four main themes of the paper. Following the carefully considered analyses the results are then linked to the theories introduced in the literature review. As a result of the study, the cases for the Service with a heart -training are introduced in the Appendices 2 to 11. The cases that were produced in the process include problem-solving tasks; some role-plays and some of them tasks that will need wider analysis. All the cases are real life examples that the interviewed business owners' and workers' have experienced. Examples of varying situations in different areas of tourism - accommodation, restaurant, event organising and conference services - are introduced. Some additional notes for the Service with a heart -training are represented in Appendix 12. The cases and the additional notes are written in Finnish, as Finnish is the language used at the training.

## 2 Good customer service – necessity for small tour businesses?

“Customer service is the interaction between the customer and a representative of the organisation... The core of its definition is that customer service is defined by the customer who receives it.” (Kendall 2006, 4-5.) Customers are individuals or companies (Lepola *et al* 1998; Viitala & Jylhä 2006, 82) receiving products or services; they can be internal or external to the organisation. Customers are the bases of all business (Kendall 2006, 3.) up; they are the businesses’ source of income (Viitala & Jylhä 2006, 82). Service on the other hand consists of all the activities, which respond to the customer’s needs. The quality of service is dependent on the input of all the service parties; therefore service quality can be seen as strongest as the parties’ weakest link. (Jokinen *et al* 2000, 12.) Tourism industry is based on services; more likely it is a mixture of service industries (Otto & Ritchie 1996, 165).

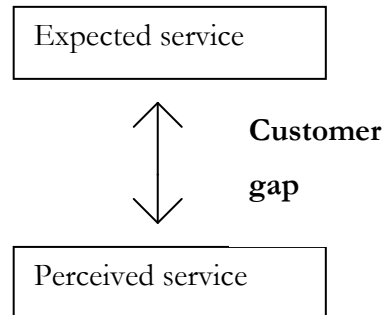
Customer service situations in tourism businesses vary from everyday face-to-face customer interactions to e-mail sales situations or sales through other electronic channels where no human middlemen are needed for selling or buying services and products. Therefore a customer can decide the best product, the most suitable service and simplest shipping method for purchasing. At the very extreme this means that a customer is able to purchase a product, service or an individually tailored mix of those two that best matches their current needs exactly when they need it by using the most suitable method of buying at that specific time. (Jokinen *et al* 2000, 10; Zeithaml *et al* 2006, 16.) There are plenty of different options for dining for example: People can dine out in a restaurant with friends, order gourmet take away with home delivery service, sit down in a café for afternoon tea or have a quick bite at a service station by a highway. (Jokinen *et al* 2000, 10) In highly competitive markets it is too easy for the customer to turn to a competing product or vendor (Dyché 2002, 6).

### 2.1 Satisfied long-term customers achieved by quality service

*The customer gap* (see Figure 1) is a framework about customer satisfaction. Customer gap describes the evaluative space between the expectations and perceptions of a customer. Basically, the better the service meets the customers’ expectations the smaller

the customer gap is. Small customer gaps equal a satisfied customer; companies should always know what their costumers expect in order to deliver fulfilling and satisfying customer service and experiences. (Zeithaml *et al* 2006, 33-4; Namkung *et al* 2010.)

Figure 1. The customer gap (Zeithaml *et al* 2006, 33-4)



Businesses' fundamental purpose is to find and keep customers (Levitt 1983 in Kendall 2006, 3). What customers value the most is that they receive what they have been promised. As Sewell and Brown (1990, 34-7) quip: "Keeping your word is worth more than all the empathy, smiles and chocolates on your pillow in the world". The two authors suggest that keeping the service promise is the minimum required for providing good customer service. According to Jokinen *et al* (2000 12), customers should be provided products and services that match – or more preferably exceed – their requirements; this way permanent customer relationships can be achieved. Satisfied customers are the ones who maintain long-term customer-business relationships (Wu 2007, 1526).

The more satisfied the customer is to the service or to the purchased product, the better-committed customer he or she will be. In addition, satisfied customers are most likely to associate with the company in the future. (Väitala & Jylhä 2006, 100.) As Dyché (2002, 9) discusses, a loyal customer to the company represents a voluntary, unpaid company agent. Loyal and satisfactory customers that have experienced memorable and positive service experiences with the company are very likely to spread positive *word-of-mouth*<sup>1</sup> to other consumers (Zeithaml *et al* 2006, 67). Moreover, loyal customers

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<sup>1</sup> Word-of-mouth communication consists of statements made by parties other than the organisation (ie. consumer reports, family members and friends), which conveys the customers, what the service will be like; therefore shaping the customers' expectations on service. Word-of-mouth is especially important in services that cannot be evaluated before purchasing and directly experiencing them. (Zeithaml *et al*, 2006, 95.)

take the pleasure in proselytising the company and its products by for example wearing clothing with the company logo printed on them (Dyché 2002, 9).

Permanent customer relationships are necessary for businesses' as they are the starting point for pursuing profitability. They also enable the company to gain continuity, stability and allow maintaining a successfully working feedback channel (Viitala & Jylhä 2006, 98). Over promising is never a positive thing. If a service company has made a promise to its customers through advertising, sales force or other communications, they should always be able to keep it. Customers' expectations base on the company's communications; if the perceived service does not meet the expectations, customers will be left dissatisfied to the service. (Zeitham *et al* 2006, 42.)

## **2.2 Customer management responds to the increased demand**

Lepola *et al* (1998, 16) claim that the transform from a product-oriented society to a service society has directly increased the customers' awareness of good service standards. At the same time the requirements for good customer service have aroused and people have started to pay more and more attention to the quality of service. The authors also express that customers have started to demand good customer service. Joki-nen *et al* (2000, 10) take the allegation to even higher level by stating that today's customers take good customer service for granted.

Viitala and Jylhä (2006, 82) state that it is more difficult for companies to achieve financial advantage through products than what it used to be. Therefore developing permanent customer relationships has become increasingly important for businesses. Many authors in the service field have discussed the importance of *customer relationship management* (CRM), customer oriented business, with customer in businesses focus. Dyché (2002, 4) defines CRM as "The infrastructure that enables the delineation of and increase in customer value, and the correct means by which to motivate valuable customers to remain loyal – indeed, to buy again." Therefore CRM does not only help in managing customers and monitor their behaviour; it also helps in improving customer-company relationships, which again leads to increased revenues. Interestingly, the concept of Customer relationship management is of a Scandinavian origin; it is

based on Nordic research on relationship marketing and service management (Tikkanen 2005, 37).

All businesses should pay attention to the way their customers are managed, no matter what the size or the field of business are. Companies should make their best effort to please their customers. According to studies, it is five to six times more expensive to attract a new client than to keep an old customer, as attracting new clients often requires using a lot of resources (Viitala & Jylhä 2006, 97-8; Dyché 2002, 4). In addition, selling a product to already lost customers is approximately 25 times more expensive than selling it to a current customer (Viitala & Jylhä 2006, 97-8). Companies should monitor their customer defection rates; one way of decreasing defection rates is by improving the quality of customer service (Kotler *et al* 1996, 346-7).

### **2.3 The importance of first impression and social skills**

According to research customers form their first impression of a company's office or venue as quickly as in 3 to 10 seconds. It plays an important role in service industries. The first impression of an office should not be faceless, tasteless or cold. A staff member should always be there to meet and greet the customer when they walk in to make the customer feel welcomed. Guiding the customer in will make a good impression. If the first impression is good, a customer will accept small anomalies later on. (Jokinen *et al* 2000, 102; 236.) It's good to keep in mind that first impressions are only given once (Hämäläinen 1999, 65). Even though the customer's first impression is formed at *the moment of truth*<sup>2</sup>, the entire evaluation of customer service quality springs from the interaction between the customer and the customer service personnel (Jokinen *et al* 2000, 239).

Social skills play an important role in customer service. To be able to get the message through to the customer in a service situation, the service person first needs to create a

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<sup>2</sup> Moment of Truth is a term developed by Richard Normann (cited in Kotler *et al*, 1996, 318-9). It describes the first contact that the customer and employee have; the moment when the employee's skill, motivation and tools together with the customer's expectations and behaviour create the service delivery.

positive and warm atmosphere to the situation and a good connection with the customer. For achieving it the person will need to use social skills such as empathy, kindness, politeness and sympathy, his or her ability to listen and discuss, be genuine and open. (Jokinen *et al* 2000, 237.) Service people also need to work with a lot of emotions at their work; their own as well as the clients'. To assure the customers satisfaction, a service person needs to be able to always match their own feelings to the changing situations. (Hochschild 1983 *cited in* Veijola *et al* 2008, 34-5.) When people interact, non-verbal communication is actually more effective than verbal communication. Non-verbal signals also affect the first impression that customer service people give out; therefore employees should always consider the non-verbal signals they are sending towards the customer as well as the customers' signals. (Launonen *et al* 2009, 15.)

Tourism workers need a wide scale of skills. It is not enough to know many languages, be flexible, adaptive, have a will to serve and be able to learn new skills quickly. In addition, tourism workers' personality plays an important role. Naturally it is required to know specific skills needed in carrying out tasks at work; waiters will need to know how to serve food portions, the chef needs to be able to cook. However, some skills typical to tourism workers are not easily definable or measured; qualities to do with person themselves. In tourism, workers' know-how has embodied to the person and not unilaterally to a set of work orders. Worker's skills are an inseparable part of their personality, habits and experiences. (Veijola *et al* 2008, 51.)

#### **2.4 Responding to the differing needs of heterogeneous customer groups**

Today's customers are increasingly independent. They can be individuals or companies who all have varying, tailored needs and wishes for services and products (Lepola *et al* 1998, 10; Jokinen *et al* 2000, 10). Different customer groups have differing needs and expectations. For fulfilling everyone's wishes the service personnel should keep in mind that customers want them to be treated individually, as they all have differing needs and wishes (Dyché 2002, 7). Employees should take account of others, understand different cultures and consider the diversity of cultural backgrounds (Forum24 2010, 23); lifestyles and incomes (Valkonen & Veijola 2008, 19) that customers might come from. The different forms of families such as single-parent families, dual-career

couples and two-job families represent the new generations' consumers (Zeithaml *et al* 2006, 50), which should again be accounted. Recognising the different backgrounds of customers is required in order to "edit" the tourism service to respond to customer's needs and wishes (Veijola *et al* 2008, 58).

Excellent customer service personnel will try to make every service situation memorable to the customer (Jokinen *et al* 2000, 235). Employees should be able to sense the individual needs of each client and respond to them as well as they can at each situation (Veijola *et al* 2008, 35). All customers are very important to the companies; the faithful clients who purchase large amounts regularly and actively, the occasional clients associating with the company every now and then as well as the first-time buyers (Viitala & Jylhä 2006, 95). Customer service person should know the key customers and services that they are more likely to purchase (Jokinen *et al* 2000, 236); they are the most valuable customers to the company (Viitala & Jylhä 2006, 95). The customer service person should also have a genuine desire to work and a will to serve; a person's lack of motivation to work can be easily sensed (Jokinen *et al* 2000, 235).

Even though many people tend to think it is easier to manage smaller businesses than larger ones, in fact both big chain hotels like Hilton or Radisson and smaller accommodation providers such as the small barrier reef island bed and breakfast Island Hotel in Florida have to control many service factors to be able to offer exceptional service experiences for customers. Zeithalm *et al* (2006, 32-3) explain the individual service experience that a customer gets at Island Hotel. The polite and genuine owners, a chef and a bartender warmly serve customers from the customers' booking the holiday throughout the customers' stay all the way until personal thanking and saying goodbye when customers are leaving the accommodation. The experience is individually tailored for the customer; the small size of the company allows the owners and two workers to genuinely look after their customers, care for their wellbeing and make them feel known and special.

For example the small, rural tourism companies in Lapland need to be able to respond to all clients' needs and wishes; this has been the way since the early days of tourism in the Finnish Lapland. It is the entrepreneur's job to not just have a wide knowledge of

the services and products offered in the area but they also need to be skilled to present a number of entertaining programs for the visitors. Employees need to be able to “make things happen” (Veijola *et al* 2008, 31) well on time and be able to plan the future tasks in the right way. In small companies where staff is often working closely with the owner and the manager, management needs to make sure that employees are satisfied. Satisfied employees are motivated and willing to work hard to create satisfactory experiences to the customers, which again brings more business and more income to the company (Chi & Gursoy 2009, 245-6).

### **3 Challenging customer service situations**

Facing the customers in normal routine service situations is usually easy. In everyday situations customer service personnel often follow a particular code or pattern to deal with customers. (Jokinen *et al* 2000, 264.) As Sewell and Brown (1990, 40) state, one of the best parts of a service job is to hear that a customer is satisfied, that they were treated wonderfully and everything went smoothly in a service situation. However, customer service personnel also face challenging situations in their work. Challenging situations are the abnormal situations that the service encounter has to deal with by using different-to-normal methods. (Jokinen *et al* 2000, 264.)

#### **3.1 Varying challenges in service**

There are different types of challenging customer service situations that service personnel meet in their work (Jokinen *et al* 2000, 264). As every service situation is different, there are also varying challenges to deal with when serving customers. Examples of challenges are demanding customers (when the service and products have to go correctly and there is no room for mistakes) as well as language and cultural differences in today's global and international environment (Viitala & Jylhä 2006, 137). Understanding different cultures is very important for entrepreneurs today, as there are representatives of 197 different nations living in Finland today (Forum24 2010, 23). An increasing challenge in tourism industry is to serve customers from different cultural backgrounds (Yuksel *et al* 2006, 11). Challenges in multi-international service environment occur for example because of the differing ways that gestures and facial expressions are understood in different cultures (Menon & Dubé 2004, 236).

Some examples of new challenges in tourism service can be found by looking at the current tourism trends (Strietska-Ilina & Tessaring 2005). Guiding a tour with incompatible customers in the same group is definitely a challenge; for instance families with small children and couples or smokers and non-smokers on the same trip (Wu 2007, 1526). Another example of challenges is the increasing group of lone travellers, who naturally impose specific demands for entertaining, animating and more individualised services in tourism centres. In addition, the increase of life expectancy brings a group

of new challenges in tourism service. As estimated, one third of the European population will soon comprise of elderly citizens. This means that there will be new challenges in customer service. How to consider for example the growing number of disabled customers and ones with restricted mobility? (Strietska-Ilina & Tessaring 2005.)

Challenging customer service situations can sometimes result from a lack of trust. Sewell and Brown (1990, 36) explain a situation where some customers did not trust the car repair company's new method to collect credit card imprints before the repair work was done. According to the authors, the customers simply hated the idea that they had to give out their credit card digits before the work was completed even though they knew that the company could not charge their cards more than the estimation that had been told to the customers before the repair. In the end the authors simply stopped trying collecting credit card imprints as the authors saw that there was nothing to do to win over the suspicious customers.

In small tourism business it is possible to face closer and more intimate customer service situations than in large chain companies. When the service provider is expected to act like a friend but carries out a more professional role in the service situation, it can confuse the customer. At the very end this may lead to aggressive or sexually harassing customer behaviour. Also handling with drunken customers is a challenging part of working in tourism businesses, as alcohol can trigger misbehaviour. (Yagil 2008, 146.)

“*Moods* are transient feeling states that occur at specific times and in specific situations, whereas *emotions* are more intense, stable and pervasive.” (Zeithaml *et al* 2006, 65.) Both moods and emotions influence customers' perceptions and evaluations of their service experiences as well as their judgement of the service encounters and providers. Customers' bad mood is often experienced as negativity or dissatisfaction towards the service; where as customer who is on a positive mood is seen as to be pleased with the service. Customers' moods have two different affects in the service environment; they may change the service personnel's mood and often influence the other customers in the same service environment as well, as the other customers' are able to sense the bad mood. The mood a customer is in will also affect their willingness to participate in actions that help the customer service personnel in creating a successful experience to

clients. Customers in a positive mood are more likely to for example dispose of their dishes in a take-away restaurant or not worry about small delays in the service, which will make the service personnel's work easier. Bad mood on the other hand can reduce the customers' will to participate in such actions and create negative atmosphere in the service environment.

Moods and emotions are closely related to people's memory. The feelings associated with a certain service situation are an inseparable part of the memory of the situation. If for example a traveller had fallen in love during a trip, he or she would be most likely to hold fond memories of the trip destination due mostly to the emotional state they were on during the trip than to the actual destination itself. Conversely, if a customer had visited a holiday centre while going through an unpleasant divorce the memories of the destination would most likely not be so favourable. (Zeithaml *et al* 2006, 65.) Another, simpler example is people's experiences on queuing. If the customer is patient and has time to wait, queuing for check out will not irritate them as likely as it can irritate them when they have a busy schedule for the day and are late from something (Jokinen *et al* 2000, 268). It is also noted that angry customers may feel dissatisfied towards the customer service experience because of their strong negative feelings at the time of received service (Menon & Dubé 2004, 232).

Physical environment and its' elements are likely to elicit customers emotional and subjective reactions. For instance a tranquil, beautiful mountain environment will relax and calm down the traveller. Thus it has been proved that tourism holds the most potential of all service industries in eliciting strong emotional and experiential reactions by customers (Otto & Ritchie 1996, 168).

### **3.2 Negative customer feedback – A key to develop**

One way of knowing how satisfied the customers are is by collecting customer feedback. Customer feedback discusses customers' expectations and wishes and therefore works as a foundation to plan future actions and processes as well as advices for better customer service. (Jokinen *et al* 2000, 12.) Even how unpleasant it is for managers to receive criticism it is essential to collect not just positive but also negative customer

feedback. Without criticism company's processes will not be changed; therefore complaining should be made easy for customers. (Sewell & Brown 1990, 40-1.) In fact employees should be trained to encourage dissatisfied customers to voice their complaints. In addition, business managers and owners should reward customers for their constructive feedback to reinforce their complaint behaviour. (Namkung *et al* 2010.)

Consumer complaints provide an opportunity to improve the company's management, service and profitability (Yuksel *et al* 2006, 11). The way a complaint is dealt with plays an important role to the customer; once they have lodged a complaint, it may become less relevant how the original transaction went. Customer's satisfaction depends more on the way their complaint is dealt with (Goodwin & Ross 1990, cited in Yuksel *et al* 2006, 18-19.); a well-handled challenging situation will tighten the customer-company situation (Namkung *et al* 2010). It should be kept in mind that complaining customers are the ones who show the organisation how functional their service is and test the customer service personnel's sensitivity to respond to challenging situations (Jokinen *et al* 2000, 267).

When a customer gives feedback – positive or negative – they should be thanked for it. Complaining customers should not be afraid of because complaining is often a sign that the customer wants improvement and is planning to continue their customer relationship. Complaints can be seen as free guiding in helping the company to succeed, as they tell the company how they can improve their products and services. When a customer complains it should be seen as a positive thing, as not all dissatisfied customers complain; they will simply leave the company and never return. Managers should also acknowledge that most customers would not complain. (Jokinen *et al*, 2000, 272; Kotler *et al* 1996, 348; Yuksel *et al* 2006, 12.) Interestingly, customers who are emotionally committed to the company can feel “betrayed” when a service failure occurs; even the post-situation acts of customer service personnel would be satisfying for the customer. Conversely, customers who lack an emotional bond to the company are more “forgiving” to service errors when the service recovery is well handled. (Wirtz and Mattila 2004 in Namkung *et al* 2010.)

### 3.3 How to handle a staff mistake?

Customers do not pay as much attention to the service when it's done well than when something goes wrong in the service situation; they tend to judge the service personnel by the way they handle their problem. According to Sewell and Brown (1990, 38) there are two key factors for handling with complaints: *Apologising* - for something that should have never happened in the first place - and *fixing the problem*, which should happen immediately. The customers' problem should never be underestimated; it may actually be a big deal to the customer. The customers are not interested in hearing explanations for the problem's occurrence (Sewell & Brown 1990, 38-9.) or who should be blamed for the situation (Jokinen *et al* 2000, 270); they simply wish to hear an apology and the way the problem will be solved. (Sewell & Brown 1990, 38-9.)

Normally a spoken apology by the service person will be enough to satisfy the upset customer but if the staff mistake is a bigger deal then either the manager or the owner of the business will need to apologise too. In a huge mistake - like when a service person has wrecked the customers' car - everyone should apologise. The main thing is to be sincerely sorry and really mean it. After apologising to the customer, the staff members should find out what went wrong in the process and why. By tracking down the initial cause for the mistake it can be made sure that staff members know how to correct this kind of mistake. At the same time it can be assured that the same mistakes will not happen in the future. This is beneficial to the company in the long run, as it makes the processes more profitable, reduces the amount of extra work and decreases stress in customer service. (Sewell & Brown 1990, 38-40.)

Every problem-solving case should be seen as a learning situation (Viitala & Jylhä 2006, 241). On the other hand service failures should not be afraid of, as they sometimes are the price that businesses have to pay in order to succeed (Namkung *et al*, 2010). Mistakes are often inevitable in services that are performed in the customer's presence. Even the best companies make mistakes; whether it is a delayed flight, a burned steak or missed delivery. Although companies are not able to prevent problems, they can improve the way problems are dealt with. (Hart *et al* 1993, 255.) A customer service person should think that apologising is a normal part of their job (Joki-

nen *et al* 2000, 270) and be trained to use creativity and flexibly to find satisfying solutions in problematic situations (Hämäläinen 1999, 155).

A top seller will not let an unsatisfied customer leave until the customer is happy with the service, smiling, thankful and satisfied (Jokinen *et al* 2000, 268). Even if a customer loses their temper in a service situation the service person should treat them in a way that makes the customer feel comfortable about coming back (Sewell & Brown 1990, 41). Studies have shown that customers are expecting service providers to respond supportively to both positive and negative emotions that they might have. Furthermore, responding to negative emotions is likely to increase customer satisfaction. (Menon & Dubé 2004, 229.)

### **3.4 Listen, ask, show compassion**

Dissatisfied, angry and even aggressive customers are met in all service encounters<sup>3</sup>. The most common cause for customer's dissatisfaction is that the product or service they bought did not meet their expectations nor had an error on it. However, customer's dissatisfaction is not always resulting of bad service (Jokinen *et al* 2000, 268). Customer service personnel needs to realise that everyone has a bad day from time to time, even customers (Sewell & Brown 1990, 41). Unfortunately the customer service person is often an easy target for complaining and giving the temper (Jokinen *et al* 2000, 268).

Ideally the customer would be calm and acting appropriately in a complaint situation. If so, the customer service person would be able to deal with the complaint immediately, without a lot of hassle. However if the customer is under a strong emotional state such as anger or is behaving aggressively the customer service person needs to work with the customer's emotional side first and get them to calm down before the complaint can be processed; Upset, angry or aggressive clients are always in a sensitive state of mind and want them and their problem to be taken seriously. (Jokinen *et al* 2000,

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<sup>3</sup> *Service encounter* is the complexity human interaction in tourism service that includes interaction, exchange and performance between customers and the service employees. As customers affect the service employees and vice versa, also customers affect other customers service experience and how they evaluate its' successfulness. (Wu 2007, 1518.)

268.) The worst thing a service person can do is to ignore an upset customer (Hämäläinen 1999, 63).

When facing an angry or aggressive person people normally feel a need to protect themselves and defect. Some people may also experience feelings of competitiveness or anger in these situations. A customer service person needs to leave their feelings out of the situation and stay calm. The main task for them is to try to calm down the customer and help them understand and accept the harmful situation. It often helps that the customer gets to discuss the problems and worries they have and that they get compassion in return. (Jokinen *et al* 2000, 269.) Listening does not mean that service personnel should agree with the customer; customer calms down when their point of view is understood and they are taken seriously (Launonen *et al* 2009, 16). Again, the first impression that the service person gives out is the most important. Is there something calming about the serving person's appearance? Can they show compassion and empathy? What do they say first? The most effective ways to interact in challenging situations is to listen, ask questions and show compassion. (Jokinen *et al* 2000, 269.)

When a customer is having a bad day the most calming thing for them might be that they simply get a chance to express the way they feel to someone. In fact, this kind of situation can be favourable for the customer service person, as they have the opportunity to show their skills to deal with challenging customer service situations. The customer might be surprised that the customer service person actually cares and is listening to their worries. (Jokinen *et al* 2000, 269.) When a customer wants to share their thoughts, the service person should listen to them *actively* so that the customer feels that they have been listened to. *Active listening* means that the service person reacts to the customer's story by nodding and other facial expressions or by adding small words such as "yes", "aha" or "really?" to the conversation when appropriate. It helps to understand the customer's point of view when the service person looks at the issue from the customer's side and tries "standing in their boots". The listener needs to be patient; sometimes people's speech can drift to irrelevant topics when they are upset. (Launonen *et al* 2009, 16.)

As well as listening, asking questions and showing compassion, the way the body language is used is part of interacting. The message is the most convincing when the person's gestures, facial expressions and postures match their speech; it means that the person fully means what they say. A good service person can adapt their body language to match the customer's wavelength – in any situation. (Jokinen *et al* 2000, 269-70.)

The most successful customer service people are them who can read the silent signals that customers give out (Menon & Dubé 2004, 230). For example when serving a rushing customer the customer service person would work fast; elderly customers would be served more calmly and clearly speaking. When serving an angry client the customer service person would stand upright, work actively and look motivated. (Jokinen *et al* 2000, 269-70.)

The way people gesticulate shows either their openness and co-cooperativeness or it can tell that the person is suspicious and withdrawn. Calming gestures include showing the palms of the hands, tilting the head and acting calm while crossing the arms shows rejection. At the same time, eye contact is important when serving customers. It helps the service person in recognising the customers' emotional state. Something unusual in the customer's eye contact often tells that something is wrong. For example staring eyes may indicate that the person is aggressive or scared. In a conflict situation considerate but accepting eye contact should be used. (Launonen *et al* 2009, 15-16.)

Everyone has his or her own intimate space, which is within about a 30 to 50 centimetre's radius to the person – varying in different situations. If a person enters another one's space without asking permission, people will normally feel anxious. It is polite not to enter others' intimate space; people who do so often suffer from a lack of judgement to the situation. These people may be drunk, deranged or agitated. Finally, the use of voice can easily reveal a person's emotional state – this may be anger, exasperation or fear. High voice will worsen a conflict, while keeping a normal or lower than normal voice will calm people down. (Launonen *et al* 2009, 15-16.)

It is important to recognise what type of communicator the customer is: Whether they represent *a passive, aggressive, hidden aggressive or a positively settled customer*. *A passive customer* needs a lot of assistance and guidance; they are unsure of what they want, inse-

cure, they lack of ideas, cannot say what they want and avoids disagreements. *An aggressive* customer is the opposite of the passive one; this type is not afraid of getting what they desire. This type of customer will yell, screams, bully, interact, intimidate and threat the service encounter. A customer who is *hidden aggressive* is difficult, because they will not necessarily have the courage to complain face-to-face but will talk behind people's backs. This type uses sarcasm, is cynical and after wise, gives out mixed messages and creates negative atmosphere. These three types of people all lack of self-security and try to cover it by a certain way of behaviour. It can create difficult and unpleasant service situations. (Jokinen *et al* 2000, 264-7.)

The forth type – *positively settled* customer – however is a pleasure to work with. These people know who they are, will tell you what they want, act calmly, politely, face matters as they are and have the skill to listen. These four examples are naturally the far examples of different communicating types and in reality most customers are less likely to be such typical examples of the types. (Jokinen *et al* 2000, 264-7.) Usually communicating with others is easiest when the other person's way of communicating is similar to person's own way. At the same time, when two very differently communicating people are interacting, there is a more likely chance for misunderstanding and interpretation. In a service situation it is important to remember that one can only change their personal and no one else's communicating. However, changing the way will also affect the other interactive part. (Launonen *et al* 2009, 18.)

### **3.5 Dealing with challenging customers**

According to research, more and more violent customers are met in the service field (Yagil 2008, 142). Therefore customer service personnel should be able to anticipate threatening and violent situations at work. If the employee feels anxious, scared or somehow senses that not everything is right when facing a customer it can be a sign of threatening or violent situation. This feeling generates from the customers non-verbal communication and should be alerting. Service person should seek to overcome the threatening situation as quickly as possible. The use of gestures, taking eye contact, personal turf and the use of voice (as explained above) are the most important ways of non-verbal communication in threatening situations. Customer service person should

be able to read the customers' non-verbal signals and use their non-verbal communication to match the customers' emotional state. (Launonen *et al* 2009, 13-15.)

According to Menon and Dubé (2004, 230-1), the difference between angry and anxious behaviour is that anger links to other people's behaviour (such as the service provider); other people are seen as the cause of the situation. Anxiety on the other hand refers to uncontrollable circumstances and not about the people in it. Therefore angry customers can be seen as more challenging than the anxious ones, because anxious people are not threatening the provider. Moreover, anxious customers are more willing to accept support and are looking to get it from the service person.

Strong feelings distract people from clear thinking (Jokinen *et al* 2000, 269-70); angry or aggressive person might not understand when something is expressed the first or even the second time (Launonen *et al* 2009, 17). Therefore service personnel should speak clearly, use short sentences and universal language when speaking to an upset client. Professional terminology that the customer does not understand should not be used, as the customer might feel intimidated by it. (Jokinen *et al* 2000, 269-70.) Inappropriate, dismissive or defensive language is never appropriate in customer service situations. When a customer is upset, it is best to show compassion, empathy and take time to overcome the situation with the customer. A customer calms down when the service person shows compassion. (Launonen *et al* 2009, 10-17.)

Cases of sexual harassment are met in many service encounters, especially in hotels and restaurants. According to "the customer is always right" philosophy (Yagil 2008, 143), misbehaviour and even sexual harassment is often denied or justified by the idea that customers are right and service personnel should not disagree with them, as customers - who have a higher status than the service providers - pay for their service. Customer service personnel's primary task is to satisfy the customer's wishes. However, aggressive or sexually dismissive customer behaviour should never be accepted in service situations; staff safety should always come first. Employees should be trained to deal with all types of customer misbehaviour (Yagil 2008, 145-50) even if small hospitality companies are often not likely to pay too much attention to staff training (Butcher *et al* 2009, 389).

Sometimes a customer can be dissatisfied even in situations when they are wrong (Hämäläinen 1999, 155). When the customer is wrong about something it is good to keep in mind that all individual's behaviour seems justified to self and therefore customers might argue back even if they are not right. A customer may have misunderstood something, but the service person should not say this straightaway; a more professional way to deal with it would be by subtly giving extra information about the situation to the customer and by doing so lead the conversation to the right direction. When the customer service person is being considerate and subtle towards the customer this often softens the customer's attitude and opens up a new opportunity to discuss more freely about the whole situation. (Jokinen *et al* 2000, 270.)

A customer service person should never argue back to the customer's objectives; he or she should more preferably take a considerate stand and say things like "I understand where you are coming from" or "That was a good question" to continue leading the conversation towards the desired solution (Launonen *et al* 2009, 17). Another good method is to copy words and expressions that the customer uses and add them to own speech (Jokinen *et al* 2000, 269-70). When working towards the right solution, one can also try to manipulate the customer by indicating to the customer's intelligence and discretionary ability; express things like "It is good that you brought up this matter, but..." or "I hope you understand that..." To assure that one has understood the customer, the main points should be summed up before finishing the conversation. (Launonen *et al* 2009, 10-17)

Sometimes humour can be a key to release tenseness in a challenging customer service situation. Although humour has to be used in an appropriate way - so that the customer understands that it is humour. The customer service person may offend the client unintentionally if humour does not fit in the situation. Especially when handling with delicate issues – such as a matter concerning the customer's health or a major financial interest – the use of language should be careful and neutral. (Launonen *et al* 2009, 11.)

After dealing with a challenging customer service situation the service person should go through the situation in order to help him or her to forget it. Instead of denying the uncomfortable experience it should be confronted. Positive team spirit and support from co-workers is essential at this point. (Yagil 2008, 148.)

### **3.6 The company's reputation in mind**

When consumers talk about the service they have received, they often use generalising expressions. Dissatisfied customers would not talk about the person who was serving them but blame the company for poor service. Customer service personnel represent the companies they work for. It is important that service personnel always take full blame on themselves when the customer is dissatisfied. Blaming co-workers or the duty manager will not help; the customer is not interested about who is to blame for the situation. In addition to that, complaints should be dealt with as quickly as possible and avoid bouncing the customer from one customer service person to another. (Jokinen *et al* 2000, 270.) Veijola *et al* (2008, 24) claim that tourism worker's skills, knowledge and work performance all directly affect on the tourism areas level of attraction. Whether it is up to the tour guide's talent or the receptionists' customer service skills, the quality of service will have a straight affect on the company's finances.

A way of making sure that customers are leaving satisfied is by giving them compensation. Every company should have a guideline for personnel how to compensate a dissatisfying product or service (Menon & Dubé 2004, 230). People working in customer service should be authorised to give compensation on the spot, without having to discuss with the manager first. Small compensations like coffee or free service voucher will show the customer that the company considers its' customers. Furthermore, giving bigger compensations are useful because keeping the old customers is always less expensive than attracting new ones. Customers often remember the compensations they have got and will also share these experiences with their other consumers. (Jokinen *et al* 2000, 272.) However, the service personnel should be skilled enough to recognise customers who complain just to get compensation; sometimes people are seeking redress if they know that they can achieve something by it (Yuksel *et al* 2006, 20).

A business that can handle customer complaints properly and effectively may actually attract the first dissatisfied customers by turning them into satisfied and loyal customers (Namkung *et al* 2010). This is always better than letting the customer go when they are dissatisfied, as dissatisfied customers are more likely to share their bad experience than the satisfied customers are (Jokinen *et al* 2000, 272). Dissatisfied customers feel that they can get even when they tell others about their dissatisfaction. Managers should pay attention to this as companies may be losing business because of the dissatisfied customers' negative comments. (Yuksel *et al* 2006, 22.)

## 4 From theory to research

It is vital for small tourism businesses to carry out good customer service, as it leads to satisfying customer experiences (Jokinen *et al* 2000, 235). When customers are satisfied with the received service, they are likely to associate with the company again (Viitala & Jylhä 2006, 100); this will lead to long-term customer relationships (Wu 2007, 1526), which are the foundation of all business (Viitala & Jylhä 2006, 98). Small tourism businesses should focus on customer management (Dyché 2002, 4) and staff training in order to achieve good service quality (Butcher *et al* 2009, 389). Great customer service people have great social and communicative skills and realize the importance of first impressions (Jokinen *et al* 2000, 237); however if the customer service people do not have these skills already, they can be trained too (Butcher *et al* 2009, 389).

The advance that small tourism businesses have over large ones is that small businesses are able to provide more individual and tailored services to customers than the large companies (Zeithaml *et al* 2006, 32-3). This is a great benefit, as tourists today are looking for more and more individual services (Lepola *et al* 1998, 10); different customer groups and single customers from varying cultural backgrounds (Forum 24 2010, 23), lifestyles and incomes (Valkonen & Veijola 2008, 19) have differing needs and wishes (Dyché 2002, 7). Services can be made memorable and satisfying (Jokinen *et al* 2000, 235) in small tourism businesses by for example making the customer feel welcome and by using elements from the relaxing and quiet atmosphere (Otto & Ritchie 1996, 168) of rural tourism business locations.

Different kinds of challenging customer service situations are met in customer service work (Jokinen *et al* 2000, 264); basically as every customer service situation is different so is every challenging service situation as well (Viitala & Jylhä 2006, 137). One way of knowing whether the customer was satisfied or not with the service is by collecting customer feedback (Jokinen *et al* 2000, 12). Both positive and negative feedback are important for company's success. Criticising or complaining should be made easy for customers, as they can work as the base for company's improvements and better customer satisfaction. (Sewell & Brown 1990, 40-1.)

When a customer service person faces challenges at work, whether it is a staff mistake (Sewell & Brown 1990, 38-9) or even if the customer is wrong about something (Hämäläinen 1999, 155), there are certain actions that should be taken in the situation. Apologising and fixing the problem as soon as possible are the best ways to cope after a staff mistake (Sewell & Brown 1990, 38-9). When customer is upset or angry, customer service people should listen, ask defining questions and show compassion to the customer. In addition, knowing how to best use your body language and how different communicative types interact will help in dealing with challenging situations (Jokinen *et al* 2000, 264.9.) Customer service person should make sure that their customers never leave the company dissatisfied (Jokinen *et al* 2000, 268) and keep the company's reputation in mind.

Now that the main points of the four main themes of the report - Defining good customer service, the differing needs of customer groups in small tourism companies, challenging customer service situations and handling with challenging customer service situations – are reviewed in the recent tourism literature, the next step is to look at the research methods used and to analyze the study results. To make it easier for the readers to see the links between the theory and the study results, the results are again analyzed following the main themes of the study in the same order as in the theory part.

#### **4.1 Research method**

To begin the study I agreed with the assigner that the study would be conducted in Northern Finland including Oulu and Western Lapland areas. The assigner gave me a list of businesses located in the area that the researcher could ask whether they would like to participate in the study or not. After considering the distances and the amount of businesses in Oulu and Lapland areas, it was decided that the research population could be set as ten small travel businesses in Oulu and areas within 150 kilometres radius from Oulu. This was the area that I could conveniently reach by car with minimum costs, as the transport system does not include routes to all business locations. The sample size was then adjusted to ten participants, which is quite as many small tourism businesses there are located in the sample area. In addition, one tourism busi-

ness located in Lapland took part in the study, as the business owner was visiting Oulu at the time of interviews and she could be interviewed in Oulu.

The study respondents were contacted by email and phone; I first sent an enquiring email and made a phone call within the following two working days to the companies to confirm the interview times. Qualitative research method was chosen as the primary and only research method for the study. Quantitative approach was deemed unnecessary in this study (Morgan 1996, 52).

Qualitative research method was used to collect the data for the study. The interview questions were written out so that they followed the four main themes of the report to match the theory background (see Appendix 13). I decided to use the theme interview technique (Hirsjärvi *et al* 2007, 203), as it seemed the most suitable method for the purpose of this study. It is typical for theme interviews that the themes or main subjects of the interview are set beforehand but the exact shape and sequence of the questions is missing; using theme interviews as study method allows flexibility in the interviews (Hirsjärvi *et al* 2007, 199). I thought that if the questions were not strictly set beforehand it would allow a more open discussion and interact to the interviews.

I wanted to keep the interview questions simple and to the point; the way it is guided in the research literature (Hirsjärvi *et al* 2007, 23). The aim of the study was to find out real-life examples of challenging customer service situations in small tourism businesses. As well as interviewing the business owners and workers all of my visits to the businesses included looking around the area and premises, discussing about tourism business in general. The lengths of visits varied from half an hour to two hours.

It is useful to make a pilot survey on some people in order to detect any ambiguities (Morgan 1996, 57). Once the questions were set for the interviews I ran two experimental interviews - one with a fellow student and one with my family member. The actual data for the research was then collected by interviews to seven small tourism business owners and workers in Oulu and its' surrounding areas within 150 kilometres' reach. In addition, one business owner from Muonio took part in the study. In qualitative research the interviewer is also part of the process. Six interviews were held at

business locations and two in the centre of Oulu. Interviewees are introduced briefly in Appendix 1; however personal information is not presented in this paper in order to preserve the interviewee's privacy, as there are not many small tourism businesses in the sample area.

## 4.2 Reliability

In this study participants' experiences and opinions are very much subject; the data collected stems from participants' personal experiences. Even still the experiences are common for the industry - especially for small tourism businesses in the sample area. More importantly, they are appropriate and useful for the purpose of this study, as the aim of this study was to produce cases to be used at the Service with a heart –training.

Demographic factors (Viitala & Jylhä, 2006, 109) of the interviewees were very similar in the study (see Appendix 1); therefore I did not think that these were the most essential factors to separate in analysing the data. However, as the demographic factors are very similar, it can be concluded that the participants of the study represent the population of the sample area well. Most of the interviewees' opinions were in line with others; there were no huge dissenting opinions found in the study. This is probably so because the demographic factors of the study participants were quite identical. In addition, the sample area is fairly small; most of the tourism businesses participating in the study serve similar customer groups.

Tourism business owners and workers who took part in this study are experts in their own fields of businesses; therefore they can be seen as authorities based on knowledge. As Hirsjärvi *et al* (2007, 19) suggest though, authorities can be wrong. Therefore the study results have been carefully analyzed and have been compared with customer service and tourism literature. The findings in the study mostly agree with literature, which is reasonable, as challenges in customer service is a fairly well studied topic. Another reason for why the study results and literature match is that facing challenging customer service situations resemble the challenging situations faced in all life and other industries than tourism as well.

### 4.3 Criticism of the method used

I was mostly pleased with the method used for the study. In my experience theme interview technique allowed good interaction in the interviews, which made it possible to conduct interviews in good and relaxed atmosphere that was pleasant for both the interviewee and myself. However, like any study, this study is not free of limitations. Every researcher should be critical towards the methods used when doing research (Hirsjärvi *et al* 2007, 22).

I noticed some shortcomings in my method while interviewing tourism owners and workers. I felt that my interviewing technique was improving in the process of interviewing more and more participants. Even though I had carefully selected the questions for the interview and tested interview situations with one family member and one colleague it was not until I had made two or three of the actual study interviews that I felt that I was getting better accustomed in interviewing. Towards the end of the interviews I felt that the interviewing situations were more convenient and relaxed for both me and the participants; I think that my own appearance and behaviour might have relaxed towards the end, which made it easier for the interviewees to discuss the matters more openly.

I noticed that interviewing with a recorder is challenging in a way, because the interviewees tend to speak more carefully when their speech is recorded. Therefore towards the end of the interviews I left the recorder out and simply wrote down notes of the discussions. However whether having the recorder with me or not did not make an alarmingly huge difference in the interviewees openness to talk. I think that other factors such as a person's general openness, whether they are on a good mood or not and their willingness to participate in general were more likely factors to affect the interviewees openness to talk.

Another lack of qualitative study is that the interviewer is part of the process; therefore qualitative study is never fully objective (Hirsjärvi *et al* 2007, 157). Because the researcher is trying to understand the reasons and causes for events and why customers behave in a certain way for instance (Morgan 1996, 55), the study process includes a lot

of mind work by the researcher. The researcher should try to stay as objective to the subjects as possible and not lead the discussions towards a certain, assumed result to minimize bias (Morgan 1996, 55). I think that I succeeded in not leading the conversations quite well; I tried to encourage the interviewees to talk openly but not manipulate their answers.

## 5 Results of the study

To organize the interviews I originally contacted 11 businesses; two of them refused to participate in the study due to lack of time and one business that I contacted did not exist anymore. Therefore the strike rate of interviews was 20 percent and the response rate reached as pleasingly high as 80 per cent (eight out of ten businesses) (Hague 1993, 74-75). Study's *reliability* means the repeatability of the study; whether the study results are arbitrary or if another study that would be done with the same methods would give equivalent results (Hirsjärvi *et al* 2007, 226). In my opinion the reliability of my study did not decrease because of the two businesses' refusals to participate in the study. Another factor that can decrease because of fewer participants than the ideal number is the *validity* of the study; this can lower if the strike rate is very high. Validity is defined as the ability of the research method to measure the issues that the study aimed at measuring; however validity is normally only seen relevant to be analysed in quantitative studies. (Hirsjärvi *et al* 2007, 226.) I think the validity of my study reached a good level, as much as validity can be analyzed in my study that was run by a qualitative method.

Only eight interviews were conducted due to the sparse locations of the businesses; the businesses that I needed to travel to for the interview are located across the area of 150 kilometres radius from Oulu. My initial aim was to organize my schedule so that I could run more than one interview per day in one area; however matching my schedule to the businesses schedules was tricky, as all businesses had their own choirs and weekly routines to run. I wanted to make it as convenient as possible for the businesses to participate in the study and motivate the respondents in answering the survey (Morgan 1996, 57); therefore I had to organize five separate trips from Oulu to the business locations. However I am satisfied with the interview results that I got as after conducting the interviews I had more than ten examples of challenging situations, which was plenty in order to complete my assigner's task – to produce five to ten cases for Service with a heart -training.

## 5.1 Defining good customer service

To begin the interviews I asked the participants to define what good customer service is in their opinion. Some of them found defining easier than others did. The issues that the interviewees relate to good customer service have to do with the customer service people's attitude, behaviour and the way the customers are treated. Some other factors connected to good customer service were also mentioned in the interviews.

“You can be good customer service personnel if you rhetorically follow a pattern but you should also pay attention to the customers' individuality in a way” stated Interviewee 1. Interviewee 6 stated, “One cannot act by following a certain pattern in service” and feels that it is possible to serve customers quite individually in small businesses. This goes hand in hand with Interviewee 4's opinion that serving customers “is not some kind of ways you learn by heart. It should be real and genuine”. In her opinion service should never be faked; the service should always come from the customer service person's heart instead. Service should be personal and holistic from the beginning to the end; this is especially important in small tourism businesses. Offering personal and holistic service is more likely possible in small tourism businesses than in larger ones; it is the key to show the difference between small and large tourism companies.

Interviewee 4 stated that spending time with the customers should be pleasurable, because the customer will see if this is not really the way. Interviewee 8 had a same kind of an approach to what good customer service is. She declared that service with a heart should mean that one has given a promise of serving people. Service people should have a passion and strong interest in serving others as well as towards the work they are doing. Interviewees 7 and 8 both said that good customer service is “people serving people” or “person to a person”. “It helps when you have worked for the same company for years and you already know the customers” said Interviewee 4. Service should be about respecting and considering the other. Like in any communication with others, service people should act the way they would like others to act around and towards them. “Good customer service is considering the customer. That is what good customer service is at its' simplest.” Summed up Interviewee 6.

Four of the study participants mentioned listening to the customer as an essential part of good customer service. Listening includes things such as sensing the customer in a way, sensing the emotional state that the customer is in and noticing the silent signals that the customers give out. Interviewee 4 feels that now that the longer time one has worked in customer service the better they are at reading the silent signals of the customers. “Customer service people need to sense the other persons’ needs, which are often unspoken too,” stated Interviewee 8 who also mentioned the importance of interaction and giving out good first impressions when dealing with customers. “In customer service you need to take in to account different customers’ wishes” added interviewee 5 and continued “You need to sense whether they like to spend the evening on their own or whether they like to have you checking on them every two hours or so to see how they are doing.”

Good customer service is about fulfilling the customers’ wishes and what the customer wants, in other words customers should be offered a package that pleases them. According to Interviewee 5, good customer service is about creating a “good feeling” and holiday spirit to the customers. Using both creativity and talent makes it possible. “It is effective, brisk and real,” said Interviewee 7, adding that customer service should be personal but not take too much of the customers’ time. As Interviewee 8 noted, companies should never promise more than they are able to promise to the customers As Interviewee 3 declared, “The customer is the King, and needs to be treated as one.”

## **5.2 The differing needs of customer groups in small tourism businesses**

When asking the small tourism business owners and employees about their experiences and ability to respond to the differing needs of different customer groups, I again received a variety of answers. Interviewee 1 thinks it is “not too challenging to fulfil the differing needs, because that is the work that we do. If you wish to have a customer, you will have to do everything that is needed to satisfy this customer.” Interviewee 8 on the other hand feels that it is very challenging to consider the variety of needs within customer groups, as the company often has many customer groups visiting simultaneously in the summer and all the groups need to be looked after at the same time. According to her, it is very challenging to serve many different groups and cus-

tomers in a small company that has very little staff. According to Interviewee 6, serving differing groups requires flexibility from the personnel, which can be seen as a challenge.

“Sometimes customers can be very demanding upon arrival” said Interviewee 3 and continued: “In this kind of cases it is important to make sure that all their wishes are fulfilled during the stay; this way people will leave satisfied”. Interviewee 4 talked about the increasing demands of conference customers that she is facing at work these days. According to her, it is not enough for conference customers if the premises are good and the food is good; they are looking for something more. The interviewee said that the difference is made by good customer service; this will bring positive feedback from our customers.

Interviewee 2 has made sure that the products she is selling and access to them is made possible for all customer groups; whether they are children, business groups or people with disabilities. This way every customer can be satisfied and made happy. Interviewee 5 brought out another point about differing needs of customers; how to consider customers who are in very different life situations. He has experienced situations such as for example serving a religious lady who needed accommodation to have a secure “hiding place” because of her violent husband. Another example of varying customers that he has served includes funeral parties, families with teenage kids and fancy ladies from the cities. The different groups need to be treated in their own ways.

### **5.3 Easy customer service situations**

When the interviewees were asked to define what easy customer service is, a variety of easy customer types were brought out. According to Interviewee 4, easy customers are the ones who have a certain child-minded attitude and a good sense of humour; people who work with children for example. She also likes groups of elderly customers: “they are lovely, they sing to you to thank you. It is very easy to cope with them.” Interviewee 6 named bird watchers – a growing customer group in Finnish tourism - as easy customers, as they leave early in the morning and come back in the evening. In the evening they will only need dinner and sauna. “Of course there are easy customers

too” says Interviewee 1, “It is a business traveller who has booked a room and he or she arrives in the reception, takes the keys and wants to know what time dinner and breakfast are served.” This example of an easy customer is a person who travels for work, only needs accommodation and doesn’t ask for or use any extra services or products. Therefore it can be concluded that

Interviewee 8 thinks that for example conveying guides in Oulu area is easy service, as it is normally quite a simple task and does not require using a long chain of middlemen. Her work mainly has to do with selling tourism products and services and not work in face-to-face customer service thinks that it is easier to associate with the customers in a “final situation” when they have already bought the service and are already in the situation than it is to make offers of products and services to companies. A customer who knows where he or she is coming to and knows what to expect” is Interviewee 5’s description of an easy service situation. He states that “a basic or common person arriving here who is all good” is easy to serve. Interviewee 8 discussed the same issues by declaring that situations “where customer knows what they want and we can offer it to them” are easy. These are the normal everyday situation at work. Making sure that the service person knows what the customer wants can be done by asking specifying questions in sales situation according to her. Interviewee 6 points out those situations where everything goes as it was planned are the easiest; however situations quite rarely go by the script and there are often surprises on the way.

Interviewee 4 noted that it is always easier to face a group when the service person has had a chance to talk with them on the phone upon arrival. It is always easier to start the customer service at the venue if the service person has already spoken with the customers; preparing for customers who have booked by email is more difficult. Interviewee 3 simply noted, “When the customer is satisfied, the service situation is easy.”

#### **5.4 The visitors’ attitude and the venues physical environment**

When discussing how challenging situations can be avoided through improved level of customer service, the study participants provided a variety of answers. “The main thing is to get people’s minds tuned on a right level and smiles on their faces, to get them

involved”, notes Interviewee 1. She thinks that meeting her main customer groups’ – children’s – wishes is simple for her. She thinks that there are more challenges when adult customer groups come as a part of their work recreational day. When adults visit the attraction that is mainly directed to children, extra work is required to wake up the adult’s thoughts and find the child-minded side in them; as all people in different ages have it, according to Interviewee 1. Her attraction is all about distracting people from the “real world” and providing them with a fantasy world experience.

“People feel very welcomed and relaxed here. The atmosphere is relaxed.” Declares Interviewee 4. She explains that customers who work in high positions have high expectations about the venue and the service. These people might arrive from the urban areas with an attitude that they are somehow a little better than the rural people. “But in some way our venue melts them.” She says. Customers do not need to play any role at the venue and they can be their own selves there; customers are set free in some way. Making sure that everyone feels comfortable and warmly welcomed at the venue is very important.

Interviewee 8’s comments are in line with the previous participants. “This venue we have is located outside any busy urban areas and therefore customers should be able to relax, take their time and not worry about any strict schedules.” The business owner always tries to encourage customers to enjoy the time they have together at the venue. She thinks that customers’ schedules are often planned very carefully minute by minute, making it difficult for people to actually enjoy it. Instead of worrying about keeping up with the schedule, people should use the opportunity to take it easy. According to her, days off and recreation should not be about performing perfectly but about sharing the moment and experiences. Therefore she tends to advice the customers already in the sales situation that they should not plan the day too strictly; there has to be time for people to sit down and have conversations.

## **5.5 Challenging customer service situations**

When asking about challenging customer situations some interviewees were more open to speak about challenges that they had faced in their work than others. The second

and third interviews were the least productive in this sense. I was left with an idea that the entrepreneurs were not willing to talk about the challenges they had faced at work because it would be bad publicity for their businesses in a way; maybe they gave answers that they thought are socially acceptable, like Hirsjärvi *et al* suggest some people tend to do when interviewed (2007, 201). However, with a little encouragement and specifying questions even Interviewees 2 and 3 could provide me with some experiences they have about challenging customer service situations. All in all, I was pleased to experience more salutary and purposeful interviews later on, as interviewees 1 and 4 to 8 could all give me one to three examples of challenging situations.

For example customers' language requirements can cause challenges in service. Interviewee 1 provided me with a description of this kind of an event that happens the company has faced a few times when dealing with international guests. At the time, information concerning customers' language skills had not been noted prior to departure. The personnel only got to know about the customers' language requirement three hours before the safari departure on a Monday morning; the customer was German while the rest of the group were English speakers and the guide only spoke English. At the point the staff needed to start figuring out a way for the customer to get in to a German-speaking safari group by swapping groups with some customer who speaks English as well as German. The tricky part with this challenge is that group sizes need to be kept, as they originally are, however the challenge was solved at the time.

Another common challenging situation that Interviewee 1 provided concerned the cold Christmas time in Northern Finland. The challenge at Christmas time is children and how to take care of them so that they won't get cold on the safaris. Customers are always given instructions for dressing. They are told that many layers of clothing need to be worn underneath the snowmobile overall, not just a pair of jeans or tights. Silky gloves are neither enough to keep one warm. Also the weather conditions need to be taken in to account when dressing the kids. Children might throw their mittens away in the middle of the sleigh tour when the outside temperature is minus 30 degrees. In fact, these days it has been made a company regulation to have someone looking after the kids on each safari. This person is either one of the staff members, a tour operator representative or one of the parents participating on the tour.

Interviewee 2's experiences of challenging situations were about the parents' of the children who come and visit her attraction. According to her, when adults bring their children in the attraction, they often wish to leave the kids there and leave to do their own things while the children stay in the attraction. "Rather than that I try to convince them to bravely come. There can be surprises inside." Says the interviewee. Yet she understand that sometimes "a mother who spends all her time with the children wishes to have some time for herself without the children, for example to visit a neighbour for a cup of coffee", at the same time she wants to offer the whole family an experience that gives a lot of content to everyday life, meaning that the parents can discuss about the shared experience with their children afterwards. The interviewee feels that there are people who are gloomy and she needs to find ways how to "break the ice" with those kind of people. Quite often she gets to change the adults' minds; they also enjoy the attraction in the end.

When discussing with Interviewee 4, she gave an example of a group leader who obviously had carried out an attitude that the customers were coming from the "city" to see us "hillbillies" to the countryside. This person was speaking and acting very formally, ordering a cheese plate with wine to begin the weekend, "very sophisticatedly" noted Interviewee 4. However after serving the group with a bit of humour and a very relaxed attitude the staff could see a change in the group. "Like always when customers come in, I had my full focus on them and forgot about everything and everyone else in the moment" stated Interviewee 4. She did her best to get the guests to loosen up. According to her, it had been very funny to see the same group leader later on in the same evening after "the ice has melted". This person was sitting on the floor singing karaoke and eating cold Karelian pasty looking very happy and content. "This is an example of how this place melts people" Interviewee 4 commented.

Interviewee 5 simply said that challenging customer service situations are the ones "when a customer is going through a rough time or they are unsure. The challenge here is to get them on a good mood and spirits." He also pointed out that for a small company like his company it is vital that events are successful and customers leave satisfied, although he thinks that not every customer can be pleased.

Arranging weddings is often challenging according to Interviewee 6; the biggest challenge with them is that the wedding couples very often want the ceremony to be held outdoors. Predicting the weather is never easy, even how closely one follows the weather forecasts. We need to have a space indoor that can be used in these cases. Another challenge is diets, as Finnish customers often have very specified diets. “It can be challenging especially if the customers only inform us about their diets when arriving here” noted the interviewee. Another example of challenging service to do with dining is with Russian clients, said Interviewee 6. This bases on the differences between the Finnish and Russian culture; Russians are not used to serve food in a buffet. When Russians dine, they normally place all the dishes in the middle of the dinner table and share the dishes. Therefore, when a buffet is set up on a separate table and the Russian customers sit in another one, they tend to carry a lot of extra food on their dinner table and not finish most of it. A lot of food goes to waste. As a solution to this problem, Interviewee 6’s business has started serving food to Russians in a way more close to their own dining habits.

Another example given by Interviewee 6 was about damage to the premises. The company’s barn – which is where the dancing takes place at events - burned down in the summer just before the summer’s most important event. The fire happened on a Monday and there was a wedding booked for the Saturday. So the first thing to do was to get rid of the ruins of the barn quickly and to clean the yard. The staff also needed to make a new plan for where the dancing could take place instead. In the end they decided to hold the dancing in the dining room just by arranging the seating order and tables in a different way.

Interviewee 8 discussed a challenge when selling attraction visitor packages to companies. The idea is that the customers would only associate with the selling part in the sales process; instead they often get in touch with the attraction as well. As the interviewee represents a different part of the selling process than the attraction, it can cause misunderstandings for the customers and the attractions’ staff. Further on, miscommunication makes the different parties perplex and frustrated. It makes the situation very complex. According to Interviewee 8, it is always a disappointment if the cus-

customer is not happy with the offer that she is trying to sell to the customer and do not accept it. Therefore service people should always know what the customers' wishes are in order to make them come true. "There can be problems when the customer is different from the order", she states. If there are many middlemen in the sales process or there are two "product lines" – such as production and implementation or sales and subscriber, it is more likely that problems will occur.

In addition to these examples of challenging customer service situations, ten other cases are introduced in the Appendixes 2 to 11. As well as the cases above, the ten cases that I have written in a task form are all real-life examples collected in the interviews. The tasks (Appendixes 2 to 11) as well as some additional notes on Appendix 12 are produced for the Service with a heart -training. As agreed with the assigner and the supervisor of the thesis, these are all written in Finnish as Finnish is the language used at the Service with a heart -training.

## **5.6 How to handle challenging customer service situations**

"Every challenging customer situation is its' own kind and it is all up to the situation how they should be dealt with", says Interviewee 1 and continues: "If there are challenging customers then you just need to find a solution for the situation," Some examples of challenging situations that the study participants have experienced were introduced in the part 5.3 of the report. These situations were solved by varied methods. In this part some general advices on how to deal with challenging situations are presented that the study participants discussed in the interviews.

According to Interviewee 1, giving guidance on how to deal with situations that do not happen often is difficult. Case 1 that is introduced in Appendix 2, in which a drunken celebrity grabbed the waitresses' bum, the situation was solved by the waitress's professional acts. If you think of it in a general level the waitress could have taken the situation as an assault, she could have just given an angry face to the customer and left the situation without solving it. "Losing your temper is never good in customer service," the interviewee adds.

I asked Interviewee 2 about the methods that she has used in getting adults to join their children at the attraction. “I try to invoke the parents’ feelings I suppose, after all it is only a small period of life that one hour, so I say ‘don’t waste it, come to us’” she told me and added that it is no use to stress about whether the parents join the children or not, she just hopes that parents realise her point. All in all, she knows that everyone decides for himself or herself. To start with, the service people have to know the customers wishes and the customers have to know where they are coming to when arriving at the attraction. Interviewee 2 also pointed out that when facing a challenging situation, listening to what the customer wants is important. Meeting their needs and little by little trying to add one’s own opinions in the conversation can lead to a good solution.

Interviewee 5 knows that there are three things to use in a situation where the customer is upset or down and they need to keep getting to a better spirit: alcohol, sauna and conversation. “Normally if I sense that the customer is a bit uptight or tensed, I could for example take them to the bar and offer them 2 cl of some local chilli liqueur or other. In ten minutes they would already have a better attitude towards the whole situation,” he said. Even though he thinks that different customer can be satisfied with different methods, service people need to show customers the way to a good mood. Another thing that he pointed out in the interview is that it is important to lead the customer and be on top of the situation.

According to Interviewee 6, service personnel should never give up in challenging situations. She explained this by an example “just like us, we were considering cancelling that one wedding when the barn was burned down. But instead of cancelling, things just needed to be sorted out in the space that we had.” She also realises that sometimes in challenging situations the customer might have expected to receive something very different to what they actually got. In situations like that, talking is normally the best way to find a solution.

“Stay calm and be patient,” is Interviewee 7’s advice on challenging customer service situations. In her opinion, even if there has been a conflict situation it should be ended in a way that is best for the customer. It is also important for the service person to

process the situation afterwards and take her or his mind off it. She thinks that good way of looking at challenging or disappointing events is thinking that “work is just work”.

Also Interviewee 8 advises to keep calm in challenging situations. She notes that in general in customer service it is important to be there for the customer, make sure that the customer knows that they have been expected as well as make them feel welcome and cosy. She wishes to give customers a feeling that they belong to the venue. The customer should feel good and warm in the heart. It is important that people can act the way they are at the venue.

Also Interviewee 4 discussed the importance of service person’s ways to make the customer feel comfortable at the venue. “I think it is important to be you and not speak formally,” she points out. She thinks that using a suitable amount of humour can be good; it often makes people relax. Also using things like telling the venue’s original story can relax the atmosphere; people enjoy listening to them. The interviewee thinks that in rural tourism companies’ customer service is the most important thing. In addition to that she states, “The workers’ personality is very important. It is the faces and personal touch behind the business, the people who make the company.”

## 6 Discussion

The aim of this study is to collect real-life examples of challenging customer service situations in small tourism businesses that are located in Oulu and its' surrounding areas. According to the assessment set by the Tourism Theme Group the goal is to produce 5 to 10 cases of challenging customer service situations that will be used at the Service with a heart –training, which is targeted at small tourism businesses that have chosen customer focus as their strategic option. The training focuses on improving rural tourism businesses' customer knowledge, customer service skills and customer satisfaction in order to help the businesses to gain competitive advantage. The Tourism Theme Group developed the training in 2000. (Maaseutumatkailu.fi 2010.)

The results of this study agree well with the previous theories written on the subject. This comes as no surprise, as challenges in customer service are a quite well studied area within many different industries in varying areas of life. Therefore the experiences of small tourism business cannot really disagree with theory, the business owners were only providing varying examples of challenging situations they have met in customer service work. All in all, ways to deal with challenging situations in every-day life can also be applied to challenging situations in customer service in small tourism businesses. Tourism work is holistic; coping in all customer service situations depends a lot on customer service person's skills, personality, habits and experience. (Veijola *et al* 2008, 51.)

Some very interesting points about customer service and dealing with challenging situations were made in the interviews. Topics that were brought out by more than one interviewee include the importance of the venue and the surroundings, the essence of making the customer feel relaxed, comfortable and welcomed at the venue as well as the importance of the customer service person's personality, experience and abilities to cope with varying challenges that are met in work. In fact, small tourism businesses should pay attention to these factors in particular in order to succeed in creating pleasurable customer experiences and to avoid challenging customer service situations in the first place.

## 6.1 Good customer service to match the differing needs of customers

The starting point of good customer service is meeting the customers' expectations, as it was mentioned in Interviews 4, 7 and 8. As interviewee 8 pointed out "we never promise more than we can promise"; the customer gap (Zeithaml *et al* 2006, 33-4) should always be closed so that the customers' perceived service matches the expectations him or her had towards the service. Both Zeithaml *et al* (2006, 42) and Interviewee 8 have stated that over promising is never good. As Zeithaml *et al* note, a service company should always be able to keep the promises that they have made through advertising. This idea is discussed in Case 6 (see Appendix 7) of managing the company on the quiet business days in the end of the season. If the advertisements of a business claim that the business is open until the end of September for example, business should really be run until the end of the month. This can be difficult to arrange in small tourism businesses if the business owners live far from the venue or have other duties to run already at the end of the season. However, keeping the promises made to the customers is essential; therefore managing the quiet business days should be arranged. A company that keeps the promises made is likely to offer satisfying customer experiences and therefore can achieve long-term customer relationships, which again are keeping the business going.

Interviewee 4 noted the increasing expectations that the conference clients have towards customer service. According to her, it is not enough that the customer service is good; the customers are expecting to get more than good. The high requirements for good customer service today are also discussed in the customer service literature (Leppola *et al*, 1998, 16; Jokinen *et al* 2000,10). As claimed by Viitala and Jylhä (2006, 97-8) and Dyché (2002, 4) companies should make their best to please customers. This agrees with Interviewee 1's statement that "anything needed should be done in order to sell products" and Interviewee 2's comment that "the customer is the king". It may be that as customer service personnel are more and more educated these days, customers are demanding for better customer service. In my opinion good customer service should also be demanded, as workers have the abilities and skills to carry out excellent service. Companies should also pay attention to the level of customer service and regu-

larly train their staff to better and better customer service; good customer service should not be thought as being self-evident.

Interviewee 8 pointed out a valuable point about first impressions. According to her as well as Jokinen *et al* (2000, 102; 236), if the first impression is good, the customer is more likely to accept small anomalies in the service later on. Therefore customers should always be met and greeted warmly when they arrive at the premises; this can be a way to prevent challenging service situations. Jokinen *et al* (2000, 237) highlight the important role of social skills in customer service. In solving the challenging customer service situation in Case 2 (see Appendix 3) waitresses' social skills definitely played an important role. Both the theory (Launonen *et al* 2009, 15) and interviews (Interviews 1,4 and 8) also pointed out the importance of knowing how non-verbal communication affects the customer service situations and how the customer's silent signals should be noticed.

Another important fact is that service people should be motivated to work; moreover they should have a desire to serve (Interviewee 8). Also Veijola *et al* (2008, 51) discuss the importance of service people's will to serve. As mentioned in Interviews 4 and 8 as well as by Jokinen *et al* (2000, 235) workers' lack of motivation can be easily sensed in service situations. This can lead to customer dissatisfaction and will overall weaken the company's reputation.

Even though Viitala and Jylhä (2006, 95) mention that key customers are the most valuable to the company, it is somewhat contradictory in Interviewee 2's business. Her key customers are children, as they are the target group for business. However adults need to be pleased and satisfied with the service too, as they are the once who bring the children in to the attraction and pay for the service. Therefore it can be noted that in Interviewee 2's business key customers are children, but their parents are in fact are the most valuable customers to the company.

Factors mentioned in both the theory and interviewees include tailoring products and the need for flexibility in customer service (Jokinen *et al* 2000, 10; Zeithaml *et al* 200, 16; Interviews 6, 7 and 8 for example). Today's customers want them to be treated in-

dividually, as they all have differing needs and wishes (Dyché 2002, 7). Interviewees 1, 6, 7 and 8 discussed the importance of sensing the individual clients' needs and wishes, which are also pointed out by Veijola *et al* (2008, 35). In order to provide pleasurable tourism experiences to the customers, customer service personnel should know what the customer wants. If the customers expectations can be exceeded, even better.

Interviewee 5 pointed out that customers coming from different life situations have very differing needs, whether the customer is a woman needing a "hide away spot" when escaping her violent husband or it is a group of sophisticated urban people visiting the countryside. As Veijola *et al* (2008, 58) declare it is required to recognise the customers' different backgrounds in order to "edit" the tourism product or service to respond to the customer's needs and wishes. Also the customers' lifestyles and incomes often differ (Valkonen & Veijola 2008, 19). As mentioned by both Interviewee 5 and Jokinen *et al* (2000, 235), no matter whom the customer is or what their background is, every customer service situation should be made memorable to the customer. Tourism customers today are more and more heterogeneous, which can be seen either as a challenge or an enriching factor in the industry.

Zeithaml *et al* (2006, 32-3) claim that managing small tourism companies is as complex as it is to manage larger companies for example hotel chains such as Hilton or Radisson, even though people tend to think that smaller businesses are easier to run. However, the study results show benefits of running a small tourism company. Interviewee 4 stated that it is a lot easier to provide holistic, real and genuine service in small tourism companies than it is at larger companies. As the interviewee states, the small company size enables owners and workers to run genuine and real service. This idea is also represented by Zeithaml *et al* (2006, 32-3) in the example of a small Island Hotel in Florida.

"Small is beautiful"; customer service is operated by a small number of staff and therefore customers will associate with the same people whilst staying in the business. This creates a homey feeling to the customers and enables to create close customer relationships. As small tourism businesses can offer closer and more intimate service than the larger tour companies (Yagil 2008, 146; Interviewees 4 and 8), it should also be easier

for small tourism business owners and workers to face challenging customer service situations than it is for larger company workers.

On the other hand, as mentioned by Interviewee 8, arranging work schedules on busy days can be challenging and need to be planned carefully beforehand so that they can be run smoothly. This is typical to small businesses, which employ a small number of staff. As stated by Chi and Gursoy (2009, 245-6) in small companies where the staffs often work closely with the management, managers need to make sure that employees are satisfied. This is a valuable point made; when the staff numbers are low, each worker's contribution is important. Therefore all workers should be pleased to be working for the company.

## **6.2 From easy to challenging customer service situations**

As pointed out in the service literature (Jokinen *et al* 2000, 264) as well as by Interviewees 1, 4 and 6, easy customer service consists of the normal, routine service situations in which service personnel can follow a particular code or pattern to deal with customers. However the interviewees also noted other issues related to easy customer service. Interviewee 4 for example thinks that customers who are easy to serve are those child-minded people and people with a good sense of humour. This seems to be the way in tourism; customers should be able to relax and enjoy the tourism experience.

As Interviewees 4 and 8 pointed out, ideally customers would "loose their masks" at the tourism venue and they would be able to meet the other group members as well as the service staff without prejudices. Small tourism business customers should be encouraged to take their time to meet one another, to discuss freely and relax without hurrying up according to a beforehand set-up, strict schedule. For example the venue and the atmosphere can help in creating this comfortable feel to small tourism business customers. As Otto and Ritchie (1996, 168) point out, the physical environment pays an important role in customers' experiences and satisfaction to tourism services.

As Interviewees 5 and 8 discussed, easy customers are those who know what the company has on offer, they know and tell what they want and the business can offer it to

them. In other words, filling the customer gap (see figure 1) is what both the customers and the service people are looking for. As Interviewee 8 pointed out, middlemen in the process can cause problems; easy customer service is the situations where you deal straight with the customer.

Interviewee 1 thinks that easy customers are for example businessmen, who only need accommodation for the night and are happy with the basic product. They represent the easy, pleasurable customers who in my opinion are the “base of all business”. However easy these customers are, in order to make business profitable selling of extra products and services is essential and should not be forgotten. On the other hand, as Interviewee 6 claimed, there are often surprises in service situations that are hard to predict. This sounds very reasonable as tourism services are offered to people by people and not by robots or machines. When people interact, unpredictable things can happen.

All in all, I was pleased to see that most of what the interviewees said about easy customer service matches with the theory. The interviewees’ opinions also agreed with one another. As Interviewee 3 and Sewell and Brown (1990, 40) all suggest, the aim of all customer service is a satisfied customer; when the customer is satisfied, the service situation is easy. Even dealing with demanding customers (Viitala & Jylhä 2006, 137) such as the cancer patient’s family member in case 8 can be turned in to easy satisfying solutions (equal easy service) when they are dealt with professionally and all the customers’ wishes and demands are fulfilled.

Interestingly, when asking the interviewees about challenging situations, all participants seemed to interpret “challenging situations” in different ways. All examples of challenging situations were different and of varying points of view. This is logical though, as the answers given in the interviews were basing on each respondents’ personal work history and experiences; what they experience in their everyday work is what they pay attention to and these are the experiences they also shared in the interviews. I was glad to hear that all the study participants thought that challenging customer service situations is a normal part of the tourism service job and they did not think that challenging situations are something very rare and abnormal. Again, most of the results of the

study agreed with theory but there were few small exceptions between the two that are introduced in the next paragraphs.

Understanding different cultures is important in making the service satisfying to the customer (Forum 24 2010, 23). As Interviewee 6 mentioned, Russian customer's dining behaviour differs from the Finnish traditions. Therefore compromises need to be made; Russian customers will have table service at dinner whereas customers from other cultures will still have buffet dinner. Otherwise the Russians would waste too much food, as they are not used to buffet service. Even though it is important to consider the different cultural backgrounds of customers (Yuksel *et al* 2006, 11), also the Finnish customer's varying diets have caused challenges in service, noted out by Interviewee 6. Therefore it is good to remember that even though cultural differences can cause challenges, there are also challenges within the Finnish customers.

The French Drama (see Appendix 2) could have been caused by cultural differences, which I doubt though. As Menon and Dubé (2004, 236) suggest, challenges in multi-international service environment can happen because gestures and facial expressions are understood in different ways in different cultures. Maybe the French Client is a person who is used to dealing with challenging situations so that she gets away with her stubbornness and resistance to pay for damage she admits being responsible for. It did not necessarily have anything to do with cultural differences or even differences within subcultures.

As the European population is going through a change with the estimated increase of life expectancy, tourism industry needs to prepare for it. For instance, a growing number of disabled customers will soon be seen in tourism premises. (Strietska-Ilina & Tessaring 2005.) As interviewee 2 stated, service premises should be made acceptable for all. This is an important challenge that should be kept in mind; other possible challenging customer groups met in small tourism businesses are named in the Appendix 12. The needs of these groups should be accounted.

Tourism customers often indulge alcohol on holidays and events. Even though Interviewee 5 likes to offer customers alcohol to make them more relaxed (see p. 41), alco-

hol often triggers misbehaviour (Yagil 200, 146), as seen in Case 2 (see Appendix 3). Customers misbehaviour or bad mood can cause challenges in customer service situations, as the customers' mood and behaviour often influences the other customers and service people in the same service environment (Zeithaml *et al* 2006, 65). An example of this kind of challenging situation is presented in Case 3 (see Appendix 4), in which the bride's bad mood affected everyone at the wedding, as well as made the service providers think that she was not satisfied with the service. As stated by Zeithaml *et al* (2006, 65), customers' bad mood is often seen as dissatisfaction towards the service.

When talking about handling with challenging customer service situations, service industry authors seem to concentrate a lot on dealing with complaining and dissatisfied customers or staff mistakes that bring challenges to businesses. For instance, Sewell and Brown (1990, 38-40) discuss the importance of finding out what went wrong in a situation when a challenging situation was caused by staff mistake; this way it can be made sure that the mistake will not happen again in the future. Interviewee 1 pointed out that after what happened in Case 1 (see appendix 2) with the French client who was not willing to pay for the damage that she admitted having caused for a snow mobile, the staff in this case did exactly what Sewell and Brown suggest should be done; as Viitala and Jylhä (2006, 241) claim, every problem-solving case should be seen as a learning situation.

As authors suggest, mistakes are inevitable in services performed in the customer's presence. At the same time, mistakes should not be afraid of, as they show what is being done wrong and how a company could improve their functions. (Hart *et al* 1993, 255; Namkung *et al* 2010) This is a good point to make especially in the case of small tourism businesses, which may often be afraid of mistakes. Business owners and workers should think that mistakes are a learning point and not necessarily a bad matter. Another thing that is pointed out by both the literature (Hämäläinen 1999, 155) and Interviewees (1 and 5) is that staff members need to use creativity and flexibility in dealing with challenging situations. As Jokinen *et al* (2000, 268) and Interviewee 1 have remarked, a good customer service person will never let the customer leave the business dissatisfied. In Case 1 (see Appendix 2), the company's owner showed strong

dedication towards her work, as she was patiently dealing with a challenging situation on a Boxing day.

Customers are expecting service providers to support both their positive and negative emotions. Moreover, studies have shown that responding to customers' negative emotions is even more important than responding to positive feelings. (Menon & Dubé 2004, 229.) Maybe it would have helped to know this in Case 3 (Appendix 4) in which the bride seemed dissatisfied and unhappy. Whatever the reasons for her unhappiness were, she might have appreciated if the service staff had responded to her negative emotions differently than they did. Perhaps she would have needed support in a stressful situation like the wedding, but was not directly asking for support. In this case talking with her could have helped; however, as an outsider, it is impossible to know what went on in the situation.

Both the literature (Jokinen *et al* 2000, 269; Hämäläinen 1999, 63) and the Interviewees 1, 7 and 8 underline the importance of staying calm in challenging customer service situations. Customer service personnel have to leave their feelings out in the service situations; there is no point of getting fired up even in a provoking situation. Other things highlighted in both the literature and the interviews include the importance of active listening (Launonen *et al* 2009, 16; Interviewees 1,4 and 8), customer service person's ability to read the silent messages of customers (Menon & Dubé 2004, 230; Interviewees 1, 4, 7 and 8) and giving out a good first impression that helps in dealing with challenging customer situations, as remarked by Interviewee 8 and Jokinen *et al* (2000, 269) when it comes to dealing with challenging situations.

Launonen *et al* (2009, 18) stress that communicating is often the easiest when the interacting people's communicative styles are alike. As Interviewee 7 remarked, a challenging situation can be caused by misunderstandings in the service situation. In a situation like Case 5 (see Appendix 6), it is important to remember that one is only able to change their own communicating and by changing it him or her can try to affect the other interactive parts communication (Launonen *et al* 2009, 18). Customer service people should adjust their behaviour to match the customer's behaviour in these kinds of situations and not wait for the customer to change theirs.

Challenging situations when a customer enters the service person's intimate space (Launonen *et al* 2009, 15-16) without asking for permission are one of the riskiest situations in a sense that customer service person would fail in dealing with the situation so that the customer is left satisfied to the situation. Even entering this intimate space without asking permission should never be accepted from anyone but because of the nature of service situations the service person cannot really upbraid the customer strongly for their unacceptable behaviour. Dealing with these situations is difficult; some people are simply more sensitive about their intimate space than others. The waitress handled this kind of situation in an exemplary way in Case 2 (see Appendix 3) so that the situation was ended professionally.

Even though Yagil (2008, 143) claim that sexual harassment is met in many service encounters, the example of the Drunken celebrity was the only one noted in this study. Sexual harassment cases may not be very often met in small tourism businesses in the sample area. Examples of the most extreme cases, in which customers behave threateningly or violently, were neither brought up in the interviews. However, it is good to prepare the staff members for these unfortunate situations in the ways suggested in the literature. Staff safety should always come first. (Yagil 2008, 145-50.) In my opinion, staff safety training should be an essential part of all businesses' functions, no matter the size of the business.

After dealing with a challenging customer service situation it is important to go through the situation and then let go of it in your mind, declared Interviewee 7. According to her, there is no point in keep pondering on the situation but rather put the often not so pleasurable situation behind you and focus on the future events at work. Her advice goes hand in hand with Yagil's (2008, 148) recommendation that after handling a challenging situation, the customer service person should progress the situation in order to be able to forget it. He notes that team spirit and support are needed at this stage; also Interviewee 7 pointed out that it helps in getting through challenging customer service situations if you work in a great team that supports you.

### 6.3 Stay calm even when the customer is wrong

The customer is not always right because they might have misunderstood something. Even in cases like this the customer service person should stay calm and deal with the situation professionally. (Jokinen *et al* 2000, 270.) As pointed out by Interviewee 8, a service person should act subtly in this kind of situations. To reach the best solution for the situation, a service person should try to carefully discuss with the customer and try to lead the conversation towards the most valuable solution. Interviewee 2 claimed that finding a good solution in a challenging situation can be achieved by meeting the customers' needs and little by little trying to add one's own opinions in the conversation. Interviewee 6 advises to never give up in challenging customer service situations. Again, this agrees with what authors Jokinen *et al* (2000) and Hämäläinen (1999) have claimed.

Customer service people should always act in a way that benefits the company's reputation; challenging situations should be turned in to satisfying solutions that serve the company's interest. (Jokinen *et al* 2000, 270.) In Case 9 (see Appendix 10) for instance many customer groups are served simultaneously. When many customer groups need to be accounted at the same time, all of them should be served in a satisfying way. This can be challenging, however it is one of the characteristics of service work and tourism workers should be able to cope with these situations. As Namkung *et al* (2010) state, a customer service person should try to turn even the dissatisfied customers into satisfied and loyal ones. Even though the company's reputation should be kept in mind, situations should also end in a way that is the best for the customer, as Interviewee 7 remarked.

Humour can be sometimes used in solving challenging situations in order to release tenseness (Launonen *et al* 2009, 11), as it was done in Case 2 (see Appendix 3). However, it does not suit every situation; angry customers should not be faced jokingly (Interviewee 1; Launonen *et al* 2009, 11). The use of language should be careful in sensitive customer service situations such as when serving an ill customer (Interviewee 4; Launonen *et al* 2009, 11).

#### 6.4 Recommendations for future study and development

As a result of this study, 10 cases and additional questions were produced to be used at the Service with a heart –training. These cases are introduced in the Appendices 2 to 12 of the report. The cases will be added to the training’s website. In addition to the cases produced, it would be very recommendable for all small tourism businesses to begin running a customer feedback system. According to study participants, most small tourism businesses do not have a consistent feedback system. They should have the system though, as collected customer feedback can work as a foundation of planning for future actions in businesses (Jokinen *et al* 2000, 12).

It is also recommended that tourism service providers make it as convenient and easy as possible for the customers to give the company feedback, whether it is positive or negative (Sewell & Brown 1990, 40-1). As a customer complains, the way the complaint is handled actually becomes more relevant to the customer’s satisfaction to service than the initial reason for complaining (Goodwin & Ross 1990, cited in Yuksel *et al* 2006, 18-19). This idea also applies to challenging customer service situations, as with demanding customer service situations that are well handled (see Case 8 in Appendix 9) or when dealing with the drunken celebrity in Case 2 (see Appendix 3). Small tourism businesses often start running a customer service feedback system after participating in a customer service or quality training. However maintaining the feedback system often stops after a while if no external partner is making sure that the business is still collecting feedback.

Other suggestions for future study are to study the connection of education and the ability to cope with challenging customer service situations. I did not feel that it was relevant to find this out in order to fulfil my task to produce the cases for the Service with a heart -training, but it would be interesting to know if there is a connection between the two. My hypothesis is that there is a connection; I would like to think that the more educated a person is in customer service the better their knowledge in how to deal with challenging situations is. If the study results would show a positive connection between these two factors, it would be likely to encourage also small businesses in participating in trainings such as Service with a heart.

## 6.5 Analysing of the thesis process

The thesis process has been a good learning experience for me. As the purpose of writing thesis for students is to demonstrate how the knowledge acquired during three years of studies can be used in expert assignments, it is also essential to analyze the success of the thesis process; learning and progresses made throughout the process as well as the mistakes and drawbacks faced in the process.

Planning the thesis process was fairly easy in my case, as I had chosen to write the thesis fulltime in a period of two months. I was lucky to find a subject that interested me. Challenging customer service situations were already familiar to me from previous work experience; I find the topic interesting but challenging at the same time. After the topic and assignment was agreed with the assigner, I started gathering sources to use at the literature review and planning the interviewing process. After carefully getting to know the customer service literature I chose the four main topics that I would concentrate on in my thesis, challenging customer service situations being the main topic.

Conducting the survey went quite smoothly again; I was pleased to meet 8 out of 10 respondents willing to participate in the study. Setting up the interviewing schedule was a bit tricky as the small tourism businesses in the sample are located around the area. However, I managed to run the interviews in a period of two weeks. I did find some lacks in my interviewing methods and the chosen study method as well; these points can be found at chapter 5.2 of the report.

After conducting the interviews it was time to analyze the results and compare the results with theory. In one hand I was happy to find many similarities in the interviewees' comments and the theory; on the other hand I was little disappointed that the interviews did not bring out much to add to the theory. Although challenging customer service situations is quite well studied topic; the advice on how customer service people should act in challenging situations is the same ones that apply to all life. Therefore it was not surprising that I did not find any major new outcomes in the study.

All in all the thesis process helped me in learning how the theories that I have acknowledged during my tourism studies can be linked to practical work and the other way around. Interviewing the business owners and workers was very interesting and it expanded my understanding of how small tourism businesses function and the ways that small tourism businesses are managed. Challenging customer service situations are met in all tourism work; therefore knowing about them will help me in dealing with the situations as well as it definitely broadens my knowledge in my personal professional tourism expertise.

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## Appendices

### Appendix 1. Research participants

Eight business owners and managers took part in the survey. They included:

Interviewee 1: Woman, age 50-60, family business owner in a business offering multiple travel services

Interviewee 2: Woman, age 50-60, owner of a one-woman's-company, on sickness pension

Interviewee 3: Woman, age 60-70, owner in a business offering accommodation, catering and event services

Interviewee 4: Woman, age 30-40, CEO in a business offering multiple travel services

Interviewee 5: Man, age 50-60, family business owner in a business offering accommodation, catering and event services

Interviewee 6: Woman, age 40-50, family business owner offering multiple travel services

Interviewee 7: Woman, age 40-50, employee in a company offering multiple travel services

Interviewee 8: Woman, age 50-60, family business owner in a business offering multiple travel services.

## Appendix 2. Theme Interview Questions

The interview questions were structured according to the four main themes of the thesis.

1. Defining good customer service
  - a. How would you define 'good customer service'?
  - b. Which qualities are needed in customer service work?
  - c. Which skills are needed in customer service work?
  
2. The differing needs of customer groups in small tourism companies
  - a. How challenging do you find it to fulfil the differing needs of different customer groups?
  - b. How challenging do you think it is to be serving many groups simultaneously?
  
3. Challenging customer service situations
  - a. How would you describe easy customer service?
  - b. Can you give an example of an easy customer service situation?
  - c. How would you define challenging customer service?
  - d. Can you give an example of a challenging customer service situation?
  
4. Handling with challenging customer service situations
  - a. How did you deal with the challenging situation/s described in the previous question?
  - b. Can you give some general guidance on how to deal with challenging customer situations or challenging customers?
  - c. Is there something a company can or should do in order to prevent challenging customer service situations?